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and Social Development and the Status of
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Chair

Mr. Dean Allison

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• (1110)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Pursuant to Standing Order 108(2), this is a study of the federal contribution to reducing poverty in Canada.

I want to start off by saying that I'm sorry I'm a little bit late.

Thank you to the departmental officials from HRSDC and Statistics Canada for coming, once again, on relatively short notice. We thank you for coming back. As you know, we've been studying poverty, and we've decided in this Parliament to go ahead with it again, so we want to get members up to speed. Once again, we thank you for coming and for making time in your schedules.

We understand that both of you have approximately 10 to 15 minutes each, so we'll go ahead right away. I'll stop my talking. And of course the members then will ask some questions. Hopefully there won't be too many comments. There will mostly be questions, but you never know with this group. We'll find out what happens.

Who would like to go first?

All right, Frank Fedyk from HRSDC, the floor is yours, sir.

Mr. Frank Fedyk (Associate Assistant Deputy Minister, Strategic Policy and Research Branch, Department of Human Resources and Skills Development): Thank you, Mr. Chair. We're very pleased to be back here today to provide the committee with an update on the subject of low income.

As you know, there's been a significant upheaval in our economy since HRSDC officials appeared before the committee in April. At that time, Canada's economy and labour market performance remained strong. We were experiencing the second longest period of economic expansion in Canadian history. The unemployment rate was near its lowest level in 33 years, and more Canadians were working than ever before. Low-income rates had been in decline since the late 1990s.

Today there's a broad-based consensus that the Canadian economy entered a recession in the fourth quarter of 2008. Largely, this was brought on by the deterioration of the global economy. According to the Department of Finance, real GDP is expected to contract by 0.8% in 2009. The Organization for Economic Co-operation and Development projects that Canada's employment in 2009 will decline by 0.6% for the first time since 1992. As a result, the Canadian unemployment rate is projected to rise to 7.5% in 2009.

If I may, I'd like to take a few minutes to highlight some of the key points and observations we offered you in April that remain relevant to a discussion of low income today.

There are groups of Canadians who are much more likely to be low-income at any point in time and to live on low incomes for a prolonged period of time. Persons with disabilities, lone parents, recent immigrants, aboriginal Canadians living off-reserve, and unattached individuals aged 45 to 64 are at substantially greater risk of persistent low income for various reasons. As to the factors that contribute to being persistently low-income, research shows that being outside the labour force, having lower education, or being the sole adult in the family unit are important characteristics.

I also reviewed for you the investments made by the federal government that provide broad-based relief for those who are low-income or are at risk of being low-income. Federal child benefits, the old age security system, supports for people with disabilities, such as the Canada Pension Plan disability benefit, to give one example, all contribute to providing income support to these low-income groups.

In addition, the government supports working Canadians through a series of initiatives, one of which is the working income tax benefit.

Another important aspect of low income is access to and affordability of housing. The government has also made key investments in the homelessness partnering strategy and social housing.

I'm now going to briefly lay out some key low-income trends, using the most recent data available, and then talk about two key federal measures outlined in the budget that support low-income Canadians. I will conclude with some comments on departmental activities in the area of poverty measurement.

As you know, Canada, like several other industrial countries, does not have an official measure of poverty. Instead, Canada uses a suite of low-income measures that satisfy a range of policy and research objectives. In December, the department released its most recent report on low income in Canada using the market basket measure. I've copies of the report with me, which I will leave with the clerk at the end of our time with you. I'd like to take this opportunity to outline for you some of the highlights from the report.

The MBM is a measure of low income based on a specific basket of goods and services for a number of urban communities and community sizes across Canada. It was designed to complement Statistics Canada's measures of low income. The MBM is far more sensitive to geographical differences in living costs. That is, the MBM enables one to look at low-income differences between communities of similar sizes in different provinces. The components of the MBM basket have been designed to represent a modest standard of consumption of food, clothing and footwear, shelter, transportation, and other household needs. A family is considered low-income when their disposable income is below the cost of purchasing their basket of goods and services.

• (1115)

So what does the report tell us? There are approximately 3.8 million Canadians living in low income in 2006, the most recent year for which data is available. Of the 3.8 million low-income Canadians, 972,800 were children, 2.69 million were working-age adults, and about 134,000 were seniors.

As one would expect with the lengthy period of economic expansion, the rate of low income went down for all vulnerable groups between 2000 and 2006. The overall low-income rate went down from 14.6% of Canadians to 11.9%. People with work-limiting disabilities, unattached individuals aged 45 to 64, and lone parents showed the greatest decline in low income: 9.7%, 8.4%, and 7.9% respectively. I have included a table that provides these details at the back of the presentation.

Both men and women have experienced a decrease in low-income rates since 2000. The rate for women decreased at a faster pace than the rate for men, reducing the low-income gap from 1.7%, in 2000 to 0.6%, in 2006. In 2006, the low-income rate was 11.6% for men compared to 12.2% for women. The trend in declining low-income rates for women held for lone-parent families as well, where the incidents of low income for lone parents dropped 7.6% to 34.9%. For recent immigrants the situation also improved, with the low-income rate declining from 30.9% in 2000 to 20.4% in 2006. The low-income rate for children under age 18 declined from 18.1% to 14.4%. Finally, seniors, the group experiencing the lowest incidence of low income among vulnerable groups, has also continued to make progress with a rate of low income at 3.3% in 2006.

Generally speaking, the trends we see using the MBM are consistent with, and may remind you of, the overall trends we saw using the low-income cut-off rates in April.

With respect to budget measures, budget 2009 included several measures that will benefit low- to moderate-income Canadians. These proposals include a range of tax measures, including tax savings for seniors, program enhancement for older workers, changes to the unemployment insurance scheme, and investments

in social housing. Permit me to highlight two measures specifically that were announced in Canada's economic action plan that are designed to help vulnerable working families and children: the national child benefit supplement and the working income tax benefit. Beginning in July 2009, budget 2009 proposes to increase the eligible income range for both the national child benefit supplement and the Canada child tax benefit base benefit, which will allow families who did not receive the maximum benefit to receive a larger benefit.

The change announced in the budget is to shift the threshold at which the NCB supplement is fully phased out from \$38,832 to \$40,726. This means that the income level up to which families receive the maximum NCB supplement will also increase from \$21,816 to \$23,710. The CCTB base benefit will now be reduced for incomes over \$40,726, where previously this threshold was \$37,885. It's estimated that the measure will cost \$230 million in fiscal year 2009-10 and \$310 million in 2010-11. This is in addition to the over \$13 billion that the government already invests in child benefits, including the universal child care benefit and the child tax credit.

• (1120)

Budget 2007 introduced the working income tax benefit, or WITB, a refundable tax credit that provides financial support for working Canadians of low and modest income and helps people on social assistance to join and stay in the labour market. WITB also includes a disability supplement for persons with a disability. Close to one million Canadians benefit from the WITB.

Budget 2009 proposes to enhance WITB by \$580 million for 2009 and subsequent taxation years. The government will consult with provinces and territories before implementing its final design, and provinces and territories will continue to have the flexibility to adjust the WITB to ensure harmonization with their existing programs.

Finally, I'm pleased to inform members of the committee that the department continues its research and work to better understand the characteristics of these Canadians who live in low income and how best to improve low-income measurement tools. We continue to study what is happening abroad, particularly in the U.K. and Ireland.

We hosted a workshop on poverty measurement that included presentations from Canadian and European experts, and we've begun the process of updating the MBM basket. For example, we recently began a consultation process to review and update the elements in the MBM basket to reflect today's goods and services and to determine whether new cities and regions of the country should be added.

Thank you, Mr. Chair.

The Chair: Thank you very much for your intervention.

We're now going to move to Statistics Canada, and I believe Madame Michaud has the floor.

[*Translation*]

Mrs. Sylvie Michaud (Director General, Labour and Household Surveys Branch, Statistics Canada): Thank you for your invitation to speak with you this morning.

