



END CHILD & FAMILY POVERTY IN CANADA

Summer 2010

## Campaign 2000 Federal Lobby 2010

### Part One

#### What Are We Doing?

We are currently organizing a national campaign to remind MPs of all political parties of their resolutions of November 24, 1989 and 2009 and to urge actions that must be taken to accomplish this.

*“That, with November 24th, 2009 marking the 20th anniversary of the 1989 unanimous resolution of this House to eliminate poverty among Canadian children by the year 2000, and not having achieved that goal, be it resolved that the Government of Canada, taking into consideration the Committee’s work in this regard, and respecting provincial and territorial jurisdiction, develop an immediate plan to eliminate poverty in Canada for all.”*

**This lobby should help to inform and influence Members of Parliament and encourage them to support Campaign 2000 messages in the next budget and the next election.**

#### Why Now?

**In the past several years, poverty reduction has risen on the public agenda as six provinces and one territory have, or are developing a plan.** Recently, NDP MP Tony Martin (Sault St. Marie) introduced his private member’s bill, Bill C-545 *An Act to Eliminate Poverty in Canada* which received first reading on June 16. Martin’s leadership with support from Liberal MP Mike Savage (Dartmouth-Cole Harbour) and Bloc Québécois MP Yves Lessard (Chambly-Borduas) is particularly encouraging to those of us in communities across the country who work tirelessly, day in and day out to raise awareness about poverty and propose doable solutions. The excellent 2009 Senate report, *“In from the Margins: A Call for Action on Poverty, Housing and Homelessness”* makes strong recommendations that support Campaign 2000’s directions and the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities is expected to report on its study of the federal role in poverty reduction in September.

**At the same time, more than 600,000 children - almost 1 in 10 – still live in poverty in Canada (2008 LICO after-tax).** That figure does not reflect the impact of the economic disruption. And 4 out of 10 low-income children live in families where at least one parent worked full-time all year yet remained in poverty. It is clear that much work needs to be done to both improve the labour market and to improve income security programs and essential services. The federal government needs to continue its key role in social policy in Canada; this role must be enhanced if substantial progress is to be made on reducing and eventually eradicating poverty.

#### What Is Our Message?

Canada can do much better and the federal government must resume its leadership. **Support Bill C-545** which obligates the federal government to eliminate poverty and promote social inclusion by establishing and implementing a strategy for poverty elimination in consultation with the provincial, territorial, municipal and Aboriginal governments and with civil society organizations; **also vote for Bill C-304** *An Act to ensure secure, adequate, accessible and affordable housing for Canadians*. The federal government’s role is to work with provinces/territories to prevent and address poverty; this role is historic, current and desired by large numbers of Canadians. We have significantly reduced poverty among seniors and we can do the same for all.

#### How Can You Make a Difference?

We are asking you to join one of our lobby teams to approach your local MP and others in nearby ridings. Please arrange a meeting as soon as possible and before the House of Commons reconvenes in September. We will provide a resource kit of information as well as support and contacts with other people in your riding. Please add your local examples to this material.

#### How To Contact Us?

If you have any questions about the lobby please contact:

- Liyu Guo at [liyugu@familyservicetoronto.org](mailto:liyugu@familyservicetoronto.org) or by phone at: 416-595-9230 x244
- or
- Michelle Sinardo at [michellesi@familyservicetoronto.org](mailto:michellesi@familyservicetoronto.org) (until Aug. 6) or
- Karie VanderBroek at [karieva@familyservicetoronto.org](mailto:karieva@familyservicetoronto.org) (until July 31).



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## Part Two

### Campaign 2000 MP Constituency Lobby

#### Objective:

- To get each political party to commit to support Bill C 545 which obligates the federal government develop and implement a strategy to eradicate poverty in Canada and Bill C-304 An Act to ensure secure, adequate, accessible and affordable housing for Canadians
- To get a 'down payment' on poverty eradication in the 2010 federal budget
- To ensure that poverty reduction is part of the election platform of each political party in the next election expected within 6 – 12 months.

