



## Leveraging Resources for Maximum Effect: Poverty Reduction Strategies for Canada Today

Submitted by: Peggy Taillon, President and CEO  
Katherine Scott, VP Research

Submission to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

September 2016

Since 1920: Canada's longest serving social development organization/Au service des Canadiens pour le développement social depuis 1920

P.O. Box 13713, Kanata, Ontario, K2K 1X6 | 613.236.8977 | [www.ccsd.ca](http://www.ccsd.ca) | [info@ccsd.ca](mailto:info@ccsd.ca)

## Overview

The Canadian Council on Social Development (CCSD) is a national, non-profit research organization representing over 700 members from across the country. Founded in 1920, our mission is to develop and promote progressive social policies inspired by social justice, equality and the empowerment of individuals and communities. Today, the CCSD convenes, connects, and champions an array of critically important issues. We thank you for the opportunity to present our views to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

The CCSD believes that a coordinated poverty reduction strategy should form the core of the federal government's efforts to pursue a model of inclusive growth, one that provides immediate assistance to those in need while investing in opportunities that will result in greater economic and social security for all. The federal government has an historic opportunity to tackle the emerging gaps in our social safety net, leveraging its considerable resources to reduce poverty and its damaging impact on individuals, families and communities.

Key components of such a strategy include the provision of adequate and accessible income supports for the working-age adults, with a focus on those groups with the highest rates of poverty, and investments in community infrastructure and essential services.

## The Challenge

By any measure, Canada has a high rate of poverty. Even according to the most conservative measure, over 3 million people in Canada are poor.<sup>1</sup> Compared to other developed countries, our poverty rate is shocking: Canada ranks 20th out of 31 OECD countries.<sup>2</sup> Our record on Inuit, First Nations, and Métis poverty is shameful: one quarter of Aboriginal people live in poverty.<sup>3</sup> Many poor people in Canada are employed in the paid labour force, yet their earnings are not enough to lift their families out of poverty.<sup>4</sup> Others hover on the edge of poverty, only the loss of a job or an illness away from economic hardship.

Hunger and inadequate nutrition, substandard housing, precarious employment, huge levels of family stress and social isolation, diminished opportunities to develop and learn – the weight of these stresses exacts a heavy toll on individuals and families living on Canada's economic margins.

There is no more telling statistic than the difference in life expectancy between individuals living in poor and affluent communities. One Hamilton study found a 21-year difference in average age at death between neighbourhoods at the top and the bottom of the income scale, an appalling gap in a country that prides itself on universal health care.<sup>5</sup>

Report after report links poverty with poorer health and higher health care costs, greater demands on social and community services, more stress on family members, and lower levels of school success – not to

---

<sup>1</sup> Statistics Canada, CANSIM Table 206-0041.

<sup>2</sup> OECD, <https://data.oecd.org/inequality/poverty-rate.htm#indicator-chart>

<sup>3</sup> Statistics Canada, 2011 National Household Survey. Custom data tables, Community Data Program, CCSD.

<sup>4</sup> John Stapleton, Brian Murphy, Yue Xing (2012), "[The "Working Poor" in the Toronto Region: Who they are, where they live, and how trends are changing.](#)" Toronto: Metcalf Foundation.

<sup>5</sup> The Hamilton Spectator (2010), [Code Red Project](#).

mention the huge costs associated with reduced productivity and foregone economic activity for society as a whole.

At the same time, we spend huge sums, year after year, paying for the damaging consequences of living in poverty. Looking at the issue of homelessness, the Canadian Alliance to End Homelessness estimates that the total annual cost of homelessness to the Canadian economy is over \$7 billion dollars, including the cost of emergency shelters, social services, health care, and corrections.<sup>6</sup>

In the past, faced with the devastating impact of the Great Depression in the 1930s, Canada rose to the challenge and built a host of new social institutions in education and health care, and new forms of social protection against the risks associated with unemployment, illness and old age. The challenge today is to identify a new set of policy and program strategies that reduce the damaging impact of poverty, promote economic opportunity in today's economy, and foster social inclusion in Canada's diverse communities.

## **A Plan of Action**

The Canadian Council on Social Development supports the call of the [Dignity for All](#) campaign to establish a comprehensive Canadian Poverty Reduction Strategy (CPRS) that tackles the multiple dimensions and causes of poverty. The CCSD calls on the government to work collaboratively with the provinces, territories and communities across the country to develop a plan that includes clear and realistic goals, targets, and timelines, as well as effective mechanisms for reporting on progress. In developing CPRS, the federal government will need to reach out and engage with Canadians, especially those with lived experience of poverty, and communities at high risk of economic marginalization.

The federal government is uniquely placed to not only take action in areas of its own jurisdiction, including critical steps to improve Canada's income security architecture, but also to lend its considerable support to governments and organizations tackling economic barriers at the local level. Successful poverty reduction in Canada must proceed on these two tracks – taking advantage of social innovation and energy across our federal system.

Tackling today's challenges requires action on several fronts including affordable housing, job creation, education and training, immigrant settlement, and supports to address the caring needs of families. The pursuit of meaningful reconciliation with Indigenous communities must also be a critical dimension of any Canadian Poverty Reduction Strategy.