We will begin by putting low-income measures into context. I don't know if everyone has received a copy of the presentation.

As Mr. Fedyk mentioned, Canada, like many other countries, does not have any official measure of poverty. Indeed, determining a measure of poverty implies making choices, and Statistics Canada has never sought to define and then measure poverty. However, if an official measure were to be adopted, this would fall within Statistics Canada's mandate.

Measures of low income can be grouped into two large categories. There are measures anchored in time within which the low-income cutoff is determined and established. Some prefer to qualify this first category as an absolute measure. Each year, these measures are indexed to inflation. There are also low-income measures that are recalculated every year. Those measures are comprised of low-income cutoffs which is the official measure used by Statistics Canada. There is also the market basket measure as just described to you by Mr. Fedyk.

Of the measures that are calculated on a yearly basis, there is the low-income measure that takes into account the entire scale of income, from lowest to the highest. Middle income is considered the median income. This is a relative measure. It is used for international comparisons.

I will therefore be talking to you about these three measures: two measures that are anchored in time and that vary according to inflation, and a relative measure.

Generally speaking, measures anchored in time, or absolute measures tend to follow the economic cycle. You can observe the trends as depicted by the graph on the slide. The first line, the blue line, represents the low-income cutoff, which is the official measure used by Statistics Canada. During the recession of the 1990s, unemployment rates rose. The line underneath represents unemployment rates.

Generally speaking, a measure that is anchored in time will mimic the economic cycle. From 1993 to 1995, unemployment rates began to fall, but low-income cutoffs did not follow the same trend, because of reforms to social assistance programs. Measures anchored in time follow the economic cycle.

Let us now move on to the following slide. The blue and green line depict two measures anchored in time. The green line represents the market basket measure, as mentioned by Mr. Fedyk. Generally speaking, the market basket measure is used by Statistics Canada and tracks the same trends over time. There is a difference in the levels reported. The market basket measure was approximately 2 percentage points higher than the low-income cutoff used by Statistics Canada.

The pink line shows the measure that changes every year, but that does not necessarily follow the economic cycle. It reveals more constant low-income levels. By looking at the trends since 1980, we see that low-income rates in 2006 fell by approximately 2 percentage points as compared to 1980.

Moving on to the next slide, we see that Canada sets itself apart from other countries as regards low-income rates for persons aged 65 years or older. The blue line is our official low-income cutoff. There is the relative measure, and the market basket measure for the last five years. The absolute and relative measures from 1976 show that the low-income levels were constant and that low-income cutoffs were very high for older people. Implementation of the Old Age Security Program and the Guaranteed Income Supplement Program substantially reduced the low-income cutoff.

• (1125)

I will now move on to the following slide, which focuses on provincial differences.

Under the measure used by the Department of Human Resources and Social Development, there are provincial differences.

I am on page 7.

Ms. Raymonde Folco (Laval—Les Îles, Lib.): All right.

[*English*]

Mrs. Sylvie Michaud: I skipped a page. My deck was in a slightly different...I'm on page 7. So I skipped page 5.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Did you do that one?

Mrs. Sylvie Michaud: Yes, I did page 6. Do you want to go to page 5? I'm sorry, my deck—I guess the order of my deck was slightly different from yours. I'm sorry about that.

[*Translation*]

The pages are not numbered. Do you have the slide with the three blue lines? On my copy, it is page 5.

Mr. Yves Lessard (Chambly—Borduas, BQ): Those are cyclical statistics.

Mrs. Sylvie Michaud: The three blue lines?

• (1130)

Mr. Yves Lessard: You can tell us the title; that would help us locate the slide.

Mrs. Sylvie Michaud: My copy of the presentation is in English only. The title is "Cyclical stability for children/adults and significant change for the elderly".

Mr. Yves Lessard: Thank you.

Ms. Raymonde Folco: What page are we at now, Ms. Michaud?

Mrs. Sylvie Michaud: I'm on page 5, the slide entitled "Cyclical stability for children/adults and significant change for the elderly".

We'll be numbering the pages next time. I'm very sorry.

With respect to cyclical stability, you will note that there is a drop for persons 65 years and over. The line depicting persons 65 years or older went from 21% in 1980 to approximately 5% in 2006. The low-income cutoff for persons under 18 years has remained unchanged since the 1980s. The cutoff is pretty much the same. The level increased slightly for persons 18 to 64 years.

The following page should contain a table on persons 65 years and older; I've already spoken to this.

Let us now go to page 7 that contains a table depicting trends in the provinces. You'll see three bars. This is a depiction of the 2006 data. With respect to trends in the life cycle, the market basket measure by Human Resources and Social Development, as well as the low-income cutoff used by Statistics Canada depict the same trends for the major age groups. However, there are differences from province to province. Why? For the market basket measure, transportation costs are included. In an urban setting, if there is public transit, one can suppose that bus passes are purchased. Within a rural setting, one can suppose that a person travels by car. In the Maritime provinces, where there are more rural than urban centres, we observe an increase in income.

You will also notice another difference in the provincial measures, particularly in Quebec. If you look at the market basket measure and what is generally published by Statistics Canada, Quebec is the only province where the market basket measure, depicted by the green line, is lower than the published low-income cutoff. Frank spoke about the geographical details, which is supplementary information. In the low-income cutoffs published by Statistics Canada, large cities such as Montreal, Toronto and Vancouver are grouped together. Housing costs are different in Montreal, Toronto and Vancouver.

Therefore, under our low-income cutoff that averages data from large cities, the cutoff is a little bit higher in Quebec, but drops when using the market basket measure. Geographical data is more specific and may reflect the difference in housing costs. That is why there is a difference between the two measures, as regards Quebec. Similarly, the market basket measure is higher in Toronto and in Vancouver, as it takes into account higher rental costs.

With regard to life cycles, different measures give the same results. At the provincial level, for a given year, there will be differences. What is important is that trends in the provinces and specific population groups are studied over time. One also has to understand why some groups, from one year to the next, move above or below the cutoff, which groups are vulnerable and remain at the same level, regardless of the measure used.

My colleague, Garnett, will discuss these specific groups.

[English]

Mr. Garnett Picot (Director General, Socio-Economic and Business Analysis Branch, Statistics Canada): Thank you very much, Sylvie.

We're now at the slide titled "Low-income dynamics". Sylvie has been talking about the rate through time and across provinces. I want to talk somewhat about movement of people into low income, how long they stay in low income, and the exit, which we refer to as low-income dynamics.

Between 1999 and 2004, a six-year period, about 80% of Canadians did not experience any low income. Among the 20% who did, many of the spells of low income were quite short. About 40% lasted one year or less, so a lot of low income is quite short. About one-quarter of those spells lasted five years or more; that's more chronic.

What we see is that while 20% of the population experienced low income at some point during that six-year period, 4% or maybe 5% of the population were in what we might refer to as a chronic low-income condition.

Why do people move in and out of low income? The research shows that obviously most of it has to do with earnings: people lose their jobs, their wages fall, their hours of work fall. But changing family formation patterns are also important. For instance, when we look at people who leave low-income spells, from one-quarter to one-third of them leave because a single person has either married or entered a common-law relationship or because there is some other reason for increasing their earnings. So family formation is important.

Going to the next slide, on persistent low income, we find it's concentrated in five groups. Frank has already talked about this; it is based on work from HRSDC. We see a very high degree of concentration of persistent low income among the five groups mentioned on this slide. In the late nineties, these groups accounted for about a quarter of the population but almost two-thirds of the persistent low income. Current data suggest the same kind of thing. The percentage of people in these groups who experienced persistent low income varies from 15% to 30%, while for the remainder of the population it's around 3% or 4%; you can see that there are huge differences.

How are these groups doing over time? Frank has already talked about this, and he referred to the period from 2000 to 2006. I want to focus on a little longer time period, because we know that low income rises in recessions and falls in expansions, but that can mask long-term trends. I want to look back at the business cycle peak of 1989, for instance, and ask how we are doing now compared with then. When we do that, we see that for female lone parents there has been quite an improvement in low income. The low-income rate is still high, at around 28% in 2006, but it has fallen dramatically from about 41% in 1989, the previous business cycle peak.

