



Decision Time for Canada: Let's Make Poverty History

2005 Report Card on Child Poverty in Canada

Sixteen years ago the House of Commons unanimously resolved to *"seek to achieve the goal of eliminating poverty among Canadian children by the year 2000."* **Yet, more than 1.2 million children - one child out of every six in Canada - still lives in poverty.**



Child poverty is a special concern for governments and communities. No one can ignore the evidence from the multitude of studies that have documented the dreadful effects of poverty on children... Canada's high rate of child poverty is shocking for a country ranked among the wealthiest in the world. Canada ranks bronze on childhood poverty, with a rate almost six times that of Denmark!

The Conference Board of Canada. 2005¹

How Is Canada Doing in Addressing Child and Family Poverty?²

Focus Area	Assessment	What's happening?
Child and Family Poverty	No progress ↔	→ 1.2 million children in poverty - almost 1 in every 6 children → Child poverty rate stuck at around 18% since 2000, despite economic growth → Number of children living in poverty risen by 20% since 1989
Couples with Children	No progress ↔	→ Low income couples with children still \$9,900 (on average) below poverty line → Poverty rate virtually unchanged at 12%
Lone Mother Families	No progress ↔	→ Child poverty rate for female lone parent families dropped slightly to 52.5% → Low income lone mother families fallen deeper into poverty - would need \$9,600 (on average) to reach poverty line
Gap Between Rich and Poor	No progress ↔	→ Deep inequality entrenched despite economic growth. Canada's top 10% richest families with children had average incomes that were more than 13 times higher than the bottom 10%
Food Bank Use	No progress ↔	→ 41% of food bank users in 2004 were children - approximately 325,390 children ³
Social Exclusion	Worsening ↓	→ Child poverty rates for Aboriginal, immigrant and children in visible minority groups are more than double the average for all children; child poverty rates among children with disabilities are 27.7%

Poverty Amidst Prosperity: Canada Needs an Action Plan for Children and Families

...while all children are born equal, they don't all have the same opportunities to flourish. This is as true for children here as it is for children in the third world... Nothing in today's society is more disgraceful than the marginalization of some young people who are driven to isolation and despair. We must not tolerate such disparities.

Her Excellency the Right Honourable Michaëlle Jean, Governor General,
September 27, 2005

Canadians are active participants in the global Make Poverty History campaign launched in 2005 in over 50 countries. At the start of the 21st century 1.2 billion people around the world live in abject poverty and a child dies every three seconds. In Canada the campaign calls for an end to child poverty in Canada as well as more and better foreign aid, trade justice and cancellation of the debts of the poorest countries.

Yet, on the sixteenth anniversary of Parliament's vow to end child poverty in Canada, 1, 201,000 children - a number equivalent to the population of Manitoba - still live in poverty. For nearly 30 years, one of the richest nations in the world has maintained an average child and family poverty rate of one in six children - the structural rate of child poverty. There have been cyclical variations, reflecting economic recessions and recoveries, but the rate of one in six children has remained tenacious. Despite continued economic growth, rising employment and strong job creation, Canada's record on child poverty is worse now than it was in 1989.

Progress in reducing the child poverty rate gradually from 1996 to 2001 was welcomed. However, Canadian governments fell short of making the sustained key investments that would have propelled the downward trend. Most recent information shows that 1.2 million children and their families still live below the poverty line.

Canada needs an Action Plan to spell out how it will implement comprehensive social investments. We know what makes a difference. Nations that have significantly reduced child and family poverty have done so by investing in high quality early learning and child care programs, effective child benefit systems, national affordable housing programs and generous income security and unemployment benefits. Those nations have also facilitated vibrant labour markets with a healthy stock of good jobs.

In a caring Canada, our political leaders will find common ground and set priorities on spending that benefits children and families and helps to achieve social inclusion. Canada can pursue a progressive agenda in which prosperity and productivity ensure that economic gains are widely shared among all segments of society. Canada can finance a long term action plan for children and families as we have done for health care and equalization programs.

Campaign 2000 challenges governments to drive down child poverty to a level not yet seen in this country. Let's make Canada a proud world leader when it comes to caring for its children and ensuring that no child lives in poverty. *We can Make Poverty History!*

Measuring Progress on Solutions: Benchmarks for Success

BENCHMARK	CONTEXT	ASSESSMENT	RECOMMENDATION
Increase availability of good jobs at living wages, raise minimum wages, facilitate inclusion of immigrants and provide better protection through Employment Insurance	<ul style="list-style-type: none"> ⊙ Worsening conditions for working poor. Of all poor children in Canada, one-third have parent/s who worked full time for the whole year. Only 38% of the unemployed have access to EI 	Needs federal leadership; Review of Canada Labour Code provides an opportunity to re-establish federal minimum wage	<ul style="list-style-type: none"> → Raise minimum wage to \$10/hr with inflation index → Ensure labour market protection for contract and contingent workers → Restore eligibility for EI → Address multi-dimensional labour market barriers of excluded groups
Create an effective child benefit system that provides enough income support to keep working parents, including single parents, out of poverty and that is not clawed back from social assistance recipients	<ul style="list-style-type: none"> ⊙ Income transfers kept 628,000 children out of poverty ⊙ Child benefit scheduled to rise to \$3,240 by 2007 ⊙ Many provinces claw back federal benefits from families on social assistance 	No plan to raise Child Benefit beyond 2007; Need to raise benefits and deal with provincial clawbacks	<ul style="list-style-type: none"> → Establish long term commitment to consolidate child benefits into a single program and raise the child benefit to a maximum of \$4,900 → Stop provincial clawbacks for social assistance recipients
Build a universally accessible system of quality early childhood education and care to support optimal early development of children and to enable parents to work or receive training	<ul style="list-style-type: none"> ⊙ 2005 federal budget allocated \$5 billion over 5 years for national Early Learning & Care Initiative ⊙ Bilateral agreements signed with majority of provinces ⊙ Regulated child care meets the needs of only 15.5% of 0-12 year olds 	Federal initiative reflects key QUAD principles of quality, universality, accessibility and developmental programming, but fails to limit funding only to non-profit sector	<ul style="list-style-type: none"> → Federal government to develop legislation to guarantee QUAD principles and inclusive programs, with expansion only in non-profit sector → Provinces & territories to develop 5 year plans with goals, timelines, targets, timetables, public accountability → Funding to continue rising to reach \$5 billion annually by year 5; provinces maintain and supplement current funding levels
Expand affordable housing significantly to end adult and family homelessness and enable parents to raise their children in healthy community environments	<ul style="list-style-type: none"> ⊙ More than 66% of poor families with children are living in unaffordable housing ⊙ Affordable Housing Framework Agreement undermined by federal/provincial disputes over funding ⊙ Bill C-48 allocates \$1.6 billion over 2 years for new housing 	Estimates indicate only 10% of promised new units built since Agreement signed in 2001	<ul style="list-style-type: none"> → Break logjam with provincial governments → Fully commit federal housing funds under Framework Agreement & Bill C-48 → Where provinces/territories will not build housing, federal government should proceed unilaterally → Commit \$2 billion annually for new social housing
Renew the national social safety net through the new Canada Social Transfer, with increased federal funding and improved accountability for provincially delivered social services, including social assistance	<ul style="list-style-type: none"> ⊙ Federal transfers for social services have suffered deep cuts since 1996 ⊙ 513,754 children rely on social assistance, which does not reach the poverty line in any province ⊙ Federal government has created separate envelope for social transfers (Canada Social Transfer) 	Federal Government must show leadership in developing strategy to strengthen welfare and social services	<ul style="list-style-type: none"> → Increase federal funds → Separate funding for areas of post-secondary education; early learning & child care; and housing; focus CST on social services and social assistance → Introduce enforceable principles to ensure adequate support is available to those who need it

