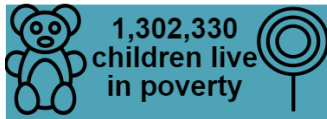




**Submission to the Standing Committee on Human Resources, Skills  
and Social Development and the Status of Persons with Disabilities  
for the Study of Poverty Reduction Strategies**

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# Introduction



Child and family poverty continues to plague Canada with 18.5% of children living in low income according to tax filer data (LIM AT).<sup>i</sup>

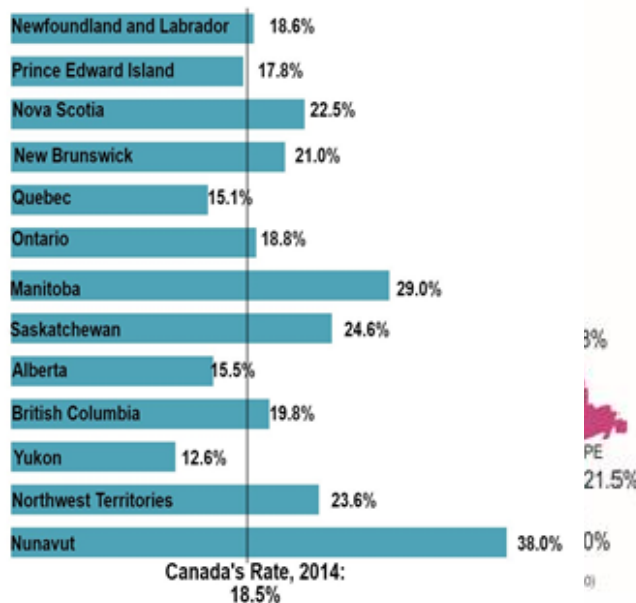
Shamefully, child poverty affects families who are Indigenous, racialized, recent immigrants, affected by disability or led by a female lone parent in disproportionate numbers.

While parliamentarians committed to eliminate poverty among children in 1989 by the year 2000<sup>ii</sup> and in 2009 for all persons,<sup>iii</sup> the necessary action plans never materialized. The study of poverty reduction strategies by HUMA is an important step toward repositioning Canada from laggard to world leader against child and family poverty.

Campaign 2000 welcomes the federal government's commitment to poverty reduction and to tracking child poverty. A historic commitment to a national anti-poverty plan can seed the type of action that generations of Canadians have been waiting for. After decades of instability suffered by families and broken promises to eliminate child poverty, families are anxious to lay new roots for their children. The roots of equal futures for all children lay in ensuring access to secure, gainful employment; livable incomes; affordable, high-quality, regulated childcare; nourishing food, affordable housing, education and training; acting on reconciliation and ensuring equitable opportunities for all children.

With nearly 1 in 5 children in poverty today, Canada's work is nowhere near done.

### Child Poverty Rates in the Provinces and Territories 2014



Source: Statistics Canada, Small Area Administrative data, 2014 Tax File Family Series, Table 18, After-tax low income measure

## The Need for Federal Action against Poverty

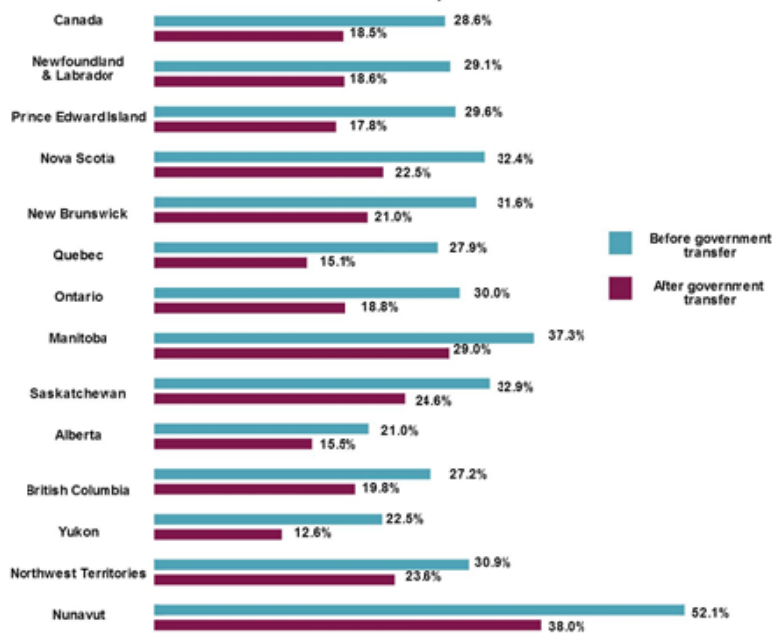
Good public policy matters and has been effective in reducing child poverty. However, to date, policy inputs against poverty have been small and poverty reduction too limited. History has shown us that no one-off policy change can ensure no child goes hungry, is denied opportunity or spared the indignity of poverty. Eradicating poverty must include weeding out the multitude of barriers that families face, with many within and beyond the parameters of the HUMA study.

