

BRITISH COLUMBIA



2014 CHILD POVERTY REPORT CARD

NOVEMBER 2014

Produced by
First Call: BC Child and
Youth Advocacy Coalition



with the support of



NOTE: Due to data collection changes introduced by Statistics Canada, 2012 statistics for a few of the fact sheets in this report are not yet available. A new edition of this report card will be published when the data is received. Check for updates at firstcallbc.org

NOVEMBER 2014

**BRITISH COLUMBIA 2014
CHILD POVERTY REPORT CARD**

PRODUCED BY

**First Call: BC Child and
Youth Advocacy Coalition**
#810 – 815 West Hastings Street
Vancouver, BC V6C 1B4
604-709-6962 / 1-800-307-1212
info@firstcallbc.org • firstcallbc.org



with the support of





CONTENTS

| | |
|--|----|
| INTRODUCTION | 4 |
| FACT SHEET #1 High Child Poverty Rates Persist Over Time | 7 |
| FACT SHEET #2 BC's Poverty Rates Still High..... | 10 |
| FACT SHEET #3 BC Child Poverty by Family Type..... | 13 |
| FACT SHEET #4 Depth of Family Poverty | 16 |
| FACT SHEET #5 Child Poverty and Working Parents..... | 19 |
| FACT SHEET #6 Families With Children on Welfare | 23 |
| FACT SHEET #7 Incomes of Families With Children – Growing Inequality | 26 |
| FACT SHEET #8 Importance of Government Help | 30 |
| FACT SHEET #9 Child Poverty Across British Columbia..... | 33 |
| FACT SHEET #10 Child Poverty in Metro Vancouver..... | 35 |
| RECOMMENDATIONS | 37 |
| Appendix 1: DATA CHALLENGES AND MEASURES OF POVERTY | 40 |

GOVERNMENT INACTION LEAVES ONE FIFTH OF BC'S CHILDREN POOR

This year marks the 25th anniversary of Canada's promise to end child poverty. In this past quarter century a whole generation of British Columbian children have grown up, yet far too many of them have been hampered in reaching their full potential by growing up in poverty.

Since 1989, the year of the House of Commons promise to end child poverty by the year 2000, there has been an increase in BC's child poverty rate from 15.5%, representing 118,300 children, to 20.6%, representing 169,420 children in 2012.

British Columbians are concerned about these alarmingly high numbers of poor children. Resolutions and statements of concern have proliferated from municipalities, health and education professionals, union members, faith and business groups, media representatives and BC's Representative for Children and Youth. They know that not only are the social and economic impacts felt by the children and their families who are living in poverty, but by society as a whole.

As a result, British Columbians have taken action. Local communities are busy forming task forces and action plans on poverty and homelessness. Charitable activities aimed at alleviating the worst effects of poverty are multiplying. But despite the best of intentions, individuals and local communities do not have the power or the resources to make change at the scale required for such a widespread problem. The policy changes and large social investments required to eradicate child poverty need to come from our provincial and federal governments. They could take steps to eradicate the poverty of thousands of children with the stroke of a pen. It's a question of priorities.

Again this year, First Call is putting forward a list of recommendations that would make a real difference to the size and depth of BC's child and family poverty problem. First among them is the call for the BC government to move from denial to action by adopting a comprehensive provincial poverty reduction plan with legislated targets and timelines as other provinces have done.

BC's Official Opposition, the BC NDP, has introduced a private member's bill to the Legislature three times that would have established just such a plan for the province—first in 2011 and twice in 2014. By failing to support these bills, BC Liberal MLAs missed three opportunities to rise above partisan politics and agree to give poverty reduction the priority it deserves in the government's agenda.

First Call has been tracking child and family poverty rates in BC for nearly two decades. Our first provincial report card containing data for 1994 showed that one in five (over 170,000) BC children were poor. It is profoundly disappointing that 18 years later the data still shows that one in five (169,420) BC children are poor.

For many years, the provincial government's response to the data in previous report cards has been to deflect rather than engage. BC's poor children and families deserve more than sloganeering about future jobs, decision-makers who minimize the extent and impacts of their poverty, and embarrassingly minimal 'poverty reduction pilot projects' that reach few and change little.



First Call has been tracking child and family poverty rates in BC for nearly 2 decades.

Our first BC report card showed that one in five (over 170,000)

BC children were poor. It is profoundly disappointing that 18 years later the data still shows that one in five (169,420) BC children are poor.

What would serve them better are public policy solutions that respond to the evidence of the challenges facing families. For example, a publicly-funded child care system that addresses the key issues of affordability, accessibility and quality. Or welfare rates and rules that allow people to live in health and dignity so they can get back on their feet financially.

Federal policy failures and under-investments are also responsible for this shameful situation. BC's MPs should be carrying the message to Ottawa that federal income support and tax policies need revisions and that significant federal investments in social housing, child care and post-secondary education are also called for.

The Conservative federal government has shown itself to be singularly uninterested in basing its family policy initiatives on reducing inequality or decreasing the rate of child poverty. So much so that it has eliminated the best data sources used to identify which sub-populations are most affected by poverty, such as the long-form census, and ignored warnings from a former Finance Minister that family income splitting will do nothing to help lower income families.

