

CAMPAIGN 2000
END CHILD & FAMILY POVERTY

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METTONS FIN À LA PAUVRETÉ
DES ENFANTS ET DES FAMILLES

**Reducing Poverty: Boosting Economic Competitiveness while
Enhancing Population Health and Social Cohesion**

House of Commons Standing Committee on Finance

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Recommendations

- 1) Provide funding for the initiatives and policy actions articulated in the Canadian Poverty Reduction Strategy (CPRS). Budget 2019 should invest in a rapid and comprehensive implementation of the strategy. Earmark funding for poverty reduction measures over the long term in a strategy guided by ambitious, but feasible, targets and timelines.
- 2) Allocate funding toward immediate compliance with the Canadian Human Rights Tribunal (CHRT) ruling to a) provide equitable funding for child welfare services on reserve b) ensure the full application of Jordan's Principle.
- 3) Fund implementation of the 94 Calls to Action from the Truth and Reconciliation Commission (TRC).
- 4) Invest in targeted income supports to reduce child poverty by 50% by 2020
 - Increase the Canada Child Benefit (CCB) in combination with creating a new, targeted Dignity Dividend.
 - The Dignity Dividend of \$1,800/adult and child for those living below the poverty line.
 - Re-examine eligibility for the CCB to ensure parents' immigration status is not a barrier.
- 5) Increase funding for the Canada Social Transfer (CST) by \$4 billion to support standards of adequacy and quality for social assistance programs.
- 6) In 2019-20, transfer \$1 billion to provinces, territories and Indigenous communities to build accessible, affordable, high quality and inclusive Early Learning and Child Care (ELCC) systems.
- 7) Adequately fund the National Housing Strategy (NHS), including support for commitments to implement mechanisms associated with supporting the Right to Housing.
- 8) Implement an enhanced Medicare program that includes universal pharmacare, dentistry and various rehabilitation services.

About Campaign 2000

Campaign 2000 is a non-partisan, cross-Canada public education movement founded to build awareness and support for the 1989 all-party House of Commons resolution to end child poverty in Canada by the year 2000. Our coalition's diverse 120 partners span coast-to-coast-to-coast.

Child and Family Poverty in Canada

Eradicating poverty, to ensure every person in Canada the opportunity to succeed and live in dignity, is the right thing to do for children and for all of us. Right now, 4.8 million Canadians suffer the indignity, hunger, insecurity, stress and social exclusion of poverty.

Eradicating poverty is undoubtedly essential to promoting Canada's economic growth and competitiveness as found by the Conference Board of Canada while promoting population

health, enhancing social cohesion and enabling fuller social and economic participation of all Canadians.

Canada is one of the world's wealthiest countries, yet over 1.2 million children – 17.4% - live in poverty with their families (Low Income Measure-After Tax). Shamefully, centuries of attempted cultural genocide and ongoing colonization mean 37.9% of First Nations children live in poverty. Census and taxfiler data show that children are especially vulnerable to poverty in their pivotal early years from birth to age 5 and are more likely than adults to live in poverty in every province and territory, except in Quebec. Deplorably, children in marginalized families – Indigenous, racialized, recent immigrant, mother-led single parent or affected by disability - live in poverty in greater numbers.¹

Children's development is rapid and formative in their early years. Even short periods spent in poverty have lifelong, negative effects on individuals and families and long-term effects on communities.

While the CCB is a very powerful and important anti-poverty tool, alone, it cannot solve Canada's child poverty problem. The most recent data from the Canadian Income Survey capture six months of CCB payments to families and show only a 1.2 percentage point decrease in child poverty in 2016 compared to 2015. Canada must do much more to provide families with world class social programs that combat poverty.

To date, Canada's overall anti-poverty investments have been small and as a result poverty reduction has been too limited. Child poverty rates are consistently above those which raised parliamentarians' unanimous concern in 1989. Eradicating poverty must address complex barriers and requires significant investment in Budget 2019.

For decades, we have called for a federal anti-poverty plan to deliver on federal, all-party commitments to eliminate child poverty and poverty for all. We are now awaiting the release of Canada's first Poverty Reduction Strategy (CPRS). The articulation of definitive and ambitious poverty reduction targets and clear timelines for their achievement will be crucial to the CPRS' success.

Good public policy matters and has been effective in reducing child poverty. Indeed, without government transfers over 2 million children (28%) would live in poverty. In the 2017 Fall Economic Statement the economic stimulus resulting from the CCB was cited as the reason for Canada's stronger than expected economic performance. This recognition of the broader economic impact of investing in families' economic security provides the case in point for the win-win resulting from poverty reduction measures. Investing in poverty reduction is not a drag on the economy: it is a stimulus for growth.