If we look at off-reserve aboriginal people—we simply don't have good data for people on-reserve—we have to be a bit cautious, because there have been some issues about differences in definition through time of this population, but it looks as though their situation is improving relative to that of the rest of the population since the mid-1990s. They had a low-income rate twice that of the rest of the population, and it looks as though it's down around 1.7 times.

For people with work-limiting disabilities, the low-income rate has been relatively stable. This is the relative low-income rate, compared with that for the rest of the population. As Frank pointed out, it has been falling since 2000 because the low-income rate for the population as a whole has been falling, but if you try to abstract from the business cycle, it looks as though it's been fairly stable.

Looking on the next slide at unattached people 45 to 64, their low-income rate compared with the rate in 1989, the business cycle peak, is quite stable. It was around 35% then and it's about 35% now—"now" being 2006. However, their low income gap has increased. The low-income rate, as you know, measures the proportion of people below a low-income cut-off. The low-income gap measures the depth of that low income; that is, how poor these families are. The greater the gap, the lower the income of these families. That low-income gap has actually increased for this population through the 1990s and since the year 2000.

If we look at recent immigrants—this is the one that stands out—again in the short run, as Frank said, their low-income rate has been fairly stable and maybe even declining, but compared with that in the 1980s or even early 1990s, their low-income rate has risen quite dramatically. Back in 1980 it was about 1.4 times that of the Canadian-born; now it's around 2.7 times that.

• (1135)

That's all I want to say about the specific groups. The last point I want to make is a simple calculation we did asking the effect the tax transfer system has had on the low-income rate in Canada through time. This is a very simple calculation.

Looking at the chart, let's say back in 1979 we take market-based earnings, employment earnings. If we use employment earnings only in the family, what would the low-income rate have been? It turns out to be 18.4%.

We then say, let's add in the taxes and transfers and see how much that changes the low-income rate. That reduced it to 12.9%, so we saw a reduction of about 30% due to the direct effect of the tax transfer system. There are lots of indirect effects, but we are referring to direct effects. You can see that the extent to which the tax transfer system has been reducing low income actually increased dramatically between 1979 and 1989. Again, these are business cycle peaks and by 2004 it was around 55%.

So the tax transfer system is reducing the low-income rate as much now as it did back in the last business cycle peak of 1989.

I'm going to stop there. The next slide suggests other topics we can talk about, if you wish: where Canada stands internationally in terms of this low-income rate, what we know about the decline in low income among lone parents, and something about the rising low income and falling earnings among recent immigrants. But I'll stop here for now.

• (1140)

The Chair: Thank you very much. I want to thank both departments for that overview.

Now we are going to turn to questioning.

Before I do that, Mr. Fedyk, you talked about workshop on poverty measurement. Do you have any notes or any report or anything you could pass along to our researchers?

Mr. Frank Fedyk: We haven't concluded the final report, but there will be a report available. There are some copies of the presentation from our international and Canadian guests that we could share with the clerk.

The Chair: Thank you very much. I appreciate that. I'm sure the committee will be happy to hear that.

We are going to start, as we usually do, with seven-minute rounds. We are going to start with questions and comments from the Liberals.

Mr. Savage, you have the floor, sir, for seven minutes.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Thank you very much, Mr. Chair.

I thank our witnesses for coming today and giving us some context for the poverty study we began last year and are getting back into.

Identifying measures for measuring poverty is important. What's more important to me is understanding what things we have done thus far that have an impact on reducing poverty and what we should be doing going forward.

For example, in the most recent budget—and it was referenced in your notes, Mr. Fedyk—there were some improvements made in budget 2009. I think those improvements are more fictional than they are real.

An analysis of the budget done by the Caledon Institute, by Ken Battle, Sherri Torjman and Michael Mendelson, said:

The 2009 Budget made much ado about its measures to reduce income taxes for low- and middle-income Canadians, as well as seniors. In reality, the amount of tax relief is modest, and upper-income taxpayers not only share in the tax savings but also enjoy the largest amount. (...) The Budget's claim of "tax cuts for low- and middle-income taxpayers" is deceptive.

I want to refer to a chart they have here that is very disturbing, indicating income tax savings from the budget for taxpayers under 65, so income tax savings from this budget would show that a two-earner couple with two children earning \$20,000 a year will see no benefit. A two-earner couple with two kids making \$150,000 a year, which is those of us on this end of the table, would see a \$483 benefit.

We talk about low- and middle-income Canadians, but if we are really going to get at poverty, there are many people who don't benefit from tax measures because they don't make enough to pay tax. Those are the people for whom the child tax benefit can be helpful, the GST tax credit can be helpful.

I find it very disturbing that we build this up as supposedly being a measure for low- and middle-income Canadians, but I get \$483, and if I made \$20,000 a year I'd get nothing. I think it's unconscionable.

Having said that, we're not here to do politics. We're here to do policy. It may be too late, but that's a legitimate analysis done by the Caledon Institute.

Mr. Fedyk, how much analysis would the department have done in determining tax and fiscal policy, and how it would benefit people in poverty versus people who make a higher income?

Another chart in this wonderful piece, which I recommend for your consideration, indicates that if we had doubled the GST credit—this is an example of a single parent with one child, by income—then somebody making \$10,000, \$20,000, or \$30,000 would have had a \$1,000 benefit, whereas somebody making \$150,000 would have had nothing, which seems a little bit more fair to me on the poverty side.

I appreciate the fact that the government wants to help the rich. That's fine. There's a constituency for that. But this committee is looking at poverty. Have you done any analysis, for example, on doubling the GST tax credit versus other tax measures?

• (1145)

Mr. Frank Fedyk: We have micro-simulation models, but tax policy is the responsibility of the Department of Finance. We model the impact of various tax measures.

In my presentation I talked about the broad range of measures that the government is taking. I highlighted two specific ones. One is the child tax benefit supplement, and you pointed out that the change at this time is with the income threshold, whereas the working income tax benefit is literally a doubling in terms of the dollar amount. I think the advantage of the working income tax benefit is that it permits the provinces to adjust it so that the income security benefits they are providing their residents aren't adversely impacted by the design.

Mr. Michael Savage: I understand that. I think that's why we need a national poverty reduction strategy that integrates the provincial system so that we look at the entire social infrastructure of the country.

The budget itself refers to the improvements in the national child benefit supplement. It indicates that a family earning \$20,000 doesn't get any benefit at all, whereas somebody with, say, \$40,000 gets \$436 extra. It seems to me that we need to be looking at measures that specifically assist those who are most in need. Everybody wants a little break these days; nobody is having an easy time. But surely we need to target our assistance to those who would most need it.

I thank you for the information you've given us about the poverty trends, some of which aren't as discouraging as people might think. What I want to know is what has caused those reductions. For example, do you have an analysis of how much difference the child tax benefit has made?

Mr. Frank Fedyk: We've done earlier impact analyses with and without the child tax benefit. I don't have the figures with me at this time, but there are calculations, as Sylvie alluded to. You can run models with the benefit and without it, and you can get the impact of what—

Mr. Michael Savage: Is that something you can share with us, as committee members? One of the things I think the committee needs to look at is the child tax benefit, particularly what the low-income supplement of the child tax benefit was, to try to determine, since its introduction in 1997, how much of an impact that has made on poverty, particularly child poverty and low-income family poverty.

I'd like to see some analysis of that because I think it's something we need to consider as we go forward. If I could see that, that would be great.

I realize it's not your job, really, to make recommendations on policy, correct?

Mr. Frank Fedyk: Correct.

Mr. Michael Savage: That's too bad, because you look like a very warm-hearted person, a nice balance to this government in many ways.

I support very much the direction on the WITB. I think improving the working income tax benefit is a very positive thing. And we have to look at the entire scope.