We are a very wealthy society. Our government leaders find money for hugely expensive activities such as fighting wars, building convention centres and dams, and subsidizing businesses and industries. Paradoxically they pretend that the cupboard is bare when it comes to tackling child and family poverty, and ignore the mounting social and economic costs of persistently high poverty rates, particularly for children.

The evidence in this report is a call to all British Columbians who are distressed by the poverty experienced by their neighbours, by children going to school hungry and relying on food banks, by rising youth homelessness, and by parents working hard but not earning enough to provide for their families. We ask you to take these recommendations to your elected representatives and ask for their commitment to eradicate child poverty – and don't accept excuses for inaction. Ask your friends, family, neighbours, workmates, media contacts, anyone and everyone you know to do the same.

High child poverty in BC is an old and shameful story of social neglect and government inaction despite a clear moral and economic imperative. If we muster the political will, we can make sure it has a happy ending – sooner rather than later.



The evidence in this report is a call to all British Columbians who are distressed by the poverty experienced by their neighbours, by children going to school hungry and relying on food banks, by rising youth homelessness, and by parents working hard but not earning enough to provide for their families.

DATA SOURCES AND POVERTY MEASURES USED IN THIS REPORT CARD

Previous Child Poverty Report Cards utilized data from the Survey of Labour and Income Dynamics (SLID). However, **SLID was cancelled by Statistics Canada** as of 2011 (with the last release of information coming in 2013).



The change in data source and measures from previous BC Child Poverty Report Cards means **comparisons cannot be made** between this year's figures and last year's.

Previous Child Poverty Report Cards utilized data from the Survey of Labour and Income Dynamics (SLID). However, SLID was cancelled by Statistics Canada as of 2011 (with the last release of information coming in 2013). As a result, the 2014 Child Poverty Report Card utilizes Statistics Canada's T1 Family File (T1FF) taxfiler data to report on poverty, unless otherwise indicated. T1FF data is based on the income tax returns of Canadians and Canada Child Tax Benefit (CCTB) records. Taxfiler data measures low income, but unlike SLID (which provided data using Low Income Cut-Offs, Market Basket Measures, and Low Income Measures), the 2012 taxfiler data uses only Low Income Measures (LIMs) for their low income tables. The change in data source and measures from previous BC Child Poverty Report Cards means comparisons cannot be made between this year's figures and last year's.

Statistics Canada describes the LIM as "a fixed percentage (50%) of median adjusted household income, where "adjusted" indicates that household needs are taken into account."

In other words, households that earn less than 50% of the median adjusted household income for their household size are said to be living in poverty. It is a widely-used measure internationally.

Unlike Low-Income Cut-offs and Market Basket Measures, however, the Low Income Measure does not take the differences in costs of living in different provinces and cities into account in its calculations. Therefore, individuals in low-income according to this measure living in an expensive province such as British Columbia may have a harder time meeting their needs than individuals in low-income in a more affordable province such as New Brunswick or Manitoba.

The ability to compare and assess trends in child poverty rates was also hampered by the 2010 cancellation of the long form census which was replaced by the National Household Survey (NHS). Data from the census long-form was previously used to track and compare child poverty rates for specific groups with the highest levels of poverty, namely recent immigrant, racialized, Aboriginal and disabled people.

Statistics Canada warned users that the 2011 NHS data is not comparable with previous census data because participation in the survey was voluntary, making the results "subject to potentially higher non-response error" than 2006's long form census. Particularly for low income data, the 2011 NHS showed "markedly different trends than those derived from other surveys and administrative data such as the SLID or the T1FF." For BC, the 'global non-response rate' was 26.1%.

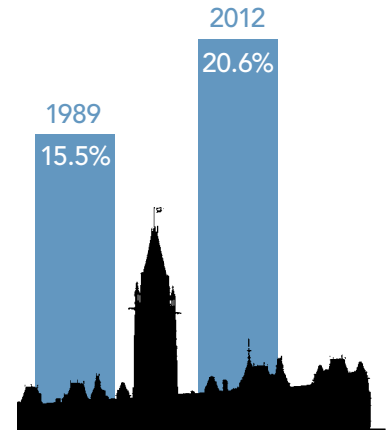
Tracking the experiences of marginalized groups through a mandatory census is crucial to the design of effective poverty reduction initiatives by all three levels of government. First Call and Campaign 2000 strongly urge the federal government to reinstate the mandatory long form census or a similarly reliable data source immediately.

HIGH CHILD POVERTY RATES PERSIST OVER TIME

On November 24, 1989, the House of Commons passed an all-party resolution setting the goal of eliminating child poverty in Canada by the year 2000. However, despite this promise, child poverty rates, as measured by the Low Income Measure (LIM) after income taxes, actually increased in Canada and most provinces between 1989 and 2012.