Child Poverty Rate Stuck: More than 1,201,000 Children Still in Poverty

Economic growth and social investments combined to drive down child poverty from 1996 through 2001. By 2001, however, progress stalled (figure 1).

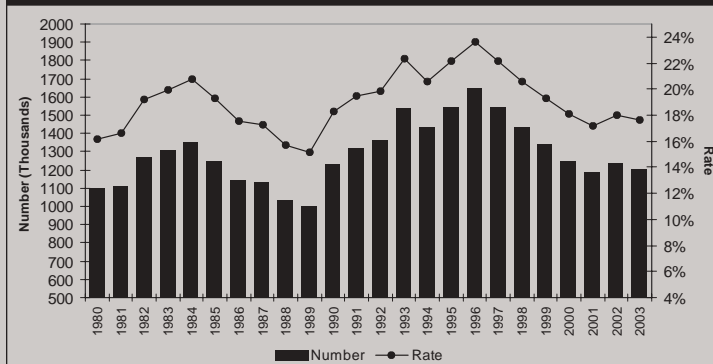
Even as prosperous times continued, 1,201,000 children, or nearly one in six of Canada's children, remained in poverty. Despite continued growth, rising employment and strong job creation, child poverty remains stuck at 17.6%. We are not even back where we were in 1989.

Labour Market not a Reliable Pathway out of Poverty for Families

Despite strong job creation and falling unemployment, more and more families in Canada are working but not finding jobs with good pay, nor enough hours or benefits to help them escape poverty. In Canada's vulnerable labour market, characterized by restructuring and downsizing in the 90s, many good jobs have been replaced by non-standard employment, meaning work that is part-time, contract, seasonal, or self-employment. Non-standard employment has grown to 37% of all jobs in Canada, compared to just 25% in the mid-70s⁴.

At the same time, a high proportion of families living in poverty are working. Most recent information shows that nearly half (576,000 or 48%) of all low income children live with parents who participated in the labour market for the full year. Yet, many of those parents

FIGURE 1: CHILD POVERTY IN CANADA, 1980-2003



Source: Statistics Canada's *Income Trends in Canada*, 2003.

cannot make ends meet as they do not have full time employment. The proportion of low income children in families in which at least one parent worked full year has remained high - at least 40% - for the past decade.

Many parents with full time work throughout the year still cannot make ends meet. Nearly one in three of all low income children lived in families with at least one parent working full time full year yet were still in poverty.

Working but Still Poor

Latest data show that 373,200 children in Canada - or 31.1% of all low-income children - lived in families with at least one parent working full time full year, yet were still in poverty⁵.

FIGURE 2: CHILD POVERTY IN CANADA AND THE PROVINCES, 2003 (IN CONSTANT 2003 DOLLARS)

	Child Poverty		Average Amount Required to Reach Poverty Line	
	RATE %	NUMBER	COUPLES WITH CHILDREN	LONE MOTHER FAMILIES WITH CHILDREN
Canada	17.6	1,201,000	\$9,900	\$9,600
Newfoundland and Labrador	21.8	23,000	\$7,800	\$7,500
Prince Edward Island	11.3	-	-	-
Nova Scotia	20.7	40,000	\$9,300	\$7,800
New Brunswick	17.3	26,000	\$7,200	\$6,700
Quebec	16.7	254,000	\$8,000	\$8,600
Ontario	16.1	443,000	\$10,200	\$9,600
Manitoba	22.1	57,000	\$12,000	\$11,700
Saskatchewan	18.3	40,000	\$7,500	\$8,400
Alberta	15.6	114,000	\$9,900	\$10,700
British Columbia	23.9	201,000	\$11,900	\$11,600

Source: Statistics Canada's *Income Trends in Canada*, 2003.

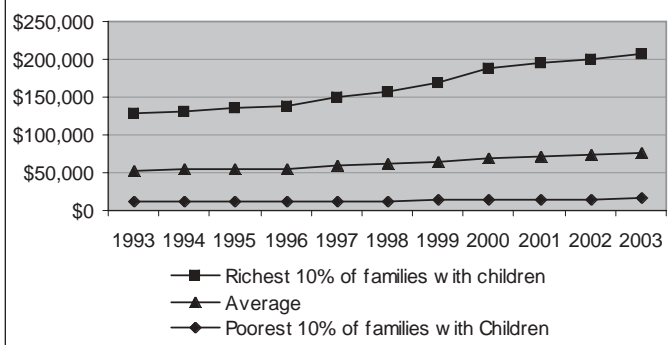
Low Income Families Still Deep in Poverty

Low income families still live far below the poverty line. The distance between average low incomes and the poverty line, known as the depth of poverty, is a powerful indicator of how both public policies and labour market conditions are failing families. While there has been some marginal improvement for two parent families, the situation of lone mother families has deteriorated since 2001. On average, couples with children remained \$9,900 below the poverty line while lone mother families were, on average, \$9,600 below the poverty line (figure 2).