As Mr. Cannan knows, we did introduce the working income tax benefit in the economic update, which the government copied but made a little less generous when they introduced it. But that's okay, they can take our good ideas. They've done it before.

I wonder if I could ask you a question on the universal child care benefit, the UCCB. What is the cost to the government of that? How much does it pay out? How much comes back in taxes?

I realize I'm near the end of my time. I can leave that with them to consider.

The Chair: I have it covered there, buddy.

Why don't you answer that question.

Mr. Frank Fedyk: I'm just looking for the figures. I know we pay out \$100 a month to—

Shawn has the figures.

Mr. Shawn Tupper (Director General, Social Policy Development, Department of Human Resources and Skills Development): It's \$100 a month, up to \$1,200 a year. The total payout for the program on an annual level is \$2.4 billion. The government recoups about \$300 million in taxes.

The Chair: Okay, we're going to move on to Mr. Lessard.

Sir, you have seven minutes.

[*Translation*]

Mr. Yves Lessard: Thank you, Mr. Chair.

I would also like to thank our knowledgeable witnesses for being here this morning. The information you are providing us is likely to be extremely useful as we pursue our work. I would nonetheless like to focus on some clarifications that could be quite useful for us.

Am I mistaken in saying that an automatic correlation cannot be made between the low-income cutoff as determined by the official indicators, and household poverty?

• (1150)

Mrs. Sylvie Michaud: No.

Mr. Yves Lessard: In cities where vacancy rates are practically zero, rental costs are very high. Therefore, it is possible for an individual or for a family to be poor even if they do not fall within the low-income category. We agree on that.

If poverty is to be identified through the statistics we use, we have only the low-income cutoff to rely upon. We can also agree on that point.

Allow me to continue with my line of thought. My riding is comprised of 12 cities. For example, in the Chambly basin where vacancy rates are zero, there are four public food banks that are having difficulty meeting the demand. Some families have incomes that would not be considered low, however they are forced to set aside 50% to 60% of their income for housing. In my opinion, that fact makes these families poor, but they are not recognized as such. I do not want to make any faulty references; I simply want to make sure that we understand each other when it comes time to debate the issue. We must also consider other factors that have been raised this morning. I would invite you to take part in this exchange.

If my line of thinking is not correct, it should be pointed out immediately so that it can be corrected. If, however, my logic is accurate, I would like to obtain some statistics. How many people are not considered as earning low incomes, but because of the economic environment, are nonetheless poor?

Allow me to draw a comparison with the situation in 1989-1990, when vacancy rates were very high and rents were very low. I'll use Alberta as an example. I don't mean to be pretentious, I simply want to make sure I get an answer from you. Despite the fact that income in Alberta is higher, the percentage of people who must rely on food banks, and yet are working, is 18% to 19% which is 4% higher than the national average which is 14% to 15%. I would like your comments on these statistics. If you are unable to do so today, I would like you to come back with your comments another time.

To make full use of the time that has been allotted to me, I also wish to talk about the situation of persons aged between 45 and 64 years. For the most part, these people are employed, or are retired. They, in large part, are the ones being targeted in terms of Canada's goal to reduce child poverty. This category includes people who have children in high school or university. Since 1990, low-income rates have remained pretty much stable within this category.

• (1155)

What is the Department of Human Resources and Social Development—which has changed its name over the years—doing to reduce poverty and meet the targets set since 1990? What has been done relative to the goals the government set for itself? What has been not been done? I feel that in order to prepare the recommendations we are going to make to the House of Commons, we must avoid repeating past errors and oversights, because otherwise any work that we do will be futile.

[*English*]

The Chair: Just a quick response, because we're out of time.

Mr. Shawn Tupper: Okay. That was immense.

To start at the beginning of your comments with respect to looking at poverty, we don't define poverty; that's true. I think what we have

tried to do is use a series of measures that help us understand the dynamics of poverty and low income.

I think it's important that people understand that the reason governments, not just Canada but governments around the world, have developed a series of measures as opposed to defining and focusing on one single measure is that these different measures tell us different things about what Canadians are experiencing who live on low incomes. So there are a number of measures that focus on income, and there are other measures that include other things in addition to income. That's where we decided to develop the market basket measure, because it will tell us more about the kinds of dynamics that people are confronting in terms of the costs.

You raised the issue of shelter costs. The development of the MBM gives us a greater facility to look at the impact of shelter costs in regions where they vary. Shelter costs include not just rent but also mortgages.

The value of looking at the MBM, for instance, is that we see a very different situation in Newfoundland compared to British Columbia with respect to people who hold mortgages. In Newfoundland, they have very low rates of individuals who hold mortgages. There's a higher rate of straight-out ownership. We can look at some of those dynamics and that diversity. So that's the value of having a series of measures.

The measures that we have in Canada, I think, fall between a more severe understanding or definition of what low income is and a more social inclusion approach to low income, which would include measures that would suggest families should be able to take a holiday once a year, that families should be able to entertain once a month. So there's a very wide perspective in terms of the kinds of things people want to look at. Our three measures together fall in between that very inclusive approach to measurement and the more subsistence approach to measurement.

In terms of looking at the dynamics of some of the individual populations, that is something we were asked to start doing over the past year. I think in the past we have kind of blended the population together. We talk about poverty and we have national statistics and overall numbers, but that doesn't necessarily tell us the difference between what poverty means to an aboriginal person versus an individual who is 45 to 64 years old. We're just beginning to understand those dynamics better. That work will evolve over time, and I think it will give us a better understanding as we look at trends over the last 20 years. As we follow the three measures that we have now, as we see those gaps between the measures starting to close, we'll have a better understanding of why that is and what the dynamics are that people are living in.

The Chair: Thank you, Mr. Tupper.

We're going to move to Ms. Chow now, for seven minutes.

Ms. Olivia Chow (Trinity—Spadina, NDP): April 1 is coming, and the Canadian parents who received the universal child care allowance will soon have to pay out \$300 million in taxes on that. Some of them will have difficulty doing so.

Why wouldn't the government make the UCCB non-taxable, not just for single parents but for everyone, and integrate it into the Canada child tax benefit? Doing so would mean that you would not have the administrative costs of two parallel systems. It would also mean that you would dramatically bump up the child tax benefit, especially the supplemental portion. And it would mean that those earning \$20,000 or less, i.e. the poorest families, the poorest children, would in fact receive some of the money. Maybe collectively the \$300 million in taxes we'll be getting back from the UCCB can then at least go to some of the poorest families. That would make sense.

If we could even integrate these two benefits and increase the child tax benefit to close to \$5,000 per child per family, then you'd be looking at around \$400 per month per child per family. I believe it would have a tremendous impact on the poorest families and go toward reducing poverty rates in Canada.

The second piece I want you to comment on is the suggestion to increase the child care funding from what it is now, \$1.2 billion, I believe, under the multilateral framework agreement and the bilateral agreement of 2001, both in 2006 dollars. If we doubled that to \$2.4 billion, the number of child care spaces we could create across Canada would be dramatic. I would like this committee or your department to look at the possibility of doing that. What kind of impact would those two measures have on reducing the poverty rate in Canada, especially the child poverty rate? What would the numbers be?

Specifically, in your answers to these questions, could you tell us how many child care spaces are being provided for in each of the provinces next year, 2009-10, from the \$1.2 billion put in 2008 toward early childhood learning and child care for the provinces? Could you list this for each of the provinces and territories, because what I've seen is a lot of fudging. I've seen numbers like, oh, 60,000 spaces were created or will be created. It would be useful for this committee to learn exactly how many spaces are being created per year and how many are being projected. Then we would be comparing apples and oranges and not lumping all of them together, which makes it impossible to determine precisely what's happening across Canada.

Also, do you have studies that would tell us the impact on a family of receiving \$400 a month, especially the families in desperate situations because they're living in poverty?

So I have a combination of two or three questions for you.

• (1200)

Mr. Frank Fedyk: Shawn and I will share the response on this. Starting with your last one in terms of the impact of \$400 a month, we haven't done that type of work.