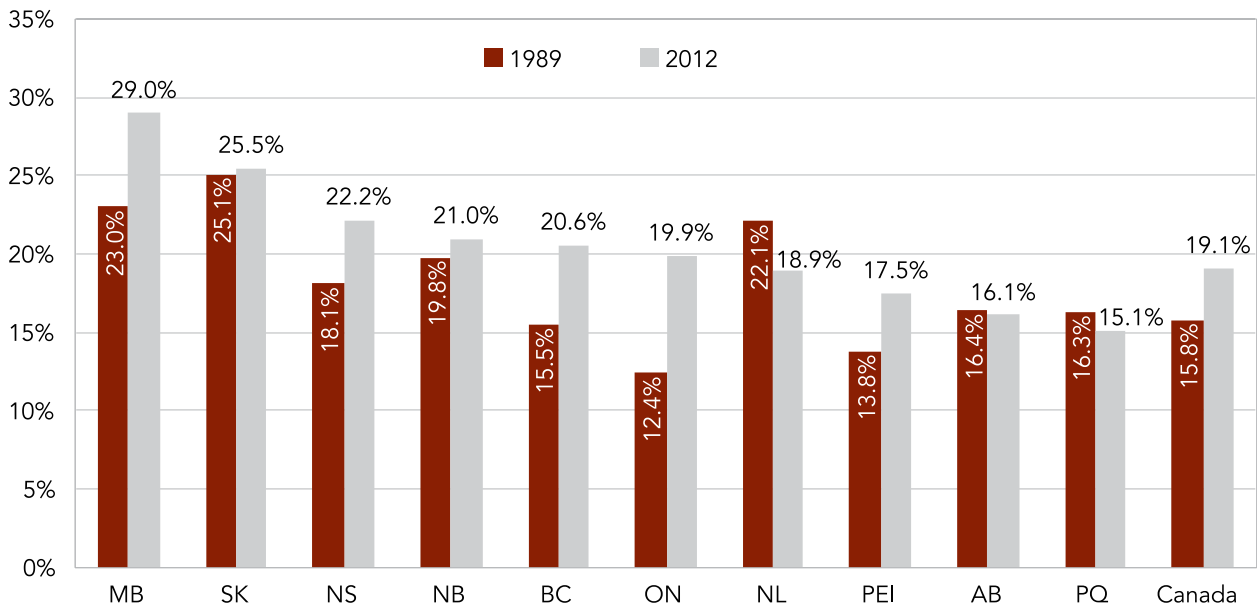
According to taxfiler data, the number of children 0–17 years old living in poverty in British Columbia increased to 169,420 children in 2012 from 118,300 children in 1989, an increase of 51,120 children. BC’s child poverty rate rose to 20.6% from 15.5% over these 23 years.

However, some provinces did reduce child poverty between 1989 and 2012 (Newfoundland and Labrador, Quebec and Alberta). During this same period, Canada and all provinces saw impressive declines in poverty among seniors (65 and over) thanks to government programs such as the Canada Pension Plan and Old Age Security. Canada’s seniors’ poverty rate decreased from 15.7% in 1989 to 5.8% in 2012, while British Columbia’s seniors’ poverty rate decreased from 13.9% in 1989 to 6.1% in 2012. The success in reducing seniors’ poverty across Canada is proof that we can reduce poverty when the right policies and supports are put in place.



Since the House of Commons passed a resolution in 1989 to eliminate child poverty in Canada, BC’s child poverty rate has risen from **15.5%** to **20.6%**.

CHILD POVERTY RATES, BY PROVINCE, LIM-AT, 1989 AND 2012



Source: Statistics Canada custom tabulation. T1 Family File, 2012

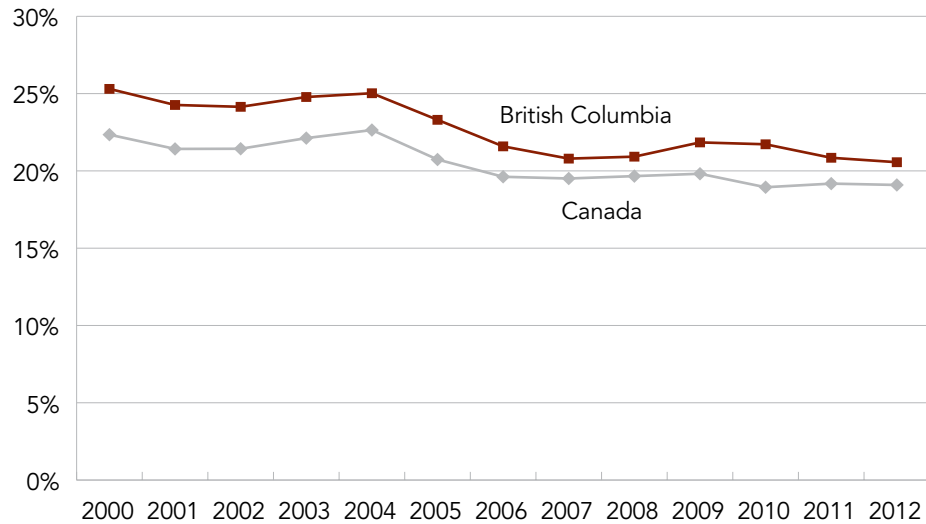
The shorter term trend, from 2000 to 2012, shows a slight decrease in the number and percentage of children living in poverty in BC. This is similar to the trend in Canada as a whole. According to taxfiler data using the LIM after-tax measure, the number of poor children in BC decreased from 221,220 children (25.3%) in 2000 to 169,420 (20.6%). Between 2011 and 2012 the decrease was 0.2%, or 3,060 children.

BC's child poverty rate in this period remained consistently higher than the Canadian average.

