

REPORT CARD ON CHILD POVERTY HALTON 2005

REPORT CARD ON CHILD POVERTY

Campaign 2000 is a non-partisan, cross-Canada network of organizations that promotes the elimination of child poverty. On November 24, 1989, the House of Commons resolved: “to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000”. To document the progress of Canada’s all party resolution, Campaign 2000 annually produces a report card on child poverty in Canada. Today, in Canada, one in six children continues to live in poverty. This means there are one million Canadian children living in poverty. This is one million too many.



WHY POVERTY IS AN IMPORTANT ISSUE

Poverty affects the life chances of children. According to research:

- ✦ The infant death rate in Canada is twice as high in low-income families, compared to those with moderate or high incomes.
- ✦ Low birth weight is 1.4 times as common among babies born into low income families.
- ✦ School drop-out rate for low income children and youth is double compared to those who are not low income.
- ✦ Hunger reduces children’s ability to learn.
- ✦ Fluctuations in child welfare cases are sensitive to shifts in poverty.

The prevalence of child poverty is in stark contrast to the \$9.1 billion federal surplus announced in October 2004. There are solutions to end child poverty but these solutions require political will.

“They’re [children living in low-income families] not a political priority. Almost everything, statecraft, scandal ...seems to eclipse them.”

Carolyn Goar
The Toronto Star
November 23, 2004

CHILD POVERTY IN HALTON

Many families and individuals in Halton are living comfortably. The 2001 Canadian Census data shows that the Halton median family income is \$83,200 compared to Ontario’s median family income of \$55,000. The widespread affluence of the Halton community often overshadows the reality of poverty and, as a result, many Halton residents are not aware that there are low income people living in their community. For example, using the 2000 Low Income Cut Offs (LICO) figures, a family of four on an income of \$29,653 or less in Halton is living below the poverty line. In all, 5% of Halton’s families (5,790) live below the poverty line.

“The overall affluence of the community is believed to exacerbate the difficulties for low-income families, by creating a climate in which most parents expect that schools and groups will have activities which carry costs. Further, funding cuts to education are thought to be the source of increased fundraising by schools and user fees, which place additional pressures on low income families”.

Inclusive Cities Canada – Burlington
Community Voices, Perspectives & Priorities (2005)

MEASURING POVERTY

There are many different ways to measure poverty. The United Nations (UN) measures dimensions like literacy and proportion of long term employment on the human poverty index. It is a standard means of measuring and comparing poverty in developed countries. The UN released a human poverty index in 2004 for selected high-income OECD countries where Canada ranked 12 out of 17.

“Canadians like their high ranking on the United Nations’ human development index, but might be less proud of the country’s placement on another UN list – the human poverty index for rich countries. We’re fourth on the first index (out of 177 countries), but a dismal 12th (out of 17) on the second. This is a detail in the UN’s annual rankings that usually gets scant attention in Canada, but offers a sobering look at how well – or poorly – we spread the benefits of our wealth.”

Bruce Little, Globe and Mail
August 30, 2004

Statistics Canada uses “low income cut-offs” (LICOs) which vary by community and family size. It is important to note that LICOs are not measures of poverty. Rather, LICOs reflect a consistent methodology that identifies those who are substantially worse-off than average. In Halton, the income cut-off line is \$19,697 for a two person family, such as a parent and child, or \$29,653 for a family of four.

Low Income Cut Offs (LICO) In Halton

Family Size	Low Income Cut-off
1 person	\$15,757
2 person	\$19,697
3 person	\$24,497
4 person	\$29,653
5 person	\$33,148
6 person	\$36,642
7 person	\$40,137

Statistics Canada 2001 Census

HOW MANY CHILDREN AND YOUTH ARE IN POVERTY IN HALTON?

In Halton, 5,830 children aged 0-14 and 3,785 youth aged 15-24 belong to low income families. This translates to:

- × 7.6% of children living in poverty
- × 8.3% of youth living in poverty

2001 Census, Statistics Canada



“I have been very fortunate, I have clothes for the kids because I know a lot of people who give me hand-me-downs. But you get so tired of saying ‘no’ because we can’t afford it. I went through four winters without a pair of winter boots. My coat was threadbare I had to layer three sweaters underneath so I could stay warm outside.”

Participant
The Hidden Faces of Poverty, 2000

POVERTY IN FAMILIES

Examining poverty by family type shows what populations are most vulnerable to poverty. Compared to other households, single parent families had a poverty rate of 27%. Of these single parents, 80% are female.

On a related note, poverty increased for single young people between the ages of 15-24 from 54% in 1991 to 61% in 2001.

LIVING IN POVERTY IN HALTON

- × A family with two parents and two children on social assistance receives a maximum of \$14,568 a year. This is \$15,085 below the low income cut-off.
- × The same family with both parents working at minimum wage have an annual income of approximately \$28,608. This is still \$1,045 below the low income cut-off.
- × In Halton, after taxes, a single person on social assistance would not be able to afford 47% of their basic needs. This means that people on social assistance are not receiving enough assistance to afford food, clothing and shelter.