On the child care spaces, the funding that is provided to the provinces and territories is through the Canada social transfer. The provinces decide how to use that fund with respect to the creation of child care spaces. We track and monitor their announcements and

verify them with them. So we do have a list by jurisdiction of the spaces they've indicated they would be using the funds for.

Not all jurisdictions have chosen to use the \$250 million additional funding provided for child care spaces. Some of them are increasing wage supplements for spaces. Others are improving salaries for child care providers.

We can provide that list of what the announcements are, but they're not all necessarily by years. Some jurisdictions have indicated that over a period of time they will be creating x number of spaces. We can provide that level of information.

As to an actual situation report of the number of child care spaces by provinces, that's available. I've forgotten the reference. The University of Toronto, Martha Friendly, produces the report. That's one where she's verified the information from the jurisdictions. To me, that's the best source available.

• (1205)

Ms. Olivia Chow: On both issues, up to today, not the ones the provinces are planning to create, but would you be able to say approximately how many spaces have been created in the last two years since the \$250 million was added on to the \$1 billion? Would you have that figure, by any chance?

Mr. Frank Fedyk: We know the jurisdictions have indicated that since the money started to flow, which was in 2007, they would be creating over 60,000 spaces.

Ms. Olivia Chow: They haven't done it yet. They promised they would?

Mr. Frank Fedyk: Some may have implemented it, but these are their announcements.

Mr. Shawn Tupper: We are just getting ready to finalize our latest report, which will give you those figures over the last two years. It is Martha's report. She has collected the data from the provinces. When that report comes out, which I think is scheduled for end of June or beginning of July, it will start to contain and show the figures that show the growth in the system over the period of time that you're interested in.

The Chair: That's all the time we have.

We're going to move over to Mr. Komarnicki. Seven minutes, sir.

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Thank you very much for the presentation. I have a few questions.

First, in the various measurements, as you call them, of poverty there are differences. What about each of them do you dislike—maybe that's a strong term—or find somewhat difficult?

I think your recommendation would be to use the market basket approach. If not, can you identify the ones that you find somewhat problematic?

I may have another question flowing from that.

Mrs. Sylvie Michaud: Each of the measures has its limitation. For me, the biggest drawback to the LICO, which we've used since the 1960s, is the fact that it lumps the large cities together, because of the survey it used to calculate its threshold. It doesn't have a sample size to be able to provide us more geographical breakdown. But we know shelter costs are quite different between Montreal, Toronto, and Vancouver. For me, that's the biggest drawback. However, it has a history since 1976, so at least you can monitor trends and see how they evolved. So the MBM, in that context, provides us more geographical breakdown, which I think is a better thing.

One of the drawbacks for the MBM is the fact that it goes back only to the year 2000. So it's a limitation if you're looking at previous time cycles. You can go back to the year 2000 only, which is why we produced the two measures, so it gives you an idea of where they're giving the same message and where they're different.

For Statistics Canada, the MBM is more complex to calculate. It's easier to explain to users, but it's more complex to calculate. But that's our own problem.

The LIM, with the international standards, doesn't move as much with the economic cycle, so some people have a problem with that. When you have higher unemployment, a measure linked to inflation will reflect some of these economic hardships. The LIM, because it's based on the median, doesn't tend to move as much.

What we see more and more in a number of countries is that they actually look at a suite of measures. That's what Frank has measured. I think you eventually want to look at maybe not just one but a few measures, to understand the strengths of each of them and how they complement each other.

Something else that is happening internationally that's linked to the question from Mr. Lessard is questions on material deprivation. Income is not everything. In our income concept, if you receive a large inheritance, it might help your well-being, but it may not be measured in your total income. So wealth does matter to your well-being. Some people ask about some material deprivation in conjunction with income to try to have a fuller picture.

We're starting to look at these measures, but we haven't done much yet on that.

• (1210)

Mr. Ed Komarnicki: Okay. Thank you very much. I appreciate that.

One of the other aspects I was thinking about as you were providing information is that there is a link, obviously, between the economy and how it does and what the poverty levels may be. Some measure that directly, and some not so directly.

In this material you've provided, do we have a breakdown of how things would be, relative to how well the economy is doing alone, without regard to government programs or initiatives or taxes, and then something to show the impact of the taxes? I know you had the low-income rate after taxes, which may address some of that, but when you compile that, do you take into account things such as social housing and the initiatives in the budget for renovations to homes, energy-efficiency programs, social housing for seniors and

for the handicapped, those kinds of budgetary things that are maybe softer than some of the direct tax mechanisms?

I'll leave that to whoever ought to answer.

Mr. Garnett Picot: There are two parts to the answer.

For the years I show in this calculation—where we calculate the low-income rate based on earnings first, and then we add taxes and transfers—I've selected business cycle peaks, because we wanted the long-term trend. We do have these numbers for recessions and expansions, so we can see how that's changing across a business cycle. So we can look at it that way.

Regarding what it includes, it does not include the kinds of programs you're talking about. We're talking here about mainly direct cash transfers and tax effects, so it includes things like the child tax benefit, EI benefits, social assistance, workers' compensation, those kinds of direct benefits. It does not include the more indirect benefits.

Mr. Ed Komarnicki: When I look at this budget that we have now and the ones in the past, I see there's the homelessness initiative, for instance, a commitment of \$1.9 billion over five years for social housing. Then we have the universal child tax payment, the national child benefit, and of course the working income tax benefit, again in the budget and in the past. Do you have a compilation or a figure of what, in billions of dollars, the total amount of these programs would be and what the payout might be per individual?

I noticed you had some global figures. I'm not sure what's in those figures and what's not. But at some point it would seem reasonable to know, when you take all the programs into context, what is that in billions of dollars per year, and how much is it per person?

Mr. Frank Fedyk: Unfortunately, I don't have the detail by individual person. We have the descriptions for the various benefits you've described that we can break out and we can provide a supplementary table to the members. It is billions of dollars. In child benefits it's over \$13 billion.

Mr. Ed Komarnicki: We're getting a cumulative figure saying these are the total programs, everything we have going, this is what it is per annum, and this is the breakout per person.

Do I still have time?

The Chair: You have 10 seconds.

Mr. Ed Komarnicki: Okay, then I have a quick question.

You indicate that family groupings improve the situation of individuals by relationship. How do you measure that? I would think it would be difficult because it's flexible and so on.

Mr. Garnett Picot: I guess you're referring to the comment on marriage or common-law relationships playing a role in people exiting low income. We basically use longitudinal data where we track individuals through time. We observe a single person who's in low income, and we look at the probability of their exiting once they're married. We can see the effect of the marriage or the common-law relationship on their income, moving them out of low income.

• (1215)

The Chair: We're over time. We'll try to catch that in the next round.

Mr. Shawn Tupper: Mr. Chair, on our commitment, we can give you the total number for program spending, but we cannot give you a by-individual breakdown, because it is infinitely variable how people benefit from those programs. We could develop some typicals for the committee that would give you a sense of how the programs work for people, but that's the best we could give you.

The Chair: Thank you.

We're now done with the first round of seven minutes and we're going to move to the second round, which is five minutes.

We're going to start with the Liberals on the second round.

Ms. Minna, you have five minutes.

Hon. Maria Minna (Beaches—East York, Lib.): Thank you, Mr. Chair. I have a series of questions, and I'll try to go through them quickly.

First, I want to start off with the \$100 monthly, which is taxable. Is it still being taxed in the hands of the lowest-income earner?

Mr. Frank Fedyk: Yes.

Hon. Maria Minna: So the lower-income earner gets less in this structure.

Have you done any modelling on putting the \$1,200 to the base of the child benefit to see what that would do to the poverty ratio and how that would change a family situation? Has there been any analysis or any modelling done on that by your department or Statistics Canada?

Mr. Frank Fedyk: We don't have that.

Hon. Maria Minna: So you haven't tried to see what that would do, how that would change things.