CHILD POVERTY RATES FOR CANADA AND BC, LIM AFTER TAX, 2000–2012



BC's child poverty rate from 2000–2012 has remained consistently higher than the Canadian average.



Source: Statistics Canada CANSIM Table 111-0015

While the reduction in the child poverty rate and the number of poor children in BC over this 13-year period represents a trend in the right direction, the pace of improvement is much too slow and the rate remains appallingly high. The negative consequences of such persistently high rates of child and family poverty are impacting the health and development of thousands of BC children, their educational achievement and their future potential. This is a cost we cannot afford.

FIRST CALL RECOMMENDS

- That the provincial government adopt a comprehensive provincial poverty reduction plan with legislated targets and timelines, a cabinet minister with the authority and responsibility to ensure government is achieving its targets on time, and a goal of reducing BC's child poverty rate to 7% or lower by 2020.

See the full list of recommendations on pages 37 to 39.

LAUREN'S STORY

A tenacious straight-A student, Lauren, 17, beat the odds and graduated from high school while she was homeless.

Lauren (not her real name) is determined to surpass four generations of family poverty, homelessness and addiction. Her mother was homeless at age 15. Her grandmother had her mother at age 15.

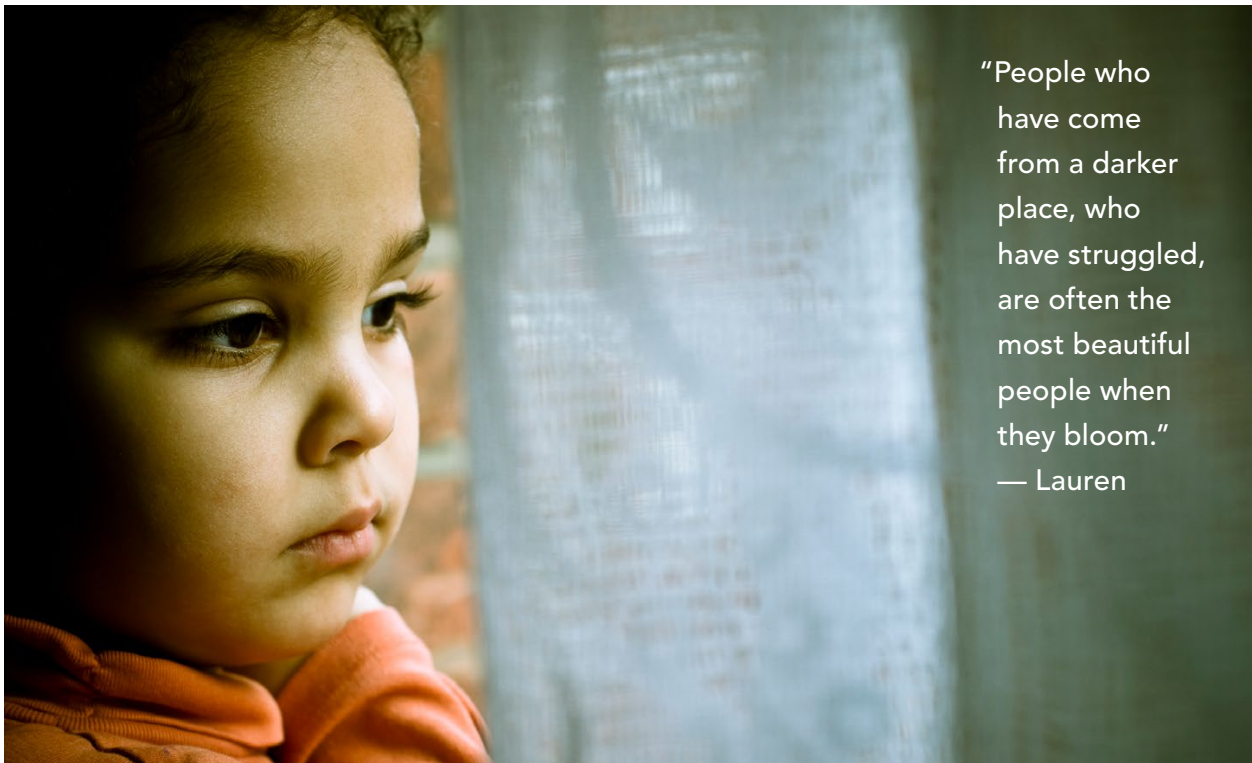
"When my mother was a child, it was like 'we are only going to eat bread today.' On my whole side of the family, they have all been involved in the street life. All my uncles are in the Downtown Eastside, they go in and out of jail. My father is in the DTES now, addicted to drugs and alcohol."

"Having those whole generations of violence and poverty in our family really played a part in our family's poverty."

When a fire burned Lauren's family home to the ground, they were all left homeless, and spread out around BC. Lauren, just 15 at the time, was forced to go back and forth between safe houses for months until she secured an affordable transitional apartment at Covenant House in Vancouver.

Now Lauren works at No Frills as a cashier and lives and pays rent at Covenant House while studying to be an Aboriginal youth support worker. She hopes in her future role as a support worker to be able to reach youth when they start high school, which she sees as the point when they get to see their identity, not what their parents built for them, "but their own."

"People who have come from a darker place, who have struggled," Lauren says, "are often the most beautiful people when they bloom. Seeing that transformation in people has inspired me. Even though you have dark secrets, how do you transfer them into beauty?"