FUNDING CUTS

- × The devolution of responsibility for services to local governments combined with federal and provincial budget policies has led to the increase of user fees in the health, social, education and recreation services
- × If Halton residents require subsidized housing they can face up to 8 years on a waiting list. Most people can not wait that long and are forced to find other alternatives.
- × Agencies in the non-profit sector struggle to provide services to children and their families.



CONCENTRATIONS OF POVERTY

The percentage of children living in poverty differs greatly by where they live in Halton. Indeed, there are certain areas in both Oakville and Burlington where the percentage of children aged 0-14 living in poverty falls between 23% and 45% of the entire 0-14 age population. This concentration of poverty in certain areas is indicative of the widening gap between the rich and the poor.

“Deep inequality between rich and poor families was entrenched throughout the economic boom. In 2002, Canada's top 10% richest families with children had incomes that were more than 11 times higher than the bottom 10%. In real dollars, between 1996 and 2002 the gap between the richest and poorest families actually widened. By 2002, the gap in the average incomes of the top and bottom 10% of families with children was \$171,500.”

Report Card on Child Poverty:
One Million Too Many, Campaign 2000 (2004)

“I was a tax payer since the time I was 16. I never missed work, and I did everything the way you are supposed to do it, but it didn't work out the way it's supposed to. I ended up marrying someone that was abusive and then he left me holding the bag with two little ones. I understand why people stay in abusive relationships -what choice do they have?”

Participant
The Hidden Faces of Poverty, 2000

WHY ARE CHILDREN POOR?

Children are poor because their families are poor; families are poor because of inadequate income. In Halton, 5,790 families are “low income.” In these families, 5,830 children and 3,785 youth live in poverty. That there are this many children living in poverty is not a function of unchangeable economic laws. Instead, the child poverty rate is determined by the political will of government. This is one of the reasons child poverty rates fluctuate in different countries and cities.

PAY THE RENT OR FEED THE KIDS

The 2004 Halton Nutritious Food Basket survey demonstrates that food costs to provide a healthy diet for a family of four has increased by almost 5% since 2003. The Halton Nutritious Food Basket suggests that:

- i. A single mother with a 6 year old daughter can meet their nutritious requirements on \$225.67 a month; and
- ii. A family of four, that is a man and a woman with a 10 year old boy and a 7 year old girl, can meet their nutritious requirements for \$511.33 a month.

However, since their respective incomes are so low, little money remains to cover basic needs such as heat, hydro, telephone, laundry, insurance, transportation, clothing, non-prescription drugs, diapers, personal hygiene products, household cleaning supplies and money to cover unexpected expenses. It is little wonder that some are left with the choice, “pay the rent or feed the kids.” It is not surprising that many low income Halton families supplement their food needs by using food banks and emergency food programs. In Halton in 2004, food banks served 1,629 families per month.

Low income families are not poor by choice. Rather, many are poor because:

- the only jobs available to them are part-time, temporary, low skilled and low paying.
- they are unable to work because of physical or mental challenges.
- the government income support programs are inadequate to cover the cost of basic needs.
- most households require two incomes in order to make ends meet. This disproportionately affects single women who often have more childcare responsibilities.
- many women are poor because they have fled abusive relationships.
- skills training programs need to be timely, relevant and accessible.



EMPLOYMENT

The minimum wage in Ontario is \$7.45. In February 2006, the minimum wage will be increased to \$7.75. Though this is progress in a province where the minimum wage had not been raised in nearly a decade, it is still insufficient for a family attempting to meet basic needs.

The Employment Insurance (EI) program has been reduced and restricted and does not reflect an economy that is oriented to short and part-time labour.

“Labour market vulnerability is increasing primarily because of the high incidence of low paid jobs, the erosion of labour standards, decreasing access to collective bargaining, and the proliferation of jobs with limited or no benefits.”

Report Card on Child Poverty:
One Million Too Many, Campaign 2000 (2004)

HOUSING

According to the 2001 Census:

- × The average rent in Halton is \$821 per month
- × 10,640 tenants spend 30% or more of their household income on rent

As of May 1, 2005, there were 1,872 households on Halton Region waiting lists for social housing.

“Affordable housing is an issue in Halton. We just can’t afford to keep up with the rent and the children’s needs. There is a long waiting list. We have been on it for a while, but it is not just me on the list, there are so many people waiting.”

Participant
The Hidden Faces of Poverty, 2000



INCOME SECURITY

In March 2005, the Government of Ontario increased the amount Ontario Works recipients receive by 3%. However, Ontario Works stipends had been cut by 22% in 1995. In addition, there have been no adjustments for inflation since 1995, estimated to be 16% from 1995 to 2002.