It's interesting to see that the way it is right now, the \$1,200 is not actually going into the hands of the people who need it the most. Obviously people who are the lower-income Canadians are being taxed. It's still being taxed in the hands of the lower-income earner. I've just verified that.

If it were to be added to the base of the child benefit, it would be interesting to see what that would do. But that hasn't been done by Statistics Canada or anyone. It would be nice if someone did it. It would help us.

Mr. Frank Fedyk: Tax policy is the realm of the Department of Finance. You may want to invite tax officials.

Hon. Maria Minna: They do that, but you do not do that. Could Statistics Canada do that? No, so we'd have to go to Finance to get that done, the costing to see what it would be.

Over to Mr. Fedyk, has your department done a gender-based analysis on the programs that were in the last budget and the budget previous to that, even the \$1,200? If so, what was the result, for instance, with respect to the \$1,200? How did that play out?

Mr. Frank Fedyk: We can identify through our simulation models women versus—

Hon. Maria Minna: Yes, but was there a GBA done?

Mr. Frank Fedyk: Not to my knowledge.

Mr. Shawn Tupper: Do you mean in terms of who's receiving it—the male or female partner?

Hon. Maria Minna: I mean a gender-based analysis on the impact that would have—who got more and who got less. What was the impact, and was it gender neutral or not?

Mr. Shawn Tupper: We have done a general analysis of a gender-based analysis. The problem for us is that we don't know, for privacy reasons, who the exact recipient is because that data is held by another department.

Hon. Maria Minna: I don't think you need to have a specific recipient to do a gender-based analysis on a policy piece. I know because I've seen it. I'm just asking if you've done it.

Mr. Shawn Tupper: We've done a general gender-based analysis on the UCCB.

Hon. Maria Minna: Not specific to this?

Mr. Shawn Tupper: Well, in the sense that we could not give you data outcomes, it's not specific in that sense.

Hon. Maria Minna: Well, a generic one isn't valuable. It doesn't tell us enough, and that's the problem we've had. I just needed to know that.

My next question was on child care. The minister was here. We asked her, and she promised to bring back numbers on business. Apparently businesses were creating child care spaces under one of the programs. Do we have any specific numbers as to how many child care spaces businesses created?

Mr. Frank Fedyk: That was introduced in budget 2007, and the information is collected through the—

Hon. Maria Minna: With all due respect, Mr. Fedyk, the business proposal was in the very first budget the government brought in on child care. And over a couple of years, there were no real specific results. It's not that new a program. Are there results at this point?

•(1220)

Mr. Frank Fedyk: The Canadian Revenue Agency, CRA, collects the information with respect to tax filing. This is a benefit that employers—

Hon. Maria Minna: The department wouldn't track child care spaces. It's a program of your department.

Mr. Frank Fedyk: It's administered through the CRA. The businesses file the application for the credit of up to \$10,000—

Hon. Maria Minna: But the policy side would be at—

Mr. Shawn Tupper: Yes. CRA is implementing the actual measure. We did, consequent to the minister's appearance here, approach CRA to determine whether data was currently available. The government spoke to the creation of that tax benefit in its first budget, but it did not become active as a tax measure until the 2007 budget year. Consequently there is insufficient data for CRA to be able to release, because it doesn't have a sufficient accumulation that it can protect privacy.

Hon. Maria Minna: Okay. I'm going to make a qualitative comment here. It wasn't working before. I think that's why we don't have the data. It wasn't working.

The Chair: Okay, we're going to move now to the next round.

We have Mr. Cannan, sir, five minutes.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair, and thanks to our witnesses for the information.

I know it's a very challenging topic and it's one that has been studied for many years. With respect to my honourable colleague across the way, for 13 years they had a chance to deal with the issue, and it continues to spiral out of control.

We've been investing, as you indicated, over \$13 billion to help children. As a grandfather of a two-year-old, I appreciate the opportunity for my daughter and the father to make a choice in child care. Other Canadians appreciate that opportunity as well.

I also acknowledge that we have the intangibles. Some of the subjectives are hard to point out. As you indicated, you don't necessarily know who receives the benefit. It's a very difficult task to pin down.

Maybe I'm just expounding on my question: why doesn't Canada have an official measure of poverty?

Mr. Frank Fedyk: I think Sylvie answered that as well. Because poverty is so complex and there are so many diverse needs of the population, it's difficult to have one measure that would address all the issues. There are the advantages of the various suites that we talked about. We want to do trends, and the LICO is the best in terms of monitoring that. There are international comparisons, LIM, and the market basket measure, which gets at the regional differences.

There are also benefits to looking at it from a holistic point of view. Those three measures focus on income, and our European colleagues are looking at material deprivation, which Sylvie also highlighted. It gets at the quality of life and one's interactions and involvement in society.

For those reasons, I think most countries have not adopted an official poverty measure.

Mr. Ron Cannan: For the past three-plus years I've been a member of Parliament, but prior to that I spent nine years as a city of Kelowna councillor. I worked with our social planning and housing committee, and I worked with all levels of government. We've invested more money in homelessness and affordable housing than any Canadian government. We still need all levels of government coming together, and we're working toward that strategy.

As I mentioned, for three-plus years I've been a member of Parliament. During that time I've been working on the international trade committee. We're trying to provide economic opportunities for Canadians across the country. As the saying goes, a rising tide lifts all ships. We're trying to give opportunities through skills retraining. Education, as we know, is the greatest opportunity for any individual to help themselves through to the opportunities that present themselves for future employment. There could be a variety of other issues, from mental health to medical issues. We're trying to coming up with a complex, holistic solution.

You mentioned 1979. If we go back to the early eighties and the early nineties, when the trade agreement was put into effect, and look at the correlation between how Canadians have fared over the last, say, 20 years, and...

You say in here that 80% of Canadians did not experience low income from 1999 through 2004. Is it reasonable to expand from this that for the last 20 years, 20% have been poorer than, or not as well off as, the other 80% of Canadians?

You also mention the fact that 40% went over one year. Is that the trend? Then you mention five years. Have you gone back even 15 years prior to that?

•(1225)

Mr. Garnett Picot: We would like to do that. Unfortunately—

Mr. Ron Cannan: How about even another five years prior? Or did you just need five for the sake of your study?

Mr. Garnett Picot: We need, in order to do that, longitudinal data, which means we need to be able to track people for at least six years. We didn't have such data in Canada back in the seventies and eighties, so we cannot move those numbers back.

I think the general point of those numbers, though, as opposed to the exact trend, is that most Canadians don't experience low income. A substantial number do over a long period of time—20%—but relatively few experience persistent low income. That's much lower, around 4% or 5%.

But no, we don't have a time series.

Mr. Ron Cannan: How far back does your information go, then?

Mr. Garnett Picot: To the early nineties. We could do the same numbers back to 1993.

Mr. Ron Cannan: That would be interesting, because that's basically when NAFTA kicked in. We could see the economic impacts.

Mr. Garnett Picot: Yes.

Mr. Ron Cannan: Thank you very much.

The Chair: Thank you, Mr. Cannan.

Now we're going to move to Madame Beaudin, for five minutes.

[*Translation*]

Mrs. Josée Beaudin (Saint-Lambert, BQ): Thank you, Mr. Chair.

Good morning to our witnesses and thank you for being here. I am a new member of Parliament and I've been doing a lot of reading since I was elected. I would gladly spend two hours speaking with you, but I only have a few minutes allocated to me.

For the last 10 years, I've been working on the ground to reduce poverty in my region, in Longueuil, Quebec. To build a strong societal project, we must invest in our most valuable resource, children. When dealing with poverty, we must place particular emphasis on reducing child poverty, particularly for children five years and under. We also have to work with their parents. This has to be done through a partnership. We must set aside available resources in the community so that policy makers' action plans are all complementary to one another, and moving in the same direction. We need to take common action. That is what I used to do under a local Quebec initiative called 1, 2, 3 GO!, that has been in existence for the last 10 years. This measure produced results in our community and allowed us to provide support and resources to parents.

