

MAKE POVERTY HISTORY

MORE AND BETTER AID TRADE JUSTICE CANCEL THE DEBT END CHILD POVERTY IN CANADA

BRIEFING NOTE: END CHILD POVERTY

The Issue

Canada needs to support the achievement of the Millennium Development Goals for poverty reduction globally, but we also need to reduce poverty at home.

On November 24, 1989, Canada's House of Commons unanimously passed a resolution stating that: "This House seeks to achieve the goal of eliminating poverty among Canadian children by the year 2000."

More than 15 years later, and six years after the deadline of 2000, what has happened?

- One in six Canadian children are poor.
- Canada's child poverty rate of 17% is three times as high as the rates of Sweden, Norway or Finland.
- Every month, 770,000 people in Canada rely on food banks—40% of whom are children.

Canada is a rich country, ranked fourth in the world on the 2004 UN Human Development Index. But in the midst of wealth, almost five million Canadians live in poverty. Poverty is *increasing* for youth, workers, young families and immigrant and visible minority groups.

Poverty among Aboriginal groups remains appallingly high, both on and off reserve. In fact, if Canadian Aboriginal people were viewed as a distinct category, they would end up 78th on the UN Human Development Index—the ranking currently held by Kazakhstan.

More affordable housing and higher paying jobs

Since the federal government left the housing sector in 1993, affordable housing—particularly for people living in poverty—has decreased drastically across the country. Today, about 1.4 million people need housing.

At the same time, minimum wages have not kept pace with the cost of living. The federal government abolished the federal minimum wage in 1996, making wages in federally regulated sectors subject to provincial and territorial minimum wage rates. The minimum wage rates in every province and territory, however, are all below \$10.00 per hour—the basic rate required for a single person to live above the poverty line in an urban centre in Canada.

Canada must take action to create more affordable housing and re-instate a federal minimum wage.

More money for low-income families

The National Child Benefit Supplement (NCBS) and the Canada Child Tax Benefit provide vital support for families. However, these funds are not enough to lift many low-income families out of poverty. What's more, most provincial governments "claw back" the NCBS from families on social assistance.

The federal government needs to increase the Canada Child Tax Benefit to \$4,900 per child and ensure the benefit is available to all low-income families.

More action on childcare

Lack of affordable, quality childcare is a major barrier preventing low-income families from obtaining work. Lack of childcare also affects women disproportionately. The former Liberal government negotiated a number of bilateral agreements with provinces on childcare, but the Conservatives have said they will end these agreements after the first year. Their Choice in Child Care plan offers \$100 a month before taxes to families with young children to be used however they see fit.

According to the Caledon Institute for Social Policy, instead of spending about \$1.6 billion on "the flawed Child Care Allowance...the federal government should boost the Canada Child Tax Benefit." For the same cost, the government could raise the base Canada Child Tax Benefit by about \$800 per child under age 6. (see: *"The Choice in Child Care Allowance: What You See Is Not What You Get,"* January 2006, www.caledoninst.org)

Recommendations

The Canadian government should:

- Raise the annual Canada Child Tax Benefit to \$4,900 per child and ensure all low-income children receive full benefit of this program.
- Honour the child care agreements signed with the provincial governments.
- Involve groups where poverty is predominant, such as Aboriginal People, women, minorities and youth in the design and implementation of a domestic poverty reduction strategy.

Make Poverty History

Make Poverty History Canada is part of the Global Call to Action Against Poverty, the world's largest anti-poverty coalition made up of national campaigns in over 70 countries.