A lone parent with one child living the average distance below the poverty line of \$24,475 in a large city would have an estimated income of \$14,875. Most parents would have a real challenge balancing the expenses of rent, food, child care and medical expenses, for example, on that meager income. As a result, many have no choice but to rely on foodbanks and hope for secure, affordable housing in order to make ends meet.

Growing Inequality Threatens Social Inclusion

FIGURE 3: INCOMES FOR FAMILIES WITH CHILDREN IN CANADA, 1993-2003



Source: CCSD using Statistics Canada's *Survey of Labour and Income Dynamics*, masterfile (1993-2003).

Canada's failure to address child poverty is reflected in growing income inequality within Canadian society. The growing gap between the poorest 10% of families with children and the richest 10% over the past decade is deeply troubling. While all income levels have seen gains in income, not all gains have been equal.

Social inequality has widened over the past decade. In 2003, the richest 10% of families with children earned \$13 for every \$1 earned by the poorest families. Ten years ago the income gap was smaller with the wealthiest families earning about \$10 for every \$1 earned by the poorest families.

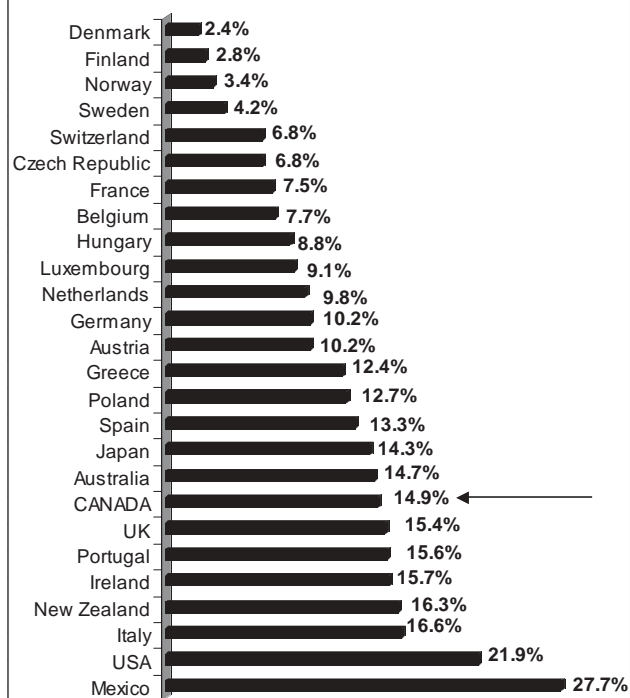
What are the risks to Canadian society of a growing chasm between the "haves" and the "have nots"? Many of the families struggling at the lowest rungs of the income ladder are lone mothers, recent immigrants, visible minorities, Aboriginal peoples and people with disabilities. Increasing inequality erodes social cohesion, increases insecurity, and reduces public health⁶. Studies of industrialized countries show that as income inequality increases, the social environment deteriorates, trust decreases, involvement in community life declines, population health deteriorates, and hostility and violence increase⁷. Children who experience long periods of poverty between birth and age 5 or in their early teenage years are more likely to commit crime⁸.

Investment in social programs and a more progressive tax system are needed for Canada to become a more just, inclusive and fair society. Social expenditures such as the GST credit, Canada Child Tax Benefit, and Employment Insurance all play an important role in lifting families out of poverty. Federal budget surpluses of up to \$40 billion are forecast for the next three years⁹. Campaign 2000 urges the federal government to invest public resources in programs that reduce inequality instead of considering general tax cuts that disproportionately benefit the wealthiest Canadians.

Canada Lags Behind Other Rich Countries

UNICEF's second report, *Child Poverty in Rich Countries 2005*, continues to rank Canada a dismal 19th out of 26 OECD countries in a global survey of child poverty rates in industrialized countries¹⁰.

FIGURE 4: PROPORTION OF CHILDREN LIVING BELOW THE NATIONAL POVERTY LINES¹¹



Source: UNICEF, 'Child Poverty in Rich Countries, 2005'. *Innocenti Report Card No. 6*, UNICEF Innocenti Research Centre, Florence.

Every country which spends more than 10% of its national income on social spending for families with children has a child poverty rate below 10%. This includes Denmark, Norway, Finland and Sweden which all have child poverty rates below 5%. In contrast, Canada devotes a little over 5% of national income to social spending, and has a child poverty rate of 15%¹².

Government interventions in OECD countries, including spending on family and social benefits, have on average reduced child poverty rates by 40%. The UNICEF report confirms Campaign 2000's findings: social trends, labour market conditions, and government policies are all key determinants of child poverty rates.

UNICEF notes that in Canada children are still waiting. All OECD countries are urged to commit to realistic targets to reduce child poverty; e.g. bring child poverty rates below 10%. The United Kingdom has committed to halving child poverty by 2010 and eliminating it by 2020. The UNICEF report indicates the approach is working; the U.K has reached its interim target of 25% reduction for 2004-05. If the U.K can do this, why not Canada?

Needed: A Collaborative Urban Aboriginal Strategy that Works

There is one aspect of Canadian society, one aspect of our history, that casts a shadow over all that we have achieved. The continuing gap in life conditions between aboriginal and other Canadians is intolerable. It offends our values and we cannot remain on our current path. With our partners, we will tackle head-on the particular problems faced by the increasing number of urban aboriginals and Métis. We will not allow ourselves to be caught up in jurisdictional wrangling, passing the buck and bypassing their needs.

Prime Minister Paul Martin, Hansard, February 4, 2004

Responding to the specific needs of urban Aboriginal communities, now the majority of the Aboriginal population, is critical if Aboriginal children and youth are to thrive not merely survive. With an increasing Aboriginal population that is urban, young, and living in lone parent families, Canada must address the extremes of poverty that are their daily reality.

Aboriginal peoples have one of the highest rates of poverty among social groups in Canada. Sixty-nine percent of Aboriginal peoples live off reserve, and 50% of all Aboriginal peoples now live in urban areas.

- Children (0-14 years) make up 33% of Canada's Aboriginal population, compared to 19% of the non-Aboriginal population¹³.
- Almost half (46%) of Aboriginal children under 15 years old live with a lone parent¹⁴.
- Forty percent of off-reserve Aboriginal children live in poverty¹⁵.
- One in every four off-reserve Aboriginal children lives in poor housing conditions, compared to 13% of all children in Canada¹⁶.
- Urban Aboriginal peoples are a high risk group for food insecurity¹⁷.