#### Key Message

**Child and family poverty persists in Canada despite an unprecedented period of growth since 1998. Almost 1 in 10 (606,000) children lived in poverty (2008 LICO After-Tax). Poverty impacts everyone, not just those living in it.** It is estimated that poverty costs Canadians between 24.4 – 30.5 billion dollars in terms of health care, crime, intergenerational poverty and lost productivity. In order to fulfil its international commitments and its resolutions in the House of Commons, the federal government must:

- **Create an effective child benefit system** that provides enough support to keep working parents out of poverty, and that is not clawed back from social assistance recipients. First step is to increase the child benefit to \$5,400 to assist parents with the cost of raising a child.
- **Raise minimum wages**, increase the availability of good jobs at living wages, facilitate inclusion of immigrants, and provide better protection through Employment Insurance.
- **Re-assert federal leadership including significant federal funding to provinces and territories for a publicly-managed universal early childhood education and child care system.**
- **Pass Bill C-304, the *Secure, Adequate, Accessible and Affordable Housing Act*.** This Act would compel the Minister responsible for National Mortgage and Housing Corporations to engage with provincial, territorial, municipal governments and the non-profit and private sectors to create a national housing strategy that reflects the needs of local communities. **Also Support Bill C-545 *An Act to Eliminate Poverty in Canada*** which obligates the federal government to eliminate poverty and promote social inclusion by establishing and implementing a strategy for poverty elimination in consultation with the provincial, territorial, municipal and Aboriginal governments and with civil society organizations;
- **Improve access to post-secondary education by increasing the student financial aid package**, allocating a higher proportion of aid to needs-based grants and work with the provinces and territories to reduce financial barriers.



**Part Three**

**Summer 2010 Lobby Background Speaking Points**

**THE NUMBERS**

**(A) Current Numbers on Child Poverty in Canada**

- In 1989, 1 in 7 children (936,000) experienced poverty (2007 Income in Canada LICO-After Tax). **In 2008, almost 1 in 10 (606,000) children lived in poverty** (2008 Income in Canada using LICO After-Tax). This small decline over the last 20 years is striking in light of an unprecedented period of economic growth between 1998-2008.

- **The rates of child poverty are higher for certain social groups** (2006 Census)

Children of recent immigrants:	48% live below poverty line
All immigrant children:	41% live below poverty line
Aboriginal children (off reserve):	36% live below poverty line
Aboriginal children in First Nation communities:	25% live below poverty line
Racialized groups:	33% live below poverty line
Children with disabilities:	27% live below poverty line

- **The rates of child poverty differ by province** (2008 Income in Canada LICO- Before Tax)

Nfld & Labrador:	14.8%	Ontario	14.7%
Prince Edward Island	10.2%	Manitoba:	17.0%
Nova Scotia	14.7%	Saskatchewan	15.6%
New Brunswick	12.0%	Alberta	10.5%
Quebec	14.4 %	British Columbia	14.5%

- The depth of poverty – or the amount of money the average low-income family would need to reach the poverty line – remains high for families:
  - Low income **two-parent families** would need an additional \$9,400 a year to reach the poverty line (LICO before-tax).
  - **Female lone parent families** would need an addition \$9,600 a year to reach the poverty line (LICO before-tax).

**(B) How Campaign 2000 Measures Child Poverty**

- Canada does not have an official “poverty line”. **Campaign 2000, like most who study and report on poverty, uses Statistics Canada Low Income Cut Off (LICO) as an indicator of poverty.** LICO’s define the income level at which a family may be considered in straitened circumstances because it has to spend more than 20% more of its income on necessities (food, clothing, shelter) than the average family does. There is currently a before-tax LICO measure and an after-tax LICO measure. The **Before-Tax LICO** measure includes income transfers and can be considered an indicator of the adequacy of income flowing into the family. The **After-Tax LICO** measure is considered an indicator of the adequacy of disposable income. There is approximately a 5% difference in child poverty rates between these measures.
- LICO is adjusted for size of family and size of community. For example, in 2007 a single parent with 1 child living in a large Canadian city would be considered living in poverty if the family’s income (LICO after-tax) was less than \$21,851.
- There are, of course, other ways to measure poverty. The **Low Income Measure (LIM)**, considers a family to have a low income if it has a household income of less than half of the median (middle) income in Canada. Canada’s child poverty rate in 2008 using the LIM (after tax) was 15.3 %. The **Market Basket Measure (MBM)** calculates the amount of income needed by families in order to meet their basic needs. The child poverty rate in 2008 using the MBM was 10.3%.
- The poverty rates are **discouragingly high** no matter which measurement is used.



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### (C) Lessons from Other OECD Countries

- **Canada's child poverty rate ranks 13<sup>th</sup> among 17 peer industrialized nations.** Canada's rate is higher than the average, despite our relative wealth.
- Canada ranked **last** among 25 OECD nations on benchmarks achieved for early childhood education and care services including subsidized and regulated child care services, staff training, public expenditures and parental leave.