The Federal government has increased the amount low-income families receive from the National Child Benefit Supplement in order to alleviate child poverty in Canada. However, Ontario, “claws back” this benefit dollar for dollar. Thus, the poorest of low income people are further penalized.



“Homelessness exists in Halton Region despite one of the highest median incomes in Canada. While considered a ‘hidden’ problem in affluent Halton 1,200 to 1,300 people are homeless or at risk of homelessness each year. These figures exclude homeless youth who ‘cruise’ from couch to couch throughout the region.”

Quality of Life in Canadian Communities
Incomes, Shelter and Necessities (2004), Federation of
Canadian Municipalities

RECOMMENDATIONS

Community Development Halton supports the recommendations made by Campaign 2000 that would compose a social investment plan for children and families. We believe that these recommendations present well known solutions to our social deficit. Their implementation can improve the living conditions for low income individuals and families. Canada needs a comprehensive, multi-year strategy to address continuing high levels of child poverty. A plan must address the major initiatives under five core elements of a social investment plan.

1. More Good Jobs at Living Wages

- ✓ Raise the minimum wage to \$10 an hour
- ✓ Establish a federal-provincial *Living Wage Commission* to study and make recommendations on a range of issues affecting wages, hours of work, benefits, collective bargaining. The Commission should develop strategies that address labour market exclusion and precariousness of immigrants, racialized communities, Aboriginals, and lone mothers.
- ✓ Develop and implement a multi-faceted strategy to better facilitate the integration of skilled immigrants. This strategy should include all levels of government working together with a broad range of stakeholders.
- ✓ Restore eligibility for *Employment Insurance (EI)* by introducing a uniform 360-hour qualifying requirement and extend the EI benefit period to one year to protect all earners, including low income parents, when the economy is in recession
- ✓ Develop a federal-provincial *Labour Market Strategy for People with Disabilities* including a specific disability-supports strategy.
- ✓ Introduce *living wage ordinances and access and equity policies* at all levels of government to leverage the creation of good jobs through government contracting requirements.

2. An Effective Child Benefit System

- ✓ The federal government *consolidate current child benefits* into a single program in the first year of implementation of the Social Investment Plan and raise the child benefit *to a maximum of \$4,900* (in 2005 dollars) per child by the third year of the plan.



3. A Universally Accessible System of Quality Early Learning and Child Care

- ✓ The federal government, working with the provinces/territories and community experts, take leadership in developing a *comprehensive and accountable system of early learning and child care* for Canadian families that achieves the principles of universality, quality, accessibility, inclusion and is developmentally-focused.
- ✓ Provinces commit to implementing systems that meet these principles with plans outlining goals, objectives, targets, timetables and evaluation.
- ✓ Funding to continue rising to reach additional \$5 billion by year 5 while provinces maintain and supplement current funding levels.

4. Significant Expansion of Affordable Housing

- ✓ 25,000 new affordable housing units be built every year for the next five years.
- ✓ The federal, provincial and territorial governments must break the logjam around existing commitments and take immediate action to increase supply.

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

- ✓ The federal government establish clearly demarcated funding mechanisms for each of the areas of post-secondary education, early learning and child care, social assistance and social services, and housing.
- ✓ The federal government begin to rebuild transfers for social assistance and social services, and negotiate a new funding formula with the provinces/territories that provides sufficient, stable and predictable funding and recognizes regional economic variations.

- ✓ Substantive and enforceable principles for social assistance be established to ensure that this social safety net program of last resort provides adequate income support and is available to all low income Canadians who are without other means of sufficient support. There must be a guaranteed right of appeal.
- ✓ Federal and provincial governments develop an Urban Aboriginal Strategy in consultation with Aboriginal communities and commit financial support under the Canada Social Transfer to community-based, off-reserve Aboriginal services that would be planned and delivered by Aboriginal agencies.
- ✓ Under a post-secondary education transfer, the federal government improve access to post-secondary education by increasing the student financial aid package and allocating a higher proportion of aid to needs based grants. It should also freeze and lower tuition fees for post-secondary studies across Canada.
- ✓ Senior levels of government, in consultation with Aboriginal leaders, develop an Agenda of Inclusion of Children with Disabilities.

“We [...] commit ourselves to implementing the Plan of Action through [...] effective national legislation, policies and action plans and allocating resources to fulfill and protect the rights and to secure the well being of children [...].”

A World Fit for Children, Plan of Action
signed by the Canadian Government at the United Nations Special Session on Children, May 2002

For more information on Campaign 2000 efforts to eliminate child poverty go to:
www.campaign2000.ca

To learn more about a campaign to end the clawback of the National Child Benefit Supplement from families on social assistance go to:
www.handsoffnow.ca



860 Harrington Court
Burlington, Ontario
L7N 3N4
(905) 632-1975
office@cdhalton.ca
www.cdhalton.ca