Throughout the 1990s federal and provincial governments cut funding for programs dedicated to urban Aboriginal children aged 6-12, funding for Friendship Centres, and funding for Aboriginal language programs¹⁸. Without investment and partnership between all levels of government and Aboriginal organizations we risk seeing the growth of high poverty urban Aboriginal neighbourhoods in Canada's major cities.



Important progress in higher educational attainment and participation in the labour market has been achieved, yet Aboriginal peoples in 2001 had an unemployment rate that is over twice as high as the general rate¹⁹. Aboriginal workers earned only two-thirds of an average worker's wages²⁰. The Aboriginal workforce is a critical resource for Canada, particularly to maintain the labour force as the baby boom retires. Manitoba and Saskatchewan, where Aboriginal participation will increase to 17% of the total workforce over the next 15 years, stand to benefit significantly²¹.

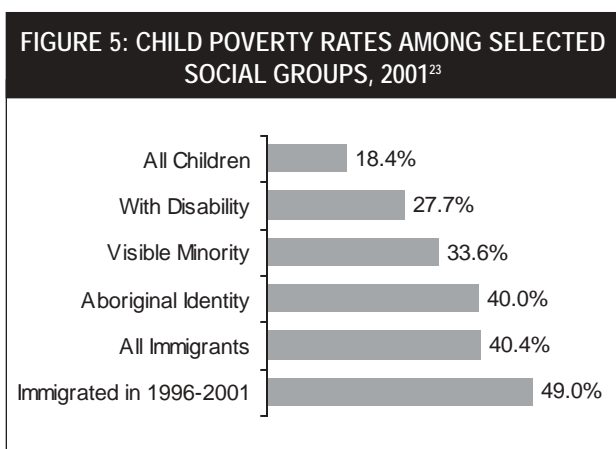
Now is the time for governments at all levels to collaborate with Aboriginal organizations to ramp up social investments that enable young Aboriginals to succeed. Culturally appropriate child care programs and schools are the essential foundation. Aboriginal applicants must be ensured access to universities, apprenticeship, trade and upgrading programs²².

More specifically, the Federal Government must ensure that all Aboriginal programs and services are accessible to the 50% of Aboriginal peoples who live in urban areas. Federal investment is needed in programs and services directed at urban Aboriginal children who live in poverty. The Urban Aboriginal Strategy must be redesigned to ensure that urban Aboriginal peoples across Canada have access to programs and services addressing education, employment, housing and health needs. Similarly, the Aboriginal Human Resources Strategy should be redesigned with Aboriginal communities to ensure that urban Aboriginal peoples have equitable access to this labour market program. Renewed investment to enhance and expand the Aboriginal Friendship Centre Program is needed so that urban Aboriginal peoples across Canada have access to a well resourced and stable safety net.

It is clear that children and families in First Nations, rural Métis, remote and northern Inuit communities experience high rates of poverty, even though adequate data are not available. This poverty is systemic and long-standing and requires concerted attention from all levels.

Substantial Public Investments Needed to Tackle Inequality

While poverty and disadvantage are too common throughout society, some groups are disproportionately affected (figure 5). Lone mothers and their children continue to be one of Canada's most economically vulnerable groups. Persistent social and economic inequality based on race, ethnicity, ability and gender demonstrates the impact of eroded social protections and exposes the limitations of relying primarily on economic growth to achieve social inclusion. Within an Action Plan for Children and Families, specific policies and investments are needed to address the systemic sources of disadvantage and promote greater equity in our communities.

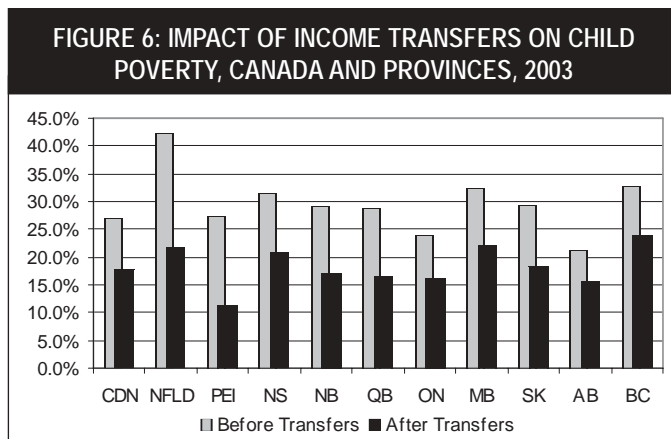


Source: Statistics Canada's *Canada Census 2001*.

The contribution of immigrants will continue to be central to the prosperity of Canada, as immigrants are expected to account for virtually all of Canada's labour force growth by 2011. Yet, a precarious labour market has led to high levels of poverty and exclusion among recent immigrants²⁴. Many recent immigrant workers are clustered in low-wage work with few, if any, benefits. Despite having the highest ever educational credentials, today's immigrants have undergone a sharp decline in living standards compared with immigrants from previous decades. Canadian employers often do not recognize internationally-attained credentials and job experience²⁵.

Among racialized groups, barriers to employment are compounded by discrimination²⁶. Workers belonging to a visible minority group earned on average \$4,600 lower than earnings for all other workers²⁷. The poverty rate for children in racialized families stood at 33.6% in 2001. The racialization of poverty is becoming a harsh reality in Canada's largest cities as the vast majority of recent immigrants (of whom almost three-quarters were members of visible minority groups) settle in urban centres.

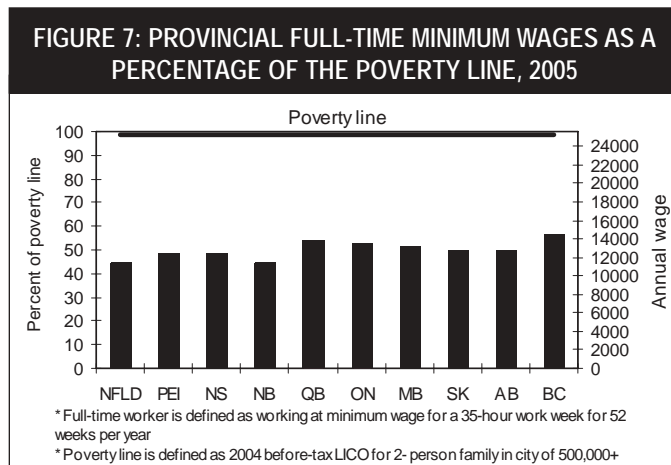
Children with disabilities face barriers to full inclusion and their families encounter immense financial, social and emotional stresses. In 2001, the child poverty rate of children with disabilities was 27.7%²⁸.