In looking forward, the CCSD would like to highlight two key areas: income security reform for working-age adults and the importance of community infrastructure in creating lasting and meaningful change.

### **1. Income Security Reform**

Action is needed to improve and enhance the Canada's system of income security programs for working-age adults, one that provides a decent income guarantee, access to needed public programs such as drug benefits, child care, and training. Successive rounds of cutbacks have undercut key programs such as social assistance and Employment Insurance, while others are failing to keep pace with our changing economy and the swelling ranks of the working poor.

---

<sup>6</sup> Stephen Gaetz *et al.* (2013), [The State of Homelessness in Canada 2013. Canadian Alliance to End Homelessness.](#)

The working poor have been growing in number due to the long-term rise in precarious, low-wage employment, and the disappearance of high-quality full-time jobs in sectors like manufacturing. Forty-four per cent of poor households had at least one person working in 2011. And over 10% had two earners.<sup>7</sup>

Among working-age Canadians who live in households where no one works, the rate of poverty 65% – seven times the Canadian average for this age group. Inadequate income support programs for working-age individuals and families ensure a life of poverty for almost one million Canadians.

Income security programs devised a half century ago need to be updated to meet the realities of Canada today. In particular, there is a critical need to support workers trapped in precarious, low wage jobs and to ensure social assistance benefits are set at realistic levels in light of the real costs of housing, food and other necessities.

The government should continue its efforts to reform **Employment Insurance** to better support individuals separated from their employment by easing eligibility requirements, extending benefit durations, and increasing benefit rates. In particular, the CCSD recommends that the government:

- a. Establish a uniform entrance requirement of 360 hours for a minimum EI claim; apply the 360 hour requirement to all regions in Canada and to EI special benefits for maternity, parental, sickness and compassionate care leave;
- b. Restore the 50 week maximum benefit duration, and extend EI income benefits for older workers, expanding the scope of the 'Targeted Initiative for Older Workers'; and
- a. Increase the benefit rate of 55% of previous earnings to 60% or more that would apply to all forms of EI, including regular benefits and special benefits for leaves.

At the same time, the government should actively explore options – in collaboration with the provinces and territories – for creating a basic income floor for all working-age Canadians and to replace our inadequate and punitive social assistance system. In Ontario, for instance, the province provides a single disabled person \$1,100 a month if they have no other mean, and only \$681 to those in the Ontario Works program. A myriad of rules and regulation work to stymie the aspirations of welfare recipients and thwart innovation.

Currently, several provinces are exploring options for a **Guaranteed Annual Income**. This provides an excellent opportunity to rethink income security programming for working-age adults, each order of government leveraging their skill and expertise to create a more effective, responsive and respectful system. Potential monies freed up by the elimination of any program should be re-directed into a guaranteed income program and/or related in-kind supports.

An initial step, as recommended in the 2013 report of the House of Commons Human Resources Committee, would be to increase the federal **Working Income Tax Benefit** (WITB) to supplement the incomes of low earners who are not eligible for social assistance and who do not usually qualify for Employment Insurance benefits. Maximum benefits should be increased and the income threshold at which benefits are phased out should be raised above current levels.

---

<sup>7</sup> CPJ, [Poverty Trends 2013](#). Ottawa, p. 3.

## 2. Community Infrastructure

The recommendations that have been highlighted above target needed systems change. At the same time, the resources that communities bring to bear are equally important in creating economic opportunity, extending support, and fostering social inclusion. Healthy and vibrant communities are those that are able to marshal their resources and relationships in support of all of their residents.

The CCSD has the privilege of working with municipalities and community organizations through its [Community Data Program](#) (CDP), the largest community data repository and network of community data practitioners in the country. Over 30 communities representing more than 50 municipalities and hundreds of nonprofit organizations work together to access and use community data to tell their community's story and to inform regional and neighbourhood decision-making. The CDP provides a platform for individual communities to assess community need, identify action priorities, engage residents, and leverage resources.

When we speak of community infrastructure, we often think of transportation networks, health care centres, or our green spaces. The strength and quality of community networks – within and across sectors – are equally important to poverty reduction. In developing a Canadian Poverty Reduction Strategy, the federal government has the opportunity to support local innovation and collaborations, helping not only to build a community infrastructure that can generate and sustain shared prosperity, but to scale up effective approaches and to share local learnings across the country.

Investments in capacity of the community sector are sorely needed to assist organizations achieve greater impact in collaboration with the communities they serve. A **Community Innovation Fund** would help to fill a significant gap in resourcing available to communities across the country, providing multi-year core and project-based funding to organizations and networks under-taking long-term, comprehensive, community-led approaches to poverty reduction. This should include support for **local service innovation in areas such as employment and training, social planning and poverty reduction tables**, as well as the training and infrastructure needed to facilitate access to and the use of **community data and information**.

## Conclusion

High levels of poverty represents an extraordinary waste of human potential, relegating members of our community to the social and economic margins. Providing support to meet basic needs, respecting human rights, promoting the active participation of community members in social, economic, cultural and political life, and affording opportunities to learn over the life course are the key building blocks of a new social compact for the 21<sup>st</sup> century.

Canada should aim for *both* rising living standards with good jobs, and the most equitable, just and inclusive society we can create together. While we may not be able to do it all, we can certainly do better, much better.