Government transfers are critical and effective investments that reduce and prevent poverty among children and families. Without investments in programs like the HST/GST credit, Canada Child Tax Benefit (now the CCB) the Working Income Tax Benefit and Employment Insurance, over 712,810 more children would live in poverty today.<sup>iv</sup>

OECD's international comparison of public spending on family benefits<sup>v</sup> shows that Canada's support for families (1.18% of GDP) is below the OECD average (2.14% of GDP). Even more troubling is that despite high levels of child and family poverty in Canada, since 2009 spending on family benefits declined by 10%.<sup>vi</sup> Canada cannot justify below average investment.

Canada must immediately move from laggard to leader. Being a world leader in fighting child poverty requires increasing investments in childcare, more generous parental leaves and fully indexing the Canada Child Benefit to inflation immediately.

### Reductions in Child Poverty Resulting from Government Transfers, Canada and Provinces/Territories, 2014



Source: Statistics Canada custom tabulation.  
Income Statistics Division, T1FF 2014.

## Recommendations

### A Strong Federal Role in Poverty Reduction

- The federal government must adopt a poverty reduction lens on all social policy decisions to ensure that people most in need benefit from programs meant to improve quality of life and restore dignity. Children should have first call on resources in order to support their health and development.
- The Government of Canada must ensure that its federal action plan to eradicate poverty includes both targets and timelines and is developed in consultation with provincial and territorial governments, Indigenous governments and organizations, non-governmental organizations and people living in poverty. The plan must be secured in legislation and identify key roles for all levels of government, recognizing the particularities of how Québec pursues social policy in the Canadian context.
- Working on nation-to-nation basis, collaboratively formulate a plan to prevent, reduce and eradicate child and family poverty in Indigenous<sup>vii</sup> communities. Comply with the rulings of the Canadian Human Rights Tribunal by providing adequate/fair funding for child welfare services on reserve and ensure the application of Jordan's Principle<sup>viii</sup> extends beyond cases of disabilities and short-term illnesses.

- Adopt an official low income threshold for the sake of consistent targets and timelines and to track progress or lack thereof against poverty. Campaign 2000 recommends the Low Income Measure After-Tax as calculated from Tax filer data.
- Strong federal leadership extends beyond coordination of the programs and efforts pursued by other levels of government. Strong federal leadership entails collaboration, equity, flexibility and accountability for results. The federal government must set benchmarks and launch change into action through investments in the programs and solutions needed to make poverty history in Canada.

### Strengthen Income Security Programs

#### *Maximize the CCB to Reduce Poverty*

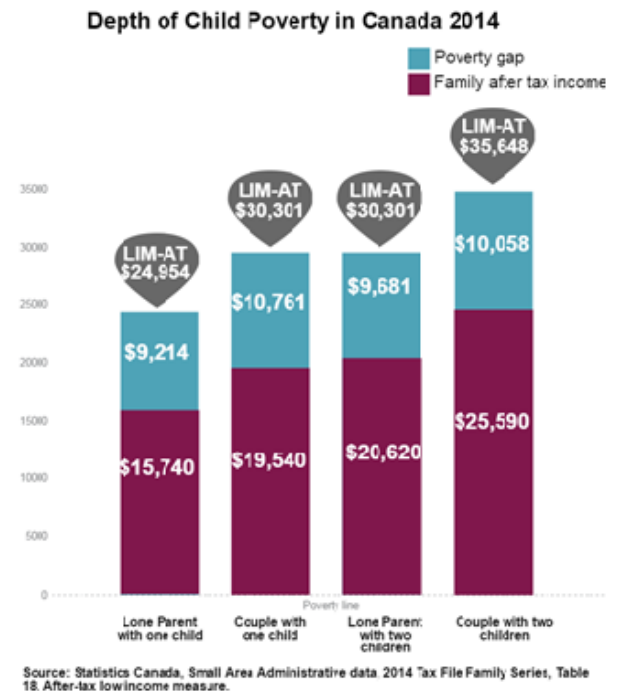
Certainly, the bolstered, tax-free, progressively targeted Canada Child Benefit (CCB) is a very significant tool in Canada's poverty reduction arsenal. Government states that the CCB will reduce child poverty by 40% from 2014 to 2017, according to the LICO-AT.<sup>ix</sup> This target and timeline for child poverty reduction is a firm step in the right direction and we suggest government track progress using the LIM-AT. Since the CCB was proposed in May 2015, Campaign 2000 recognized its strong poverty reduction potential. Immediately, we called for the federal government to ensure that the CCB would not be subject to a claw back for families on income/social assistance who live in poverty due to already-low benefit rates. We raised this alarm because the agreements for the National Child Benefit Supplement specifically allowed for claw backs from social assistance incomes.