Source: CCSD using Statistics Canada's *Survey of Labour and Income Dynamics*, masterfile.

The value of social expenditures, including the GST credit, the Canada Child Tax Benefit and Employment Insurance, in preventing child poverty is clear. In 2003, 628,000 children were kept out of poverty as a result of public investments. Without these, Canada's child poverty rate would have been 26.9%. Any serious strategy to reduce the depth and levels of child poverty requires additional income transfers and faster implementation. Earnings from employment have never been sufficient for families with jobs at the lower ends of the labour market to escape poverty (figure 7).

Further commitment is needed beyond the federal government's current plan to increase the Canada Child Tax Benefit to \$3,243 per child by 2007. An Action Plan for Children must include a commitment through 2015 and an increase of the CCTB to \$4,900 per child. Action must also be taken to deal with those provinces who continue to deny federal child benefits to families on social assistance. The majority of provinces and territories reduce social assistance and other related benefits (i.e. provincial child benefits) by the amount of the National Child Benefit. Such a practice has continued even as social assistance rates have steadily declined over the past decade.



Source: Calculated using Statistics Canada's 2004 pre-tax LICO and 2005 Minimum Wage Rates in Canada as published in *Alberta Minimum Wage Profile, July 2004 - June 2005*.

Needed: Continued Movement Forward on Early Learning and Child Care

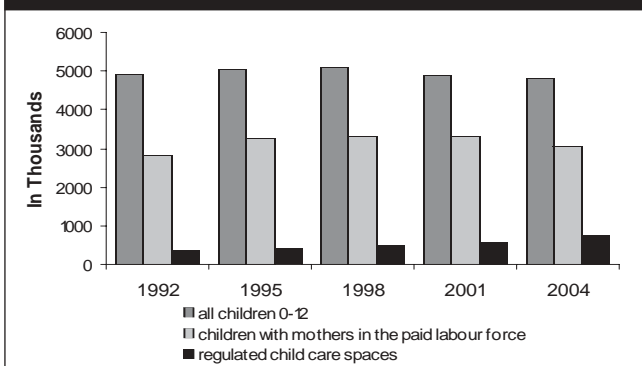
We have to have the ambition of a system. Five billion dollars over five years is merely a tool - but to build a system - that is the task.

Social Development Minister Ken Dryden, Regina, Saskatchewan, June 5, 2005

Campaign 2000 continues to call for a universal system of early learning and child care (ELCC) as one essential pathway out of poverty for Canadian families. Early learning and care programs for children enable parents to work and receive training. They support healthy, well-developed children who have strong chances for academic success, health and independence.

As such the Federal Government 2005 budget decision to commit \$5 billion over five years as a first step toward a national system based on the principles of quality, universality, accessibility, and developmental programming, was indeed good news. With almost 5 million children under the age of 12, the need for high quality, affordable child care remains pressing across the country. As of 2003, almost three million of these children had mothers in the paid labour force, yet there were less than 800,000 regulated child care spaces and 43% of these were in Quebec²⁹.

FIGURE 8: AVAILABILITY OF REGULATED CHILD CARE IN CANADA, 1992-2004



Source: Friendly and Beach. (2005). *Early Childhood Care in Canada 2004*. Friendly, Beach and Turiano. *Early Childhood Care and Education in Canada: Provinces and Territories 2001, 2002*.

The choices made now by the federal and provincial governments are critical to the long-term vision for Canada's newest social program. One of the challenges for government is to ensure that the system is designed effectively from the start and that public funds are put to best use. This requires a commitment to a transition plan that moves to not-for-profit delivery of child care services. There is overwhelming evidence that not-for-profit delivery is far more likely to: deliver high quality programs for children that support early learning; serve low income children and ensure inclusion of children with special needs; and provide accountable and stable services³⁰. A transition plan should be developed based on grandparenting existing for-profit child care operators, and restricting funding for new services to the public and non-profit sector.

Federal legislation should be developed and enacted to cement the foundations of Canada's early learning and child care system. Policy should be developed now to guarantee that services fulfill the principles of high quality, universality, accessibility, developmental and inclusive programming, and to ensure that expansion takes place in the non-profit child care sector.

To ensure accountability for public funds, provinces and territories should develop plans to demonstrate how progress will be planned and monitored to meet the public outcome goals of quality, universality, affordability, accessibility and inclusion. Provinces and territorial governments must report progress on a regular basis.

The \$5 billion commitment from the federal government is a down payment. To meet Canada's child care needs this funding commitment will need to be increased and sustained over the long term. Additional resources and supports are required to meet Aboriginal, rural and remote needs, build services for school age children, and to provide a capital fund to ensure that the QUAD principles (quality, universality, accessibility and developmental programming) are attainable. A 15-year plan is needed with annual funding increases to reach \$5 billion by year five, and \$10 billion by year fifteen³¹.

Strengthen the Canada Social Transfer

Employment Insurance no longer provides a safety net for the majority of workers who are temporarily unemployed; therefore many vulnerable families are forced to rely on social assistance. Only 43.5% of those who are unemployed are receiving EI, down from 75% a decade ago³².

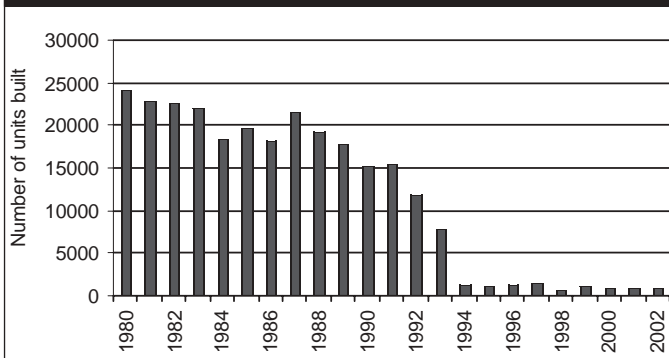
In March 2004, more than 513,754 children in Canada lived in families that had to rely on social assistance³³. The majority of these families move on and off welfare. A variety of factors including unemployment, underemployment, illness, disability, and a lack of supports mean that some must rely on social assistance for extended periods of time.