### (D) The Cost of Child Poverty

- **Poverty impacts everyone, not just those living in it.** It is estimated that poverty costs Canadians between 24.4 – 30.5 billion dollars in terms of health care, crime, intergenerational poverty and lost productivity. (Ontario Association of Food Banks. *The Cost of Poverty*. 2008).
- **Health Care:** Poverty costs the health care system approx. 7.6 billion dollars. Poverty is the number one social determinant of health. Low income children are more than twice as likely to have low levels of vision, hearing, speech, mobility, dexterity, cognition and emotional stability; are less likely to have an annual visit to the dentist; and are more likely to be exposed to environmental contaminants and suffer greater harm from this exposure due to poor nutrition.
- **Crime:** Poverty costs criminal justice system approx. 1-2 billion dollars. Canada spent 12.7 billion in direct expenditures on policing, courts, legal aid, criminal prosecution, and adult corrections in 2002-03. There is an **opportunity for large savings** by addressing child poverty.
- **Long-term economic impact:** It is estimated that 20% of children currently living in poverty are likely to live in poverty as adults. Without adequate education, children will not be able to lift themselves out of poverty.
- **Lost Productivity (Opportunity Costs):** Canada loses between 8.6 and 13 billion dollars in lost revenue and productivity generated by low-income individuals. Canada would be better off if high-school drop-outs had the training they needed to raise their productivity and if low-income individuals had better literacy and numeracy skills.

### What Campaign 2000 recommends to End Child & Family Poverty

- In times of economic uncertainty, a **comprehensive poverty reduction plan not only works to restore social justice, it makes good economic sense.**
- This comprehensive plan must include the following components:
  - **Income Security Supports**
    - A full Canada Child Tax Benefit
    - Employment Insurance (EI)
  - **Good Jobs**
  - **Early Childhood Education and Care Services**
  - **Affordable Housing**
  - **Accessible Post-Secondary Education**
- **Addressing one factor alone is not enough to help people lift themselves out of poverty.** For example, closing the child benefit gap requires an increased child benefit as well as an increase to minimum wage. These factors must be viewed as inter-related.

### (A) Income Security Issues

#### 1. A full Canada Child Tax Benefit

- The Canada Child Tax Benefit currently provides a maximum of \$3,416/child/year. We consider this a down payment. To make real progress on child poverty, the **benefit should be raised** to a maximum of \$5,400 (\$2009) to help a parent cover the costs of raising a child. This amount, coupled with a full-time minimum wage job at \$11/hour, would lift a lone parent with one child out of poverty.
- **Government expenditures and public transfers make a huge difference** in the lives of thousands of children. In 2007, programs such as the Canada Child Tax Benefit, the GST credit, and Employment Insurance prevented more than 650,000 children from sliding into poverty. Without these social



investments Canada's child poverty rate would have been 24.5% instead of 15% (Statistics Canada. 2007 Survey of Labour and Income Dynamics).

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## 2. Employment Insurance (EI)

- **EI has not kept pace with changes in the labour market.** The recession revealed the inadequacy of EI as part of the social safety net.
- **Changes to EI have reduced benefit levels** to 55% of earnings down from 75%. Changes to eligibility rules mean that only 40% of unemployed male workers and 32% of female unemployed workers now qualify to receive EI, compared to 90% in 1990s.
- Workers in 'non-standard employment', a growing employment situation, often still do not qualify for benefits.
- In our current recession, as many as 500,000 Canadians have exhausted their EI benefits without finding new work.
- **Campaign 2000 calls on the federal government to restore EI eligibility requirements 360 hours with benefit levels based on the best 12 weeks of earnings for all regions in Canada.**

### (B) Good Jobs

- Getting a **job is not necessarily a pathway out of poverty.** Children whose parents participate in the labour market represent a large proportion of low income children.
- **40%** of Canada's low income children live in families where **parents worked all year** but could still not rise above the poverty line.
- This is in part due to increasing '**non-standard employment**'. In 2008, 35% of all jobs were either contract, temporary, part-time or self-employment.
- **Employers should be expected to pay at least enough** to keep a full-time worker out of poverty. Eleven dollars an hour is roughly the amount needed to reach the poverty line for a person working full-time in a large urban centre. To move out of poverty, parents need a full child benefit to complement minimum wages.
- **In 2008, 29% of full-time adult workers (25+) in Canada earned less than \$10/hour.** Canada stands out as a low-wage country, second only to the U.S. among industrialized countries.
- There is not currently a legislated federal minimum wage. **Campaign 2000 calls on the federal government to take leadership by re-instating a federal minimum wage of \$11/hour, indexed annually.**
  - **Critics claim that increasing the minimum wage will hurt small business and dampen economic growth. However, there is evidence from Europe, the United States and the U.K that suggests otherwise.** Eg. In Europe the benefits of increasing the minimum wage include: direct benefits to low-paid workers, provides incentive to move from welfare to work; has little or no impact on job loss for adults; and it may increase productivity (CPRN, June 2005). Data from the UK demonstrates that increased wages often increases productivity (see [www.livingwageforfamilies.ca](http://www.livingwageforfamilies.ca))
- **On April 27<sup>th</sup> 2010, New Westminster, British Columbia became the first city in Canada to introduce a living wage.** A living wage is the pay required to keep a family with two working parents and two children above the poverty line. The wage reflects what people need to support their families based on the actual costs of living in a specific community. Campaign 2000 supports efforts across Canada to achieve a living wage.