In July 2016, national partner network was pleased to receive confirmation from each province and territory that no portion of the CCB would be clawed back from children in families receiving income assistance. To further maximize the CCB's poverty reduction potential, the federal government must:

- Immediately fully index the CCB to inflation to help protect its purchasing power. Government clearly agrees with the principle of indexation so it should not delay cost of living increases to vulnerable families.
- Increase the base amount of the benefit and introduce a more progressive benefit reduction rate with the target of reducing child poverty by 50% by 2020 per the Tax filer LIM-AT.
- Re-examine eligibility for the CCB to ensure parent/s' immigration status is not a barrier. Canadian citizens, permanent residents, protected persons, and temporary residents for at least 18 months are eligible for the CCB. This excludes people in Canada without regularized status who have children, including those who are failed refugee claimants who have applied for humanitarian and compassionate consideration and sponsored spouses with conditional permanent residence who have separated from the sponsoring spouse; all of whom may well be filing tax returns.
- Proactively work to ensure uptake of the CCB on reserve as Indigenous people have the highest birth rates in the country and have disproportionately high poverty rates. Tax filing

rates on reserve are estimated at 50%, given that the requirement to do so is dependent on source of income.

Many low income families live far below the poverty line which is \$24,954 for a lone parent family with one child. The after-tax income of half of all low-income families with 2 or fewer children is \$9,200 or more below the LIM-AT. Among all low income families, couples with one child are in the deepest poverty with a median after-tax income \$10,761 below the poverty line of \$30,301.<sup>x</sup> In almost all provinces and territories low rates of income/social assistance, the income security program of last resort, contributes significantly to the depth of poverty. These incomes are inadequate in every Canadian jurisdiction,<sup>xi</sup> causing hunger, housing instability, stigmatization, discrimination, and poor health outcomes for adults and children alike. Generally, Canadians are forced to rely on income assistance due to dismal employment options, disability, personal or family illness and family violence.



Improving incomes for Canadians on income assistance must be part of a renewed approach to the social safety net that includes renewal of the Canada Social Transfer (CST). Funding for the CST must be increased. Remove arbitrary growth restrictions, 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 and service standards of providing adequate income support for all low income Canadians who are without other adequate means of support.

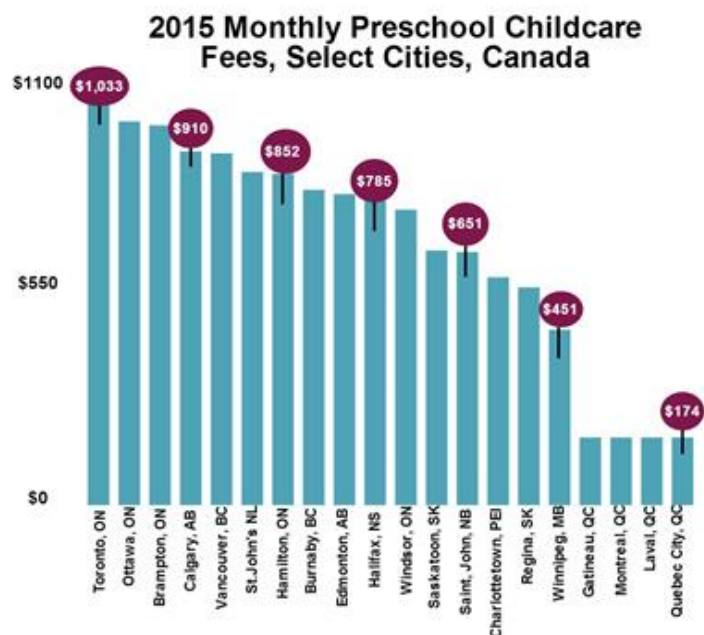
Conditions are needed on the CST to ensure adequate incomes benchmarked to LIM after tax, fair administration and accessible appeal mechanisms. There is also the need to eliminate regional variations in the treatment of child support for families receiving income/social assistance, specifically ending deductions of child support intended to support child well-being.

### Social Infrastructure

Canada is one of only a few wealthy countries that still lacks a national childcare plan. As a result, Canadian families continue to rely on a patchwork market funded mostly by parent fees. In 2016 Canadian ECEC not only fails to meet the needs of the majority of children and families, but is inequitably organized, unevenly distributed and underfunded everywhere across Canada.