"People who have come from a darker place, who have struggled, are often the most beautiful people when they bloom."
— Lauren

BC'S POVERTY RATES STILL HIGH

1 out of 5

BC children are poor – higher than the national average on both measures.



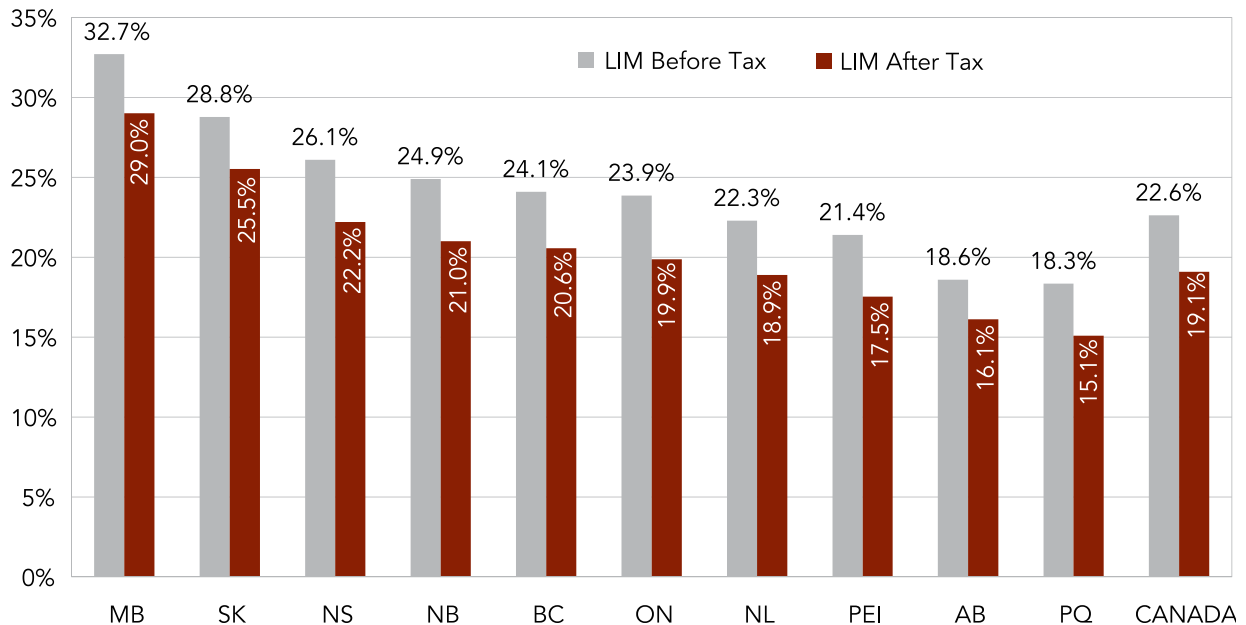
In 2012, according to taxfiler data, British Columbia had child and overall poverty rates above the Canadian average.

Using Statistics Canada's Low Income Measure (LIM) after tax, 20.6% of British Columbia's children ages 0–17 lived below the poverty line, representing more than one in every five children in the province. According to this measure, 169,420 BC children lived in poverty, putting this province fifth highest in comparison to other provinces.

The BC child poverty rate using the LIM before tax was 24.1%, representing almost one in every four children in the province. According to this measure, 198,530 BC children lived below the poverty line. BC's LIM before-tax poverty rate for children was also the fifth highest of any Canadian province in 2012.

BC's child poverty rates on both the before- and after-tax Low Income Measures were higher than the national rates of 22.6% and 19.1% respectively.

CHILD POVERTY RATES BY PROVINCE, 2012



Source: Statistics Canada custom tabulation. T1 Family File, 2012

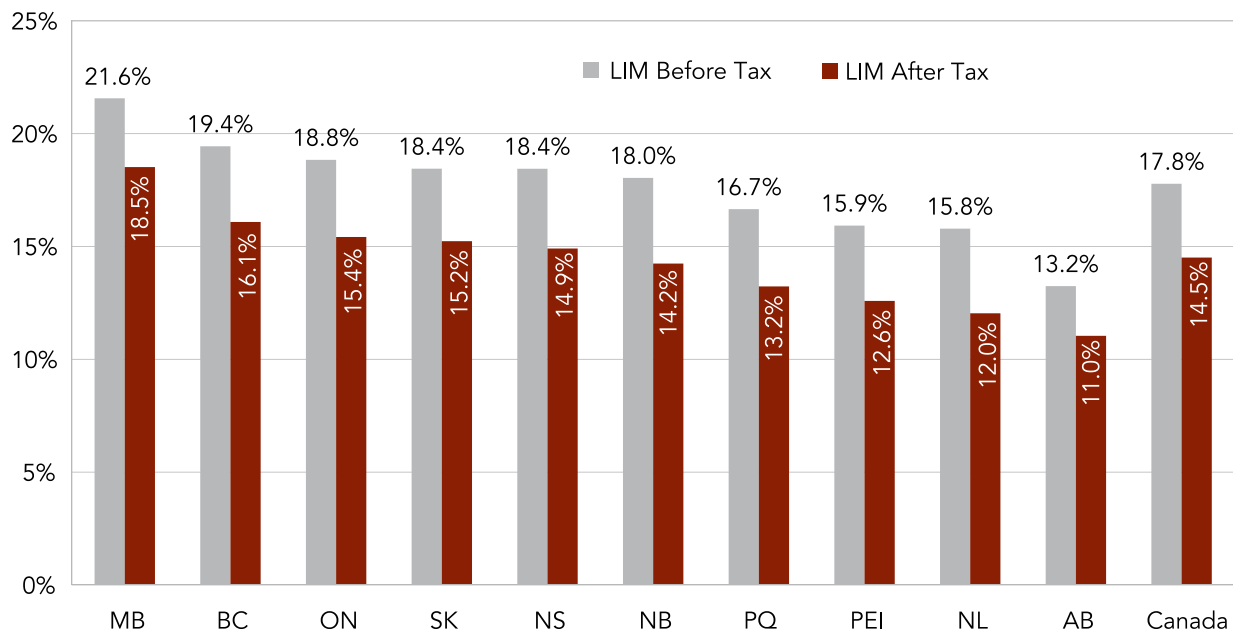
In 2012, using the LIM after tax, 16.1% of BC's population lived below the poverty line, higher than the Canadian average of 14.5%, also the second highest rate of any province in Canada, after Manitoba. According to this measure, 695,100 British Columbians were living in poverty.