### (C) Early Childhood Education and Care

- Parents cannot work or take training without affordable, high quality, secure child care. Public funding for a national high quality early childhood education and care system is critical for addressing child and family poverty.
- **Campaign 2000's comprehensive proposal for child poverty reduction has always included both universal child care and a national child benefit – not one or the other.**
- Childcare is **still not publicly funded**, so most families pay out of pocket. Even low-income families who are lucky enough to secure a fee subsidy may find that it does not cover the full cost. A 2006 OECD



report, *Starting Strong II*, reported that **only 20% of lone parents and 5% of disadvantaged groups accessed fee subsidies in Canada.**

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- In 2007, **over 75% of Canadian mothers participated in the labour force; yet, there were only child care spaces for 20.3% of children** under age six in Canada. Parents aren't able to "choose" regulated child care right now because there are not enough affordable spaces; when high quality regulated care is available, it is often full with a long waiting list.
- The federal government must **re-assert federal leadership. This must include significant federal funding** to provinces and territories to create a publicly-managed universal early childhood education and child care system so low-income families will be able to access affordable, high quality programs.

#### **(D) Affordable Housing**

- **Canada is the only industrialized country without a national affordable housing strategy.**
- Census data indicate that children under 15 years make up half (750,000) of the number of Canadians living in **core housing need** - which is housing that is either unaffordable, substandard, crowded, or all three.
- Canada has signed UN agreements to ensure adequate housing as a **basic human right**, yet over the past decade the commitment by the federal government to put this human right to housing into practice has been significantly eroded.
- **Campaign 2000 urges the government to pass Bill C-304**, the *Secure, Adequate, Accessible and Affordable Housing Act*. This Act would compel the Minister responsible for National Mortgage and Housing Corporations to engage with provincial, territorial, municipal governments and the non-profit and private sectors to create a national housing strategy that reflects the needs of local communities.
- New funding approaches and **additional investment for existing programs** such as the Residential Rehabilitation Assistance Program and initiatives to address homelessness are required to address many other unmet housing needs of Canadian families.

#### **(E) Post-Secondary Education**

- **In the next decade, 70% of all new jobs will need a trade certificate, college diploma or university degree.** Yet, during the last 20 years access to post secondary education has become increasingly difficult for marginalized students including Aboriginals, students with disabilities, and those from low and modest income families.
- Since the federal government de-regulated tuition fees in 1995, average undergraduate **tuition fees have risen by 34%** while some professional programs have risen by much more.
- We urge the federal government to improve access to post-secondary education by **increasing the student financial aid package** and allocating a higher proportion of aid to needs-based grants.
- The federal government must work with the provinces and territories to reduce financial barriers by instituting **tuition freezes** and changing the treatment of assets by provincial student aid agencies.

#### **For more information:**

[www.campaign2000.ca](http://www.campaign2000.ca)

[www.makepovertyhistory.ca](http://www.makepovertyhistory.ca)

[www.ccsd.ca](http://www.ccsd.ca)

<http://standagainstopoverty.org>

[www.cpj.ca](http://www.cpj.ca)

[www.ncwcnbes.net/en/home.html](http://www.ncwcnbes.net/en/home.html)

[www.policyalternatives.ca](http://www.policyalternatives.ca)

[www.caledoninsti.org](http://www.caledoninsti.org)

[www.openparliament.ca](http://www.openparliament.ca)

[www.livingwageforfamilies.ca](http://www.livingwageforfamilies.ca)

[www.childcarecanada.org](http://www.childcarecanada.org)

[www.ccaac.ca](http://www.ccaac.ca)

[www.wellesleyinstitute.com](http://www.wellesleyinstitute.com)

[www.chra-chru.ca](http://www.chra-chru.ca)

[www.dignityforall.ca](http://www.dignityforall.ca)

[www.cfs-fcee.ca](http://www.cfs-fcee.ca)

[www.parl.gc.ca](http://www.parl.gc.ca)

[www.ywcacanada.ca](http://www.ywcacanada.ca)