

Campaign 2000 End Child Poverty in Canada

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

From the perspective of our diverse coalition, Campaign 2000: End Child Poverty in Canada, this period of slow economic growth and high personal debt requires the federal government to prevent and reduce poverty for the health and well-being of all Canadians. The federal government has always and must continue to play its central role in income security, including income transfers to low-income Canadians. Strong economic growth and prosperity, alone did not lift many children and families out of poverty. Recent statistics indicate that 979,000 children and their families live in poverty (Statistics Canada. Cansim 202-0802. 2010 Low Income Measure-After Tax [LIM-AT]). While child and family poverty has decreased somewhat since its high in 1996, 14.5% of children in Canada still live in poverty. For a lone parent and one child, that means living on an annual income of less than \$27,000. These figures do not reflect the situation in First Nations communities where approximately one in four children lives in poverty. The widened inequality gap for families with children has left the lowest income families in stagnant financial situations. In 1976, the lowest-income 10% of families with children made \$18,000 on average (before-tax, after-transfer income in \$2009). By 2009, their income had increased to only \$21,000. During the same period, the wealthiest families with children saw their average income rise to \$246,000 annually, from \$179,000. It is important to recognize that about one in three children in poverty have a parent working full-time year-round. Thus, the solutions need to include more good jobs along with enhanced public policies. Campaign 2000 recommends that the National Child Benefit (NCB), a supplement to the Canada Child Tax Benefit (CCTB) for low and modest-income families, be enriched as an efficient, easy-to-implement social investment. CCTB/NCB is non-taxable, progressive, refundable, and is based on previous year's income according to tax return; paid monthly to eligible families. To prevent and reduce child and family poverty, Canada needs to enhance the NCB and help to create better jobs that enable families to lift themselves out of poverty. Specifically, the maximum NCB needs to be increased from the current level of \$3,485 to \$5,400 (indexed to inflation). These funds are largely spent in local communities (on rent, food, goods and services) This enhanced child benefit of \$5,400 and full-time work (at least 34 hours weekly) at \$12/hour would enable a lone parent with one child to lift her family out of poverty. This direction, which can be implemented over several years, will address some critical needs of our most vulnerable Canadians and will reduce intractable economic problems for the years immediately ahead. All of us will benefit from less poverty and inequality. York University scholar Dennis Raphael summarized it well: ". . . Thousands of accumulated studies have come to the same basic conclusion: The incidence of poverty is a severe – if not the most severe – threat to the health and quality of life of individuals, communities, and societies in wealthy industrialized societies such as Canada."

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

The demographic shifts in Canada have implications for young people and for Canadians who are aging. The younger generation – children of the baby boomers – are struggling more than their parents. They carry a heavy debt burden if they have pursued post-secondary education and often put off establishing long-term relationships and family formation. Many young people are unemployed or underemployed. Others struggle to obtain paid employment in the field in which they are educated and trained. For some, getting that first job to gain invaluable experience is elusive. Others experience a series of part-time, short-term and/or seasonal jobs. Some of those precarious jobs may be in their chosen field while others are in low-paid sectors such as retail or service. Others who have found employment and have established families are struggling to make ends meet. Young families are starved for time as well as money. Unlike previous generations, two incomes are needed to earn what earlier generations brought home in one pay cheque. With high student debt loads and very high housing costs, young families have a tough financial balancing act. By 2009, the average debt for university graduates was \$27,000. At the same time, young families often report how difficult it is to find and pay for child care services. The resilience of this younger generation is essential to our aging society. By 2036, it is expected that the population of seniors will be double that of seniors in 2009. For the first time, the number of people aged 65 years or over will surpass the number of children aged less than 14 years beginning in 2015. Canada's working age population (15 - 64 years) will also decline in the next decades, it's predicted. The most strategic federal measure to address these issues is a cross-Canada plan for early childhood education and care services which will help to combat the aging of society and diminishment of the labour force and support the prevention and reduction of poverty. Canada can't work without good child care. And the federal government needs to be an active leader. In an era when birth rates are falling and populations are aging in most parts of Canada and other industrialized nations, high quality, affordable child care is critical and its absence makes a difference when it comes to deciding how many children to have. American economist Kevin Daly's research shows that affordable, accessible child care is correlated with some countries' higher birth rates. The relationship between child care and higher birth rates has led to the inclusion of child care as an important part of the European Union's labour force strategies for economic growth. In Quebec, birth rates have been increasing steadily in the past several years. Many observers believe that the availability of affordable child care services and a flexible parental leave system in Quebec are major factors leading to more newborns.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Among Canadian children and their families in poverty, some are at greater risk than others. While some progress has been achieved, more than half (52%) of female lone mothers with children under six live in poverty. Poverty is a critical issue for First Nations communities and for urban Aboriginal people who now comprise more than half (54%) of the Aboriginal population. The rapid growth of the Aboriginal population which is young with a median age of 25 in contrast to 38 as the Canada-wide media age, requires serious attention. The conditions that Aboriginal peoples now experience are rooted in the legacy of colonialism and harmful policies that separated children from their families. High rates of youth suicide and involvement with the criminal justice system are linked to poverty and current underfunding of basic services, particularly in First Nations communities. Other conditions that require immediate action from the federal government include: inadequate drinking water supplies in more than 100 First Nations communities, insufficient funding for First Nations Child Welfare agencies that receive 22% less per capita funding than provincial agencies and inadequate funding for public schools that receive about \$2,000 – 3,000 less per-pupil funding per year than children who live off-reserve. For both of these groups of children and their families who are at greater risk, an enhanced National Child Benefit and a cross-Canada plan for early childhood education and care will provide tremendous benefits in addition to other responses to their specialized needs.