When the federal government ended the Canada Assistance Plan (CAP) in 1995 and cut \$12 billion in transfer payments many important principles and safeguards for social assistance programs were discarded. The demise of CAP was followed by deep cuts in benefit levels and restrictions that have excluded many Canadians from the social safety net of last resort. No province in Canada has welfare rates for families that come close to the poverty line³⁴. All governments need to show leadership to stem deepening poverty among families on social assistance.

The creation of the Canada Social Transfer (CST) provides an opportunity to rebuild inclusive systems of welfare and social services. In 2005, some \$15 billion will flow through the CST to the provinces yet, unlike the Canada Health Transfer, there has been little public discussion on how this social funding is dispensed. The key to success is threefold: 1) separate funding for areas of post-secondary education, early learning and child care, and housing and focus CST on social services and social assistance; 2) increase federal funds; and 3) introduce enforceable principles that ensure adequate support is available to those who need it.

Needed: A Housing Strategy that Actually Delivers

FIGURE 9: SOCIAL HOUSING UNITS BUILT ANNUALLY 1980-2002



Source: Prepared by the Canadian Housing and Renewal Association using Canada Mortgage and Housing Corporation data.

Good quality, secure, affordable housing anchors families in a community, increases a child's chances of success at school, and provides a base for parents' employment or training.

The cost of housing plays a central role in the incidence and depth of low income. The affordability of rental housing is becoming an even more serious problem given the increasing inequality of earnings and Canada's weakened social safety net³⁵. There is a clear link between affordable housing, health status and a child's performance at school. More than 1 out of 4 children in substandard housing are reported not to be in excellent health, compared to 1 in 10 of children in decent housing³⁶.

The federal government's role in housing has been steadily eroding since the 1980s, culminating with a decision in 1993 to cancel all federal spending on new housing supply. Declining federal and provincial government supports combined with declining private sector involvement has led to a crisis in affordable rental housing across Canada.

Of all families with children in Canada 21.4% live in unaffordable housing where shelter costs are more than 30% of their total income. Among low income families with children, 66% live in unaffordable housing. Higher housing costs mean that in many cases parents have to choose between paying the rent or feeding their children. With increasing energy costs, low income families will be forced to again reduce food budgets.

The Affordable Housing Framework Agreement in 2001 signified substantial new federal housing funds with a commitment to invest one billion dollars over 5 years and fund up to 120,000 new affordable homes. Funding was to be flowed through the provinces and territories.

Four years later the National Housing and Homelessness Network estimates that less than 12,000 new homes have actually been committed - only 10% of the total. Ontario and the Atlantic Provinces have seen few new homes built, while provincial governments in B.C.

and Alberta have replaced provincial housing expenditures with federal funding. Quebec is the only province that has met its target and maintained a provincial housing program³⁷. Solutions must be found to resolve the ongoing federal-provincial logjams over cost-sharing of new housing. The federal government should proceed unilaterally where provinces or territories will not or cannot build housing.

In June 2005 under Bill C-48 (the NDP budget amendment), Parliament authorized an additional \$1.6 billion in new housing spending and \$100 million for energy efficiency in low income homes. These funds are to be used for Aboriginal housing, urban redevelopment, and new affordable homes, but there is concern that turning the funds into bricks and mortar will again be delayed by bilateral housing negotiations.

Canada's low income children and families need a national housing and homelessness strategy with a federal commitment of multi-year funding that actually delivers 25,000 affordable housing units annually for the next 5 years. Federal, provincial, territorial and municipal governments need to work together cooperatively so that committed funds actually deliver affordable housing units in a timely way.



Needed: An Action Plan for Children

There are many demands for priority on the time and resources of government. And the case for children therefore bears repeating. It is the fundamental responsibility of government to protect the vulnerable and to protect the future. Children are both.

'Child Poverty in Rich Countries, 2005', *Innocenti Report Card* N° 6, p.23.

Sixteen years have passed since Canada's House of Commons unanimously resolved to end child poverty by the year 2000. During that time almost a generation of children has grown from infancy to young adulthood. The target year for Canada has come and gone, as UNICEF notes, with limited visible progress for low income families.

Some important government initiatives have been launched. The most significant which address child poverty are: the National Child Benefit introduced in 1998; the Child Disability Benefit introduced in 2003; and the \$5 billion federal commitment to a national child care system in 2005. These important downpayments are no longer enough. Canada's children require full payment to substantially reduce the child poverty rate that is stuck at 16-17%.

Federal leadership is needed to develop, implement and fund with provincial/territorial and municipal governments a comprehensive, multi-year social investment strategy - an Action Plan for Children and Families. Building on the lessons learned from other OECD countries, this plan must include government investments in social programs and high quality labour markets. The voluntary sector, business, labour and community groups must also be involved.

An Action Plan for Children must recognize that child poverty is a multi-faceted problem which requires multi-faceted solutions. Campaign 2000 makes the following recommendations for major initiatives under the five core elements of an Action Plan for Children.



1. More Good Jobs at Living Wages

- **Raise the minimum wage** to a living wage of \$10 an hour (indexed to inflation) in every province, territory and sectors of the labour force under federal jurisdiction.
- Develop and implement a multi-faceted **strategy to better facilitate the economic and social integration of immigrants**. This strategy should include all levels of government working together with a broad range of stakeholders³⁸.
- Restore eligibility for Employment Insurance (EI) by introducing a uniform 360 hour qualifying requirement. Extend the EI benefit period to one year to protect all earners, including low income parents, when the economy is in recession, and include training leaves as an EI entitlement for both employed and unemployed workers.
- Develop a federal-provincial **Labour Market Strategy for People with Disabilities** including specific disability-supports strategy.
- Introduce **living wage ordinances and access and equity policies** at all levels of government to leverage the creation of good jobs through government contracting requirements.

2. An Effective Child Benefit System

- The federal government should commit to a longer term plan beyond 2007 which would **consolidate current child benefits** into a single program and raise the child benefit **to a maximum of \$4,900** (in 2005 dollars) per child by the third year of the plan.