The number of poor children in BC was **169,420** – enough to fill the Canucks’ stadium **over nine times**.

Using the LIM before tax, 19.4% of British Columbia’s overall population lived below the poverty line, higher than the Canadian average of 17.8% and also the second highest rate of any province in Canada, after Manitoba. In 2012, according to this measure, 840,030 British Columbians were living in poverty.

OVERALL POVERTY RATES BY PROVINCE, 2012



Source: Statistics Canada custom tabulation. T1 Family File, 2012

FIRST CALL RECOMMENDS

- That the provincial government adopt a comprehensive provincial poverty reduction plan with legislated targets and timelines, a cabinet minister with the authority and responsibility to ensure government is achieving its targets on time, and a goal of reducing BC’s child poverty rate to 7% or lower by 2020.

See the full list of recommendations on pages 37 to 39.

SARAH'S STORY

For Sarah, of Cree and Russian descent, the impact of poverty has affected every day, and every aspect, of her childhood and adolescence. Sarah (not her real name) was born and raised in poverty and, though just 17, has been homeless for two years.

Sarah rarely saw her mother, who would leave early in the morning and get home late at night, working long hours in a call centre for minimum wage. Her father struggles with addiction and lives in the Downtown Eastside of Vancouver.

Sarah and her brothers would visit various charities every day for meals and try to return home full; the cupboards were perpetually bare.

"Hunger is that feeling that hurts. When you are hungry, you have these emotions. When you are hungry, you are either really angry or really sad...you see other people eating, you think, why am I even here? Why can't I have that? Why don't I get those good things?"

Sarah says that poverty in childhood makes you sick every day.

"How can you not get sick when you are living in a house with mold, wearing clothes you can't wash because you can't afford electricity? It comes down to money. Once you take money away, you have food that gets taken away, water that gets taken away and heat that gets taken away."

Another horrible reality is the bullying and social exclusion, Sarah says. "As a young person in poverty, suddenly you are getting bullied because you smell bad, or you are getting bullied because your clothing is all ripped and doesn't fit you properly."

For youth, even getting that part-time job after school can be elusive. "People look at you a certain way and say you can't get hired because you don't look proper, you don't have proper shoes."

"With poverty, you are struggling no matter what," she adds.

"With poverty, you
are struggling
no matter what."
— Sarah

BC CHILD POVERTY BY FAMILY TYPE

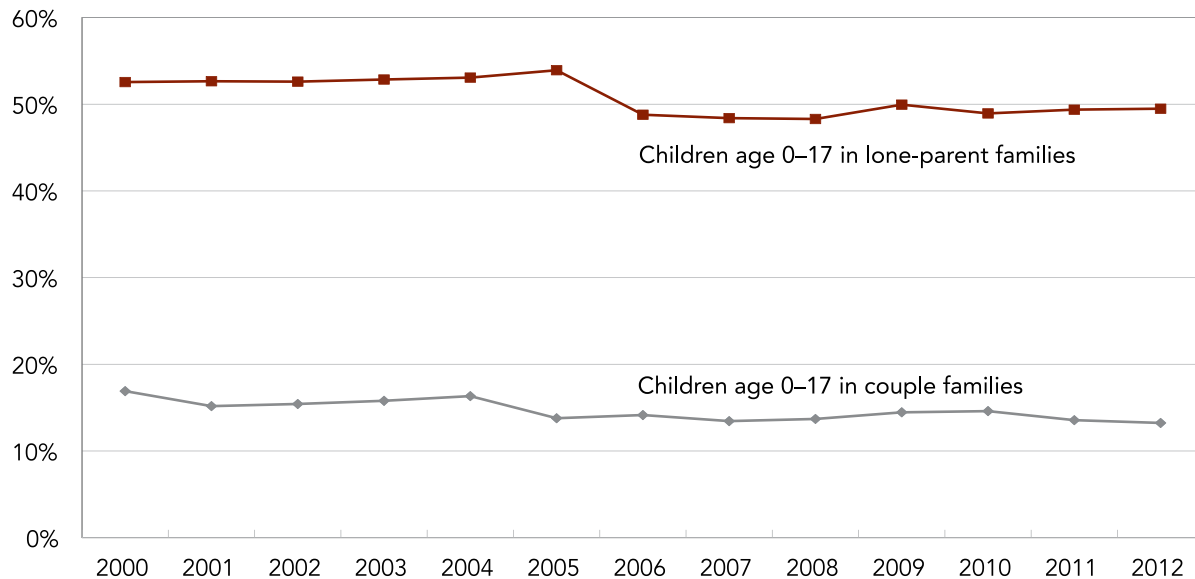
Being a child in a lone-parent family means having a much higher chance of living in poverty than being a child in a couple family. In 2012 in British Columbia, according to taxfiler data, using the Low Income Measure (LIM) after tax, a staggering 49.5% of children 0–17 years old in lone-parent families lived in poverty compared with 13.2% of children 0–17 years old in couple families.