A commitment to design a national policy framework based on the best available evidence is welcomed by Campaign 2000, as is the specific attention to ECEC for Indigenous communities. To support meeting this commitment, Campaign 2000 has been one of the leaders in developing the [Shared Framework for building an early childhood education and care system for all](#), designed as a blueprint to guide federal/provincial/ territorial/Indigenous development of a National Framework. There is substantial evidence that the Shared Framework's proposed publicly-funded childcare *system* based on the principles of universality, high quality and comprehensiveness is the best way to move ahead.

Campaign 2000 believes that the federal government must ensure that the National Framework and common frameworks in each province and territory move Canadian childcare away from the current market model towards a more equitable, planned, public approach – the best practice in policy and service delivery--and that the aim of the policy needs to be expanding high quality affordable services over time so as to include *all* families.



Source: Macdonald, D. and Klinger, T. (2015, December, 10). They Go Up So Fast. 2015 Child Care Fees in Canadian Cities. Canadian Centre for Policy Alternatives.

## Housing

Invest in social housing to reduce poverty. Commit long-term funding to address the looming expiry of federal operating agreements in rent geared to income housing. Re-examine the definition of affordability as the current definition at 80% of average market rent remains unaffordable for too many families. The federal government should set firm requirements of the number of new rental units built annually through the Investment in Affordable Housing fund.

Create a Distinct Indigenous Housing Strategy that includes funding to urban and rural housing initiatives, increases funding for Indigenous support and service organizations and contributes to meeting the needs of children and families outlined in the Truth and Reconciliation Commission's 94 Calls to Action.

Our 2016 national report card, [A Road Map to Eradicating Child and Family Poverty in Canada](#), contains a comprehensive overview of child and family poverty in Canada and recommendations for action.

## About Campaign 2000

Campaign 2000 is a cross-Canada public education movement to build Canadian awareness and support for the 1989 all-party House of Commons resolution to end child poverty in Canada by the year 2000. Campaign 2000 began in 1991 out of concern about the lack of government progress in addressing child poverty. We are non-partisan in urging all Canadian elected officials to keep their promise to Canada's children.

Calling for a national anti-poverty plan is a long-time recommendation of our national network.

Our national coalition of 120 partners is committed to addressing the issue of child and family poverty. We have consistently highlighted practical public policy solutions to support families work to keep the issue of poverty in the national and regional media spotlights to inspire action.

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<sup>i</sup> Statistics Canada. Table 111-0015 - Family characteristics, Low Income Measures (LIM), by family type and family type composition, annual, CANSIM.

<sup>ii</sup> Library of Parliament (1989). House of commons debates, 34th parliament, 2nd session, vol. 5. Retrieved from [http://parl.canadiana.ca/view/oop.debates\\_HOC3402\\_05/443?r=0&s=1](http://parl.canadiana.ca/view/oop.debates_HOC3402_05/443?r=0&s=1)

<sup>iii</sup> House of Parliament (2009). House of commons debate, 40th parliament: 2nd session. Retrieved from <http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&Parl=40&Ses=2&DocId=4254820>

<sup>iv</sup> (Statistics Canada data reference #16060). Postal Code Validation Disclaimer: Statistics Canada makes no representation or warranty as to, or validation of, the accuracy of any Postal Code OM data.

<sup>v</sup> Family benefits include child related cash transfers, family services such as childcare and financial support available for families through the tax system. For more detail visit: <https://data.oecd.org/socialexp/family-benefits-public-spending.htm>

<sup>vi</sup> OECD (2016), Family benefits public spending (indicator). doi: 10.1787/8e8b3273-en (Accessed on 31 October 2016) <https://data.oecd.org/socialexp/family-benefits-public-spending.htm>

<sup>vii</sup> The umbrella term Indigenous includes the three primary groups with Aboriginal rights as outlined in Canada's constitution. They are: First Nations or Indian, Métis and Inuit. We name First Nations and use the term Aboriginal deliberately in order to be consistent with the language used cited sources and to maintain the specificity of recommendations and the accuracy of the data as it is being reported.

<sup>viii</sup> Jordan's Principle calls on all government institutions and departments to ensure that children's needs are met first and to resolve jurisdictional disputes later.

<sup>ix</sup> Department of Finance Canada. (1 November 2016). 2016 A Plan for Middle Class Progress. Fall Economic Statement 2016. Government of Canada. Accessed from: <http://www.budget.gc.ca/fes-eea/2016/docs/statement-enonce/fes-eea-2016-eng.pdf>

<sup>x</sup> Statistics Canada. Table 111-0015 Family characteristics, Low Income Measures (LIM) by family type and family type composition (annual number unless otherwise noted). CANSIM database. (accessed: September 2016)

<sup>xi</sup> Tweddle, A., Battle, K. & Torjman, S. (2015 November). Welfare in Canada, 2014. Canada Social Reports. Caledon Institute of Social Policy. Retrieved from <http://www.caledoninst.org/Publications/PDF/1086ENG.pdf> .