3. A Universally Accessible System of Quality Early Childhood Education and Care

- The federal government should develop legislation that ensures all children in Canada have access to quality early learning and child care opportunities in their communities, with expansion taking place in the non-profit sector.
- The federal government should require provinces and territories to develop action plans demonstrating how progress towards the goals of quality, affordability, accessibility and inclusion will be planned and monitored with increased public funding.
- Funding to continue rising to reach \$5 billion annually by year 5 and \$10 billion by year 15, while provinces maintain and supplement current funding levels.

4. Significant Expansion of Affordable Housing

- *25,000 new affordable housing* units be built every year for the next five years.
- Federal and provincial/territorial governments must break the logjam around existing commitments. Where provinces and territories can't or won't build housing, the federal government must proceed unilaterally to meet Canada's urgent housing needs.

5. A Renewed National Social Safety Net: Canada Social Transfer

- The federal government establish clearly demarcated funding mechanisms for each of the areas of post-secondary education, early childhood education and care, social assistance and social services, and housing.
- The federal government begin to rebuild transfers for social assistance and social services, and negotiate a new funding formula with the provinces/territories that provides sufficient, stable and predictable funding and recognizes regional economic variations.
- Substantive and enforceable **principles for social assistance** be established to ensure that this social safety net program of last resort provides adequate income support and is available to all low income Canadians who are without other means of sufficient support. There must be a guaranteed right of appeal.
- Federal and provincial governments develop an **Urban Aboriginal Strategy** in consultation with Aboriginal communities and commit financial support under the Canada Social Transfer to community-based, off-reserve Aboriginal services that would be planned and delivered by Aboriginal agencies.
- Under a post-secondary education transfer, the federal government improve access to post-secondary education by increasing the student financial aid package and allocating a higher proportion of aid to needs based grants. Also freeze and lower tuition fees for post-secondary studies across Canada.
- Senior levels of government develop a strategy to address the poverty of people with disabilities.



If Not Now, When?

Public concern over child poverty in Canada has consistently ranked the issue in the top five priorities for government action, along with healthcare and education. Federal and provincial governments have devoted significant resources to healthcare and are concerned with rising healthcare costs. In the face of increasing globalization, there is significant concern about Canada's productivity rate. Forecasts of labour shortages have prompted calls for increased immigration, yet numerous reports document high poverty levels among recent immigrants and the growing racialization of poverty. 2005 saw increasing public concern about gun crime and youth violence in certain Canadian cities, and shock over deplorable living conditions on First Nations reserves publicized by the media.

Campaign 2000 maintains that an effective plan to address child poverty is intimately tied to all of these challenges. The link between a healthy start in life and the long-term impact on the well-being of children is clearly established. A significantly reduced rate of child poverty will help to reduce health care costs over the long term. Providing an equal opportunity from birth for all children is essential to a progressive productivity agenda which balances economic growth with equity. Concerted efforts to address the growing gap between rich and poor families are required immediately to ensure the cohesion and security of our communities and the social and economic well-being of our country.

Canada can generate the fiscal capacity to implement an Action Plan for Children that will make a real difference in the lives of families. Strategic use of public resources, including a forecasted fiscal surplus of approximately \$40 billion over the next three years, is desperately needed. The federal government must put these surpluses to work, invest in an Action Plan for Children, and ratchet down our shameful child poverty rate. Provincial and territorial governments have a critical role to play by raising the minimum wage, investing in affordable housing, increasing social assistance rates and ending clawbacks, and expanding non-profit child care spaces. Municipalities can establish living wage ordinances and encourage the creation of good jobs.

The 1.2 million children in Canada who are growing up in poverty deserve an Action Plan for Children - if not now, when?

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NOTES:

1. Conference Board of Canada (2005). *Performance and Potential 2005-06. The World and Canada*. Special Edition, page 61.
2. Latest available child poverty data is for year 2003. Child poverty data prepared by the Canadian Council on Social Development (CCSD) using Statistics Canada's *Income Trends in Canada*, 2003, 13F0022XIE and *Survey of Labour and Income Dynamics* (SLID) masterfile data (1993 to 2003), via remote access. Poor children are those living in families whose total income before taxes falls below the Low Income Cut-Off (LICO) as defined by Statistics Canada. A child is defined as a person under the age of 18 living with parent(s) or guardian(s), excluding those who are unattached individuals, those that are the major income earner or those who are the spouse or common law partner of the major income earner. Statistics Canada data excludes those on First Nations reserves; those in the Yukon, Northwest Territories and Nunavut; and children living in institutions.
3. Canadian Association of Food Banks (2005). *Hunger Count 2005*. Toronto: Canadian Association of Food Banks.
4. Saunders, R. (2003). *Defining Vulnerability in the Labour Market*. Ottawa: Canadian Policy Research Networks.
5. Canadian Council on Social Development (CCSD) using Statistics Canada's *Survey of Labour and Income Dynamics*, masterfile (1993-2003).
6. Brooks, N. (2004). *What we owe to one another: Is the social contract being rewritten? Inequality and taxation*. Presentation to ISARC Forum, November, 2004.
7. Wilkinson, R. (2000). *Mind the Gap: Hierarchies, Health and Human Evolution*. London: Weidenfeld & Nicholson.
8. Jarjoura, G., et al. (2002). Growing up poor: examining the link between persistent child poverty and delinquency. *Journal of Quantitative Criminology*, 18, 159-187.
9. Canadian Centre for Policy Alternatives. (2005). *Federal Fiscal Forecasting: Round 4: report to the House of Commons Standing Committee on Finance*. October, 24, 2005. Ottawa: CCPA.
10. UNICEF "Child Poverty in Rich Countries 2005." *Innocenti Report Card No. 6* UNICEF Innocenti Research Centre, Florence.
11. Ibid. Page 32. The data show children living in 'relative' poverty, defined as households with income below 50% of the national median income (LIM). The poverty rates refer to the following years: 2001 (Switzerland, France, Germany, New Zealand), 2000 (Denmark, Finland, Norway, Sweden, Czech Republic, Luxembourg, Japan, Australia, Canada, Portugal, Ireland, Italy, USA), 1999 (Hungary, Netherlands, Greece, Poland, UK), 1998 (Mexico), 1997 (Belgium, Austria) and 1995 (Spain).
12. Ibid. Page 23.
13. Anderson, J. (June, 2003). *Aboriginal Children in Poverty in Urban Communities: Social Exclusion and the Growing Racialization of Poverty in Canada*. Ottawa: Canadian Council on Social Development.
14. Ibid.
15. Ibid.
16. Statistics Canada (2003). *Aboriginal peoples Survey 2001: Initial Findings*. Ottawa: Ministry of Industry.
17. Ontario Federation of Indian Friendship Centres (June, 2003). *Child Hunger and Food Insecurity Among Urban Aboriginal Families*. Toronto: Ontario Federation of Indian Friendship Centres.
18. National Association of Friendship Centres (October, 2005). *The Impact of Aboriginal Friendship Centres Program on Increasing Canada's Productivity, Brief to the Standing Committee on Finance*.
19. Mendelson, M. (April, 2004). *Aboriginal peoples in Canada's Labour Market: Work and Unemployment, Today and Tomorrow*. Ottawa: Caledon Institute.
20. Prepared by Campaign 2000 from Statistics Canada, 2001 Census 97F0019XCBO1048.
21. Mendelson, M. Ibid.
22. Ibid.
23. Data from Statistics Canada *Census 2001* for persons under the age of 18. Child poverty figures for groups in this section are not available annually from Statistics Canada's *Income Trends in Canada*. Differences in child poverty figures in this section are due to different data collection methods for Statistics Canada's various surveys. Children with disabilities refers to children who have difficulties with daily activities and the reduction in the amount or kind of activities due to physical or mental conditions or health problems. Children in visible minority or racialized groups are those who, under the *Employment Equity Act*, are not white in race or colour (excluding Aboriginal persons). Aboriginal identity excludes those on First Nations reserves and those in the Yukon, Northwest Territories and Nunavut.
24. See, for example, Reitz, J. (2004). *The Institutional Context of Immigration Policy and Immigrant Skill Utilization in Canada*. University of Toronto.
25. Bloom, M. and M. Grant. (2001). *Brain Gain: The Economic Benefits of Recognizing Credentials in Canada*.
26. Racialization refers to the process of attributing social meaning to somatic differences such as skin colour. This process leads to ideologies, policies and practices of exclusion and inclusion that structure social inequalities. For a full discussion on this subject see Saloojee, A. (2003). *Social Inclusion, Anti-Racism, and Democratic Citizenship*. Toronto: Laidlaw Foundation. For an analysis of racialization of poverty in Canada see, for example, Galabuzi, Grace-Edward. (2001). *Canada's Creeping Economic Apartheid: The Economic Segregation and Social Marginalisation of Racialised Groups*. Toronto: Canadian Centre for Social Justice Foundation for Research and Education. Agocs C. (2001) *Systemic Racism in Employment in Canada: Diagnosing Systemic Racism in Organizational Culture*. Toronto: Canadian Race Relations Foundation.
27. Prepared by Campaign 2000 from Statistics Canada, 2001 Census, 97F0019XCBO1057.
28. See, for example, Canadian Coalition for Family Supportive Policy. (2004). *Declaration: A Public Policy Agenda to Support Families who have a Member with a Disability*. Ottawa: CCFSP.
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31. Child Care Advocacy Association of Canada (2005). *Early Learning and Child Care*. Submission to the Federal Standing Committee on Finance for its 2005 pre-budget consultations.
32. Mendelson, M. and K. Battle. (March 2005). *"A new Architecture for Canada's Adult Benefit"*. Ottawa: Caledon Institute.
33. Social Development Canada (Sept 2005). *Social Assistance Statistical Report: 2004*. Ottawa: Social Development Canada.
34. National Council of Welfare. (Spring, 2004). *Income for Living?* National Council of Welfare Reports, p. 120.
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36. Canadian Council on Social Development (2001). *Housing Conditions and Child Development*. Ottawa: CCSD.
37. National Housing and Homelessness Network (September 2005). *National report card grades federal housing effort as failure*. Halifax: NHHN.
38. Examples of organizations that are developing and working to implement such strategies include: The Toronto Region Immigrant Employment Council (www.maytree.com), the Policy Roundtable Mobilizing Professions and Trades (www.promptinfo.com) and MOSAIC (www.mosaicbc.com).

Campaign 2000 is a non-partisan, cross-Canada network of over 90 national, provincial and community partner organizations committed to working together to end child and family poverty in Canada.

NATIONAL PARTNERS include: *Boys and Girls Clubs of Canada (Toronto), Campaign Against Child Poverty (Toronto), Canadian Academy of Child Psychiatry (Hamilton), Canadian Association for Young Children (Carrying Place), Canadian Association for Community Living (Toronto), Canadian Association of Family Resource Programs (Ottawa), Canadian Association of Food Banks (Toronto), Canadian Association of Schools of Social Work (Ottawa), Canadian Association of Social Workers (Ottawa), Canadian Auto Workers (Toronto), Canadian Child Care Federation (Ottawa), Canadian Council for Reform Judaism (Toronto), Canadian Council of Churches (Toronto), Canadian Council on Social Development (Ottawa), Canadian Federation of Students (Ottawa), Canadian Feed the Children (Toronto), Canadian Housing and Renewal Association (Ottawa), Canadian Institute of Child Health (Ottawa), Canadian Jewish Congress (Ottawa), Canadian Labour Congress (Ottawa), Canadian Mental Health Association (Toronto), Canadian Psychological Association (Burlington), Canadian School Boards Association (Ottawa), Canadian Pensioners Concerned (Toronto), Canadian Teachers' Federation (Ottawa), Catholic Health Association of Canada (Ottawa), Centre for Social Justice (Toronto), Child Care Advocacy Association of Canada (Ottawa), Childcare Resource and Research Unit (University of Toronto), Child Poverty Action Group (Toronto), Child Welfare League of Canada (Ottawa), Citizens for Public Justice (Toronto), Family Service Canada (Ottawa), Islamic Social Services Association (Winnipeg), Jewish Women International of Canada (Toronto), KAIROS (Toronto), Mazon Canada (Toronto), National Anti-Poverty Organization (Ottawa), National Council of Jewish Women of Canada (Winnipeg), National Council of Women of Canada (Ottawa), National Association of Friendship Centres (Ottawa), Oxfam Canada (Ottawa), Pueblo Canada (Toronto), Save the Children - Canada (Toronto), Specialink: The National Centre for Child Care Inclusion (Sydney), United Steel Workers of America (Toronto), YWCA of/du Canada (Toronto).*

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