Most of the decline in the child poverty rate for children in lone-parent families occurred when the child poverty rate dropped from 53.9% in 2005 to 48.3% in 2008. The child poverty rate for children in lone-parent families has been slowly creeping up again since 2008.



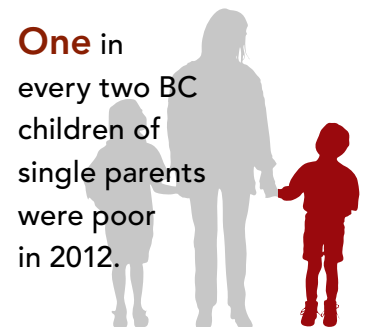
Child poverty in BC includes all family types.

BC CHILD POVERTY RATES BY FAMILY TYPE, LIM AFTER TAX, 2000–2012



Source: Statistics Canada CANSIM Table 111-0015

According to the 2011 census, 81% of children in lone-parent families in BC were in a lone-mother family.¹ For many lone mothers, raising their children in poverty arises from a number of factors, not least of which is the difficulty many face finding affordable child care so they can sustain employment. Many women are forced to work part time due to the lack of child care, when they want and need a full-time income to support their families. In addition, Canadian studies show that women’s average hourly wages are still lower than men’s and that women with children earn less over time than childless women, with the earnings gap being greater for lone mothers.²



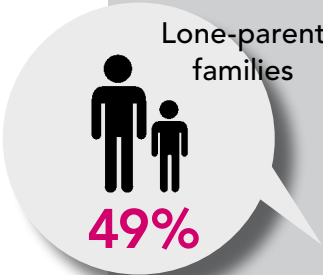
1 Statistics Canada. Catalogue no. 98-312-XCB2011024. Age Group of Child (13), Census Family Structure (7) and Sex (3) for the Children in Census Families in Private Households of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2011 Census.
 2 Xuelin Zhang, Earnings of women with and without children. Perspectives, March 2009, Statistics Canada – Catalogue no. 75-001-X.

Poor children
by family type

Two-parent families



Lone-parent families



A staggering 49.5% of children in lone-parent families lived in poverty compared with 13.2% of children in couple families.



This evidence highlights why improved parental leave, an affordable, quality child care system, Employment Insurance reforms and pay equity for women are all policy improvements that would go a long way to reducing women and children's poverty.

Although the poverty rate for children in lone-parent families was much higher than for children in couple families, in 2012 there were still more BC children in two-parent families living in poverty (86,950) than poor children in lone-parent families (82,470). Child poverty is therefore an issue in British Columbia that affects all family types.³

FIRST CALL RECOMMENDS

- Adopt and begin implementing the \$10/Day Child Care Plan.
- Exempt the full amount of child support payments received by lone parents on welfare from any clawback, allowing their children to benefit from the payments made on their behalf, and allow welfare recipients to retain benefits while attending a post-secondary institution.
- Increase the combined Canada Child Tax Benefit/National Child Benefit to \$5,600 per child.
- Intensify federal and provincial government efforts to help immigrants and refugees adjust to life in Canada and improve employment standards and human rights protections and enforcement.
- Cancel all outstanding refugee transportation loan debt and cease indebting new refugees with these costs.
- Restore the Employment Insurance program to provide coverage for most workers and enhance the adequacy of benefits.

See the full list of recommendations on pages 37 to 39.

³ This year's available data does not include the small percentage of children living in other family types.

MEI-LING'S STORY

For single mom and early childhood educator, Mei-ling, an immigrant from Taiwan, life as a single mother with no child support and one income of \$27,000 in Vancouver is very tough. Mei-ling (not her real name) lives in a one-bedroom rental apartment with her two sons, aged 12 and 13.

"One of my children is special needs," Mei says. "I learned a lot how to help my children to support them to be successful. Being an immigrant [single mother], it is very hard with no family and no support."

Mei-ling practised nursing in Taiwan, but accreditation in Canada proved too lengthy and too costly. Despite investing in quality early childhood education (ECE) training and obtaining a steady, full-time job, the low wages of ECE work leave her lone-income family in poverty.

Escaping an abusive relationship with conflict that has extended for years, Mei finds herself in and out of court without legal aid, and barely making ends meet with her current income. She only puts her sons in extracurricular activities that are free and she visits food banks when needed. "I have struggled to provide food for my family. I have two growing teenage boys, so I try my best to give them enough nutrition."