I know that poverty is not just about economic insecurity. There is also intellectual poverty. There are so many factors that are significant. Many of the documents that I have read highlight many local initiatives. Therefore, we need to finance local initiatives and work with young children. This leads me to tell you that sustained funding, to my mind, must be a priority. Politically, there has been no sustained funding, as there has been a lack of a long-term vision. Nonetheless, recurring funding is an essential element if we want to effect change in the lives of families with young children.

One issue of particular importance to me is homelessness. I would like to know more details about the investment you are making in the Homelessness Partnering Strategy (HPS), which replaced the national homelessness initiative. I would like to know more details about this program. Building housing units for the homeless is one thing, but you are just as aware as I am of the importance of funding training for resource people. Building housing units is one thing, but if we do not have any resources to help people, not much can be gained at the end of the day.

I would like to hear more details about homelessness.

[*English*]

Mr. Frank Fedyk: Yes. The homelessness partnership is our main vehicle at HRSDC for supporting community-based groups. There's funding for 61 communities, and the government renewed that initiative in September 2008 and is providing approximately \$135 million a year for the next five years.

I don't have the details by community in terms of the funding available, but we can provide that in terms of what communities receive.

[*Translation*]

Mrs. Josée Beaudin: Perfect, thank you. The program was therefore extended for five years.

[*English*]

Mr. Frank Fedyk: That's correct. It was last September.

[*Translation*]

Mrs. Josée Beaudin: What does the program consist of exactly? For organizations working on the ground, will the program build new housing for the homeless? Will there be funding for training and hiring necessary resource people to help the homeless?

● (1230)

[*English*]

Mr. Frank Fedyk: The funding was renewed for five years, and the program as it currently exists was maintained for the next two-year period. Within that realm there are funds that support training as well as homelessness shelters and the staff associated with them. There are a variety of proposals that communities bring forward with their plans. The criteria and conditions of the program are fairly broad.

[*Translation*]

Mrs. Josée Beaudin: I would like to ask you a question, even if you don't have enough time to answer it. We are talking about social housing. I read that poverty was to be reduced by 50% during the 1990s. Were you able to check why we did not reach this percentage? Which measures were put in place, and which did not work? What measures could have worked if we had had more time to implement them?

Social housing is a crucial element of a national social policy. Social housing would allow people to not have to use all of their income on housing, which could then perhaps alleviate the burden of food banks. Otherwise, people who pay too much for housing cannot afford groceries, and then have to turn to food banks.

Therefore, housing is a crucial issue. Why is it that the construction of new social housing was not included in your action plan?

[*English*]

The Chair: You can give just a quick response.

Mr. Frank Fedyk: Yes, very quickly, the government's action plan did include additional funding of \$2.1 billion to both construct and renovate approximately 215,000 social units over the next two years.

The Chair: Thank you very much.

We are now going to move to Ms. Cadman. You have five minutes.

Ms. Dona Cadman (Surrey North, CPC): I'm not going to ramble on or anything. I just want to ask a simple question. What does the MBM have to say about women in poverty over the last number of years?

Mr. Shawn Tupper: It actually says some pretty good things about women. I think that sometimes we focus on the five subpopulations, and we don't step back and look at some of the gender analysis, but we actually did for this. What we're seeing is actually a greater improvement in rates of low income for women over men. They're improving their situation faster than men are. We're now seeing a lessening of the gap between men and women, and the MBM clearly shows that.

So it's positive, even in the trend groups in which we might think they would still be disadvantaged. So for lone parents, which are 95% women, we are seeing dramatic increases. The numbers are still high. I think it is something like 32% for lone-parent families led by women, but that's a 10% drop in the rates over eight years ago.

We are seeing some fairly dramatic improvements for women overall. We are seeing a closing of the gap between men and women in terms of poverty measurement rates. So by and large, it's a fairly positive story.

Ms. Dona Cadman: Good.

Participation in the labour force does not necessarily shield Canadians from income insecurity. How many Canadians are working poor? Do you have a percentage?

Mr. Shawn Tupper: We have a number, if I can find it at my fingertips. Certainly the working poor are an increasing concern for us. The WITB focused not just on people who weren't working; indeed, it also has a significant benefit for people who are termed the working poor. We estimate that there are just under 690,000 Canadians, approximately, who would be considered the working poor.

Ms. Dona Cadman: Are most of these individuals unattached? Are they single?

Mr. Shawn Tupper: Forty-four percent of working-poor families have children. I don't have a breakdown in terms of single parent or dual parent. However, certainly we're seeing an increasing level of struggle even for dual-earner families.

Ms. Dona Cadman: Okay. Who is more at risk in this area, men or women?

Mr. Shawn Tupper: Statistically? I would guess, statistically... I'll have to confirm back. I think women are still more at risk, but again, I think we're seeing a greater equality between men and women now.

• (1235)

Ms. Dona Cadman: There's considerable concern regarding the deteriorating outcomes of recent immigrants in Canada. What proportion of recent immigrants live on low income?

Mr. Garnett Picot: I noticed earlier we have different numbers because we have different definitions. We think of recent immigrants as people in Canada for five years or less, and it's around 35%.

Ms. Dona Cadman: Thirty-five percent. How long do they live on low income after they have been here? Do they stay on it or do they get off it?

Mr. Garnett Picot: About 18% of recent immigrants are in what we refer to as chronic low income. That is, they're in low income for at least four of their first five years in Canada.

Ms. Dona Cadman: Are there programs helping them to get out of this low-income situation?

Mr. Garnett Picot: I'm going to turn it over to these guys on my left.

Mr. Frank Fedyk: Various training programs are available. The most recent is the government's \$500 million per year for labour market agreements, which enable Canadians who are participating in the labour force or are not in the labour force to acquire training so they're better able to secure job opportunities.

Ms. Dona Cadman: Okay. Thank you. That's it.

The Chair: Thank you. You're almost right on time, so we're going to move back to the Liberals now.

I've got Mr. Savage, for five minutes.

Mr. Michael Savage: I know Madame Folco had some questions, but I guess we can't shift.... We'll go ahead.

The Chair: You want me to shift you? I can do that. If you want to wait, we can wait.

Mr. Michael Savage: Let's wait one more turn, then, and see if Madame Folco comes back. If not, we've got lots of questions.

The Chair: We'll just switch around. I'm going to go with Mr. Lobb, then, for five minutes, and then we'll come back to the Liberals.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you, Mr. Chair, and again, thank you for taking the time out of your busy schedules to come and present your information. It must almost be exhilarating working these days with a government that is so committed to the issues we're here with today. I know I'm very excited, and we see in your report that \$13 billion has been invested in child care spaces and tens of thousands of child care spaces created with the working income tax benefit. We know that has worked well, with more than a million people being able to access that. That's fantastic to see. With another \$580 million getting invested as well this year, you must be proud to work in a department that's so committed to these issues.

One thing I haven't noticed in all the information I've read so far, and it could be that I'm not looking in the right spot, is any distinctions between or any statistics on rural poverty versus urban poverty. I wondered if you had any comments on that or any information you could provide us. If not, if you could report back to us, and that gets into the next part I'm going to. I know from your report as well the market basket measure. In there, we know it's geographically sensitive, which would highlight some of those things.

I also saw you're looking at some changes in that. I wondered, particularly, what are you looking at in that area?

Mr. Frank Fedyk: I can start, and Shawn can add.

The market basket measures have five components. The food basket was based on the office of the nutrition policy from Health Canada from 1998. We're expecting to update that based on the 2008 food basket, so that it will reflect the nutrition guidelines as of today.

There's a transportation component. For the element for transportation in rural areas, where it's necessary to have a car in order to get around, the standard in the original estimate was a five-year-old Cavalier, a GM product that is no longer in production. We're working with our colleagues at Statistics Canada to see what would be a more appropriate vehicle.

We're also looking at shelter cost, which is a housing component. As colleagues have described, the issue is with respect to home owners without mortgages, who don't have the same out-of-pocket expenses as those who have them. We're looking at how to adjust for that, as well as for the many low-income individuals who benefit from rent-geared-to-income supplements. We want to reflect that too in assessing their disposable income.