Budget 2019 Priorities

The Canadian Poverty Reduction Strategy

A strong commitment to reducing poverty means the objective of eradicating poverty must guide all economic, fiscal, taxation and social policy decision-making and budgetary priorities in the short and long term. The federal government must provide intellectual and moral leadership in establishing targets and timelines and conditions for poverty reduction programs delivered by the provinces and territories. Through fiscal leadership, the government of Canada can enable

provinces and territories to take bold action against poverty. Funding for the CPRS must be available to support policies and programs in 2019 and additional funding must be earmarked for the long term. This should include:

- A \$4 billion increase in funding to the CST as a down payment to address minimal standards of adequacy and dignity in social assistance and of access and quality in social services and early learning and childcare. The CST should provide sufficient, stable and predictable funding that recognizes regional economic variations, and ensures that both federal and provincial governments are accountable for meeting their human rights obligations to provide adequate income support for all low-income Canadians. This will require the development of minimum standards for income benefits and social services funded through the Transfer, which also allows necessary flexibility to provinces and territories. Arbitrary growth restrictions should also be removed. This will provide the fiscal basis for legislating the standards as conditions in the CST.
- Reinstating the National Council of Welfare, or another such body, to collect and track information about social/income assistance programs and inform sound policy recommendations. This body should measure benefit rates, total assistance incomes and expenditures by all levels of government and examine regional variations in program rules and remedies. It should also regularly report on how many people in Canada receiving assistance live in poverty according to the LIM-AT.
- Supporting civil society groups which raise public awareness, inspire action and advocate to address the causes and effects of poverty locally and nationally. Research and the evidence-based recommendations for redesign of social programs often come from these groups, but limited funding means many groups have shut down or reduced capacity.
- Investing in the collection and analysis of robust and timely low-income statistics, including disaggregated data, through Statistics Canada.
- Funding to support the CPRS' legislative requirements which should include an independent commissioner, ongoing authentic consultation and robust reporting.

Eradicate Poverty among Indigenous Families

Budget 2018's funding to address the CHRT ruling regarding equitable funding for First Nations child welfare is welcome, but more is required. Budget 2019 must provide adequate funding for child welfare services on reserve and to ensure the application of Jordan's Principle extends beyond cases of disabilities and short-term illnesses. It must also provide implementation funding for the TRC's 94 Calls to Action.

2018 investments to improve uptake of the CCB among families on reserve are significant, but an estimated one-fifth of families on reserve are not receiving the benefit. Additional funding to support First Nations' children access to the CCB is needed.

Invest in targeted income supports to reduce child poverty by 50% by 2020

We welcome 2018's indexation of the CCB. Campaign 2000 has also long recommended boosting the benefit's base amount annually to ensure the CCB continually reduces poverty. We call for the CCB to be increased so that it, in combination with a proposed new benefit called the Dignity Dividend, achieves a 50% reduction in child poverty by 2020, according to the LIM-AT calculated through taxfiler data

We call for the new, targeted Dignity Dividend to provide \$1,800 per adult and per child for those living below the poverty line. The Dignity Dividend functions like a top up to the GST credit to lift 450,000 people out of poverty, half of whom are children.

For some children, their parents' immigration status is a barrier to accessing the CCB. To address this, amend the Income Tax Act by repealing s.122.6(e) which ties eligibility for the CCB to the immigration status of the applicant parent. Every parent in Canada who is considered a resident for tax purposes should be eligible for CCB, regardless of immigration status.

Prioritize Universal High-Quality Early Learning and Child Care

Canada needs a universal ELCC system to boost our economic competitiveness and enable parents, particularly women, to work. Boosting the CCB cannot replace universal, high-quality quality ELCC.

In 2019-20, transfer \$1 billion to provinces, territories and Indigenous communities to contribute to building accessible, affordable, high quality and inclusive ELCC systems. Government should earmark additional funds in the 2019-20 federal budget and subsequent budgets to implement an Indigenous-led framework agreement on ELCC. Funding to provinces and territories must be conditional on action plans meeting evidence-based standards for accessible, affordable, high quality, inclusive ELCC. This includes recognizing that a universal, equitable system of high quality ELCC and a universal, equitable system of parental leave are complementary and a key component of supportive family policy.

Building this system requires a clear commitment to substantial sustained earmarked public funding. By 2029-30, Canada should achieve the international spending benchmark of at least 1% of GDP for ECEC for children 0-5 years.

Housing for All

The welcome ambitions of the NHS to reduce housing need among 530,000 families need to be matched by adequate funding commitments. The funding to support repairs and new builds of social housing is key. Dedicating additional funding to ensure Canada eliminates homelessness by 2030, rather than the current goal of halving it, is also essential.

The proposed Canada Housing Benefit (CHB) has great potential to reduce housing precarity among children and families. Government should expedite the process associated with implementing the CHB in collaboration with the provinces and territories so it is available to support families prior to the current timeline of 2020. Core to expediting the CHB's delivery is

increased funding, as the current federal investment of \$2 billion dollars will have limited reach given the scale of need.

In addition, adequate funding is required to support the government's commitment to implement mechanisms associated with supporting the Right to Housing as anticipated in autumn legislation. The independent Office of the Federal Housing Advocate and National Housing Council ought to be adequately resourced and given authority to make recommendations and require remedial action for compliance with the right to housing.

Equitable access to medication and various healthcare services

Budget 2018 announced a study of pharmacare but we were concerned by indications that the program would not be universal. There are many benefits to a universal system of pharmacare. A recent study shows that rational implementation, with first-dollar coverage of all prescription drugs would make access to medication more equitable and improve health outcomes. It would also save all Canadians up to \$10.7 billion in spending on prescription drugs.²

We call on the federal government to support population health by implementing an enhanced Medicare program that includes universal pharmacare, dentistry and various rehabilitation services.

¹ <https://campaign2000.ca/wp-content/uploads/2017/11/EnglishNationalIC2000ReportNov212017.pdf>

² <https://nursesunions.ca/wp-content/uploads/2017/07/universal-pharmacare-report-e.pdf>