Those are some of the characteristics we're looking at with respect to improving the elements in the basket.

• (1240)

Mr. Ben Lobb: When we look through the MBM again, how finite or how micro do you become in getting into your regions? For example, I'm from southwestern Ontario, which might be quite different from eastern Ontario and northern Ontario. I'm wondering whether there's information that would highlight these differences.

Mr. Frank Fedyk: In the report we're tabling, there are tables at the back that illustrate the cities that are available. We have 48 communities for which we have calculated MBM statistics. For those cities, we do urban versus rural areas.

Mrs. Sylvie Michaud: There have been two questions related basically to how much we can produce small-area information, because we're working with low geographical data.

Once every five years we have the census of the population, the long form. In 2006 you could have very large geographic breakdowns to look at low income, but it would be using just the LICO, our current low-income cut-off. With the 2011 census, you'll be able to look at your geography with the MBM as well as with the LICO; both will be available.

It also gives you a proportion.... You have shelter costs and can calculate the ratio of shelter cost to income. That again at the local level might be something interesting for you to monitor and look at.

The Chair: Thank you, Mr. Lobb.

We're now going to move to our last questioner today. We have Madame Folco, for five minutes.

[*Translation*]

Ms. Raymonde Folco: Thank you, Mr. Chair. Firstly, I wish to thank you for your understanding. I also want to thank my colleagues for their generosity.

I have two questions to ask. I will be brief, because I know that we have very little time left.

My first question refers to pages 8 and 11 of your summary on the incidence of low income. On page 8, you talk about the formation of the family, and how this is a significant factor. On page 11, you talk about the widening gap for unattached persons between 45 and 64 years of age. I suppose that women are much more affected than

men. If this is the case, why did you not indicate it? That is my first question.

My second question is a bit longer and is a follow-up to the question asked previously by Ms. Cadman. It deals with recent immigrants. Recent immigrants frequently turn to settlement organizations, non-government organizations. In a time of economic weakness, one can suppose that these organizations and these NGOs, particularly settlement organizations, will be under a lot of economic pressure, and will have even fewer resources than they have ever had, since they rely almost entirely on subsidies from the municipal, provincial and federal governments.

Considering that the organizations themselves will be poorer, and yet their services will be in even greater demand, do you predict that the cohort of recent immigrants will be even more underprivileged than ever?

[*English*]

Mr. Garnett Picot: Maybe I'll take a shot at the first one.

The overall low-income rate for women in 2006, the latest data we have, was 10.9%; and for men it was 10.1%. So in the aggregate there is still some difference between the two.

I'd just like to reiterate what Shawn was saying earlier about the improvements, especially for single moms. Through the 1990s and 2000s, we've seen really significant falls in the low-income rate for that population, mainly because they're working more and they're earning more money. So there is still a gap, but it's not as great as it used to be.

I don't really have much to say about the funding of NGOs.

• (1245)

Mr. Frank Fedyk: We have—

Ms. Raymonde Folco: Mr. Fedyk, you're answering the question

[*Translation*]

with respect to the formation of the family as well as unattached seniors.

[*English*]

Mr. Garnett Picot: If we look at unattached individuals, the low-income rates are very similar but they're much higher, as we've pointed out. For unattached women, the low-income rate is 29.6%; and for unattached men, it's 28.8%. So there's a small gap, but not too much difference between the two.

Ms. Raymonde Folco: Thank you.

Mr. Fedyk.

Mr. Frank Fedyk: With respect to support for recent immigrants, our programs are through the training benefits, opportunities to acquire the skills or to get their foreign credentials recognized so that they can integrate into the labour market. That has been our focus.

I'll do some checking to see if there is support for the NGOs. I'm not aware of any of our programs that support non-governmental organizations directly, but I'll look into it and see if we have any detail.

Ms. Raymonde Folco: Could I just suggest that certainly the lack of Canadian certification is an extremely important aspect, but the lack of Canadian experience, or at least how prospective employers view the lack of Canadian experience, is very important. You could have all the Canadian papers you like, all the equivalencies you like, yet you still aren't going to get a job. That's why I'm bringing in the NGOs and the level of poverty.

Thank you.

The Chair: Is that all? Okay. That's everyone for today.

I want to thank the witnesses for being here and for taking time to answer our questions. We have a few things to deal with in terms of future business, but I'm going to release you now and thank you once again.

I realize that if there are any more questions we have that haven't been answered today or through what you're going to provide us, there's always a chance that we may bring you kicking and screaming back to the committee. Thank you very much for taking the time to be here.

I want to address a couple of issues before we go.

The committee had asked that we look at trying to bring in the Quebec government and the Ontario government on Tuesday. So far, we have heard back from the Quebec government, and they say they will not be able to make it. Ontario has not gotten back to us. I want your permission to say that if we can't get Ontario here on Tuesday, we'd be able to look at future business; we'd be able to take the list that we gave all the members and determine, for the researchers and for the clerk, some of the witnesses we can then begin to call.

Madame Folco.

Ms. Raymonde Folco: Are you saying that Quebec actually said no, and that's it? Or did they say no, they're not available on that date?

The Chair: They said no, they're not interested. We're looking at trying to bring in some academics.

Hon. Maria Minna: Is that the same for Ontario?

The Chair: No, we're waiting to hear back on Ontario.

What we're suggesting is that we have a briefing note already prepared for Ontario, so we will go with them if they call back. If not, we'll get them at a later point in time.

Hon. Maria Minna: All right, but if for any reason they say no, could you let me know?

The Chair: We feel that they're interested but it's a question of timing.

As far as Quebec goes, we're still looking at some academics who would be interested. So we haven't forgotten. We'll continue to pursue other options.

Ms. Raymonde Folco: I'm very disappointed that my own provincial government is refusing to come to Ottawa, or even talk to us about this. I wonder whether I might be able to get the names and coordinates of the people you were in touch with, to see whether there is anything I can do on this.

I don't know what to say.

The Chair: I'm going to suggest that maybe, off the record, we have a conversation afterwards with the researchers.

Mr. Lessard.

[*Translation*]

Mr. Yves Lessard: I simply want to avoid any confusion, Mr. Chair. What I understood from your comments was that representatives of the Government of Quebec were unavailable on that date. I did not understand that they refused the invitation. Have they refused to testify?

● (1250)

[*English*]

The Chair: That is correct.

[*Translation*]

Mr. Yves Lessard: So nobody will be coming, even on another date?

[*English*]

The Chair: That is correct. They've refused to come, period.

I suggest we talk with the researchers after the meeting to get any further clarification. As I said, we're pursuing other options so that we can perhaps have someone who has been involved with the program in Quebec come to talk to us. So we are pursuing other options.

[*Translation*]

Mr. Yves Lessard: Is Mr. Charest becoming less interested in the federal government?

[*English*]

Ms. Raymonde Folco: Do you want a decision on the part of the members as to where you want to go next week?

The Chair: Our suggestion, if Ontario can't make it, is that I would like us to look at the witness list to determine future business. We could do that on Tuesday, so we'll have something to do.

The second point is that I had a number of individuals from multiple parties indicating that we passed a routine motion that during our times over lunch we provide some food. We will be starting to do that next week. I realize people have other meetings and things going on, so we'll provide some sandwiches. I don't think it will be a hot buffet, but we'll do the best we can.

Ms. Raymonde Folco: And don't forget the Perrier, please.

The Chair: Perrier; it's well noted.

Is there any other business?

Hon. Maria Minna: On the food thing, I hate to make life difficult for the clerks, but if there are any sandwiches, can they have no fats? I don't eat anything that has butter or anything in it, and no cold cuts that are like salami or that sort of thing. It has to be something like chicken or something.

I'm just trying to say—

The Chair: I'm going to suggest Tim Horton's. Can we do that? Never mind; it's a conflict of interest.

If there are no other comments, I'll call the meeting adjourned.

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