Mei says that a higher hourly rate like the living wage would have a huge impact on her family and help pull her children out of poverty.

"My hourly rate is just enough, it is pretty tight; it is just enough for me to pay basic living, food, basic school supplies for my children. If I could get a higher hourly rate, I could give my children more education, more good support with outside school activities."

"Being an immigrant [single mother], it is very hard with no family and no support."— Mei-ling



DEPTH OF FAMILY POVERTY



Living at the poverty line is a challenge, but many poor families actually live far below the poverty line.

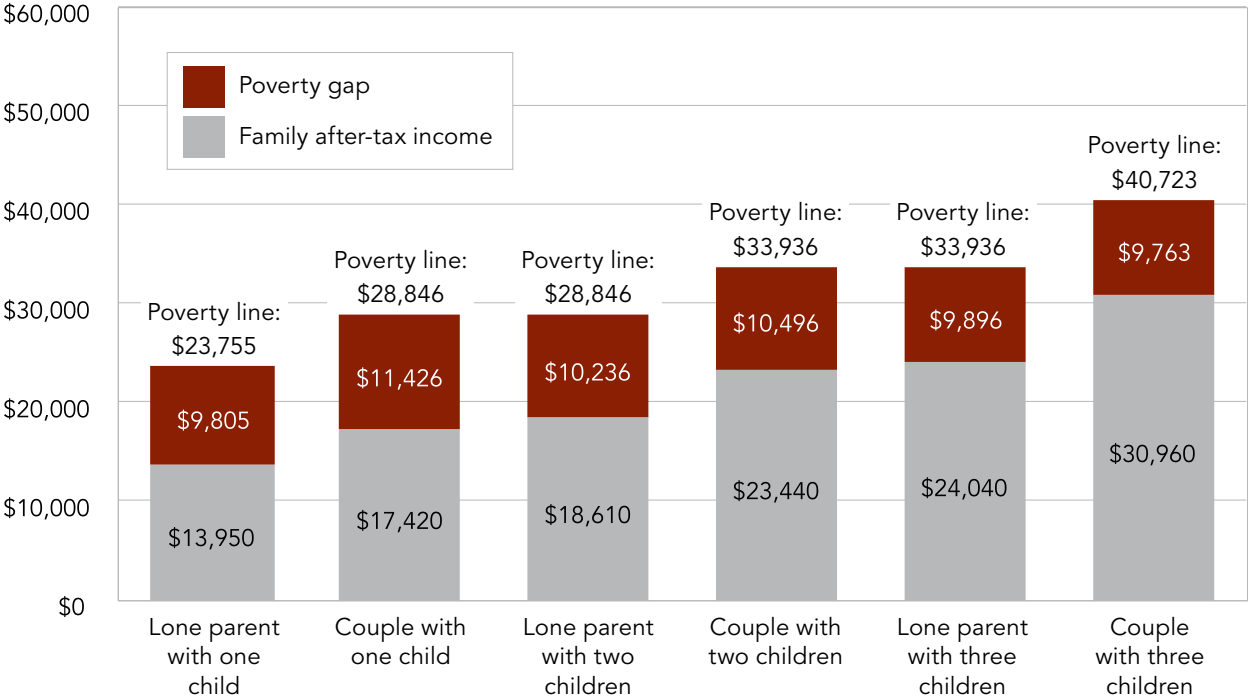
According to 2012 taxfiler data, the median total after-tax incomes for poor families with children in British Columbia are significantly below the Low Income Measure (LIM) after tax for both couple and lone-parent families.

In 2012, the average depth of poverty for a poor lone-parent family in BC with one to three children was just under \$10,000 per year. For example, a lone parent with one child had a median total after-tax income of only \$13,950 per year, leaving them \$9,805 below the \$23,755 poverty line for this family size.

The average depth of poverty for a poor couple family with one to three children was over \$10,000 per year. For a couple with two children, the poverty line was \$33,936. However, their median total after-tax income of \$23,440 per year left them \$10,496 below the poverty line.

The graph below illustrates how far below the poverty line the median total after-tax family incomes were for six different low-income family types in 2012.

AVERAGE DEPTH OF POVERTY FOR POOR BC FAMILIES WITH CHILDREN, 2012



Source: Statistics Canada CANSIM Table 111-0015 and T1 Family File 2012 User's Guide

FOOD BANK USE

In March 2014, 841,191 people were helped by food banks in Canada; more than one-third (37% or 310,400) were children. Years after the end of the recession, food bank use remains close to record levels, and is 25% higher than in 2008, before the recession began.

In BC, 97,369 people were helped by food banks in 2014, a 25% increase since 2008. Thirty-one per cent, or 29,990, were children. Thirty-six per cent of those helped were families with children, and nearly half of these (45%) were two-parent families. Of those helped, 11.5% were currently employed and another 4% were recently employed.

Source: Food Banks Canada, *Hunger Count 2014*.

In 2014, **30,000**
BC children relied
on food banks, up
23% from 2008.



NEW SOCIAL HOUSING FOR LOW-INCOME FAMILIES FALLS BEHIND

Access to safe, affordable housing is key for low-income families to move forward. In BC, an estimated 116,000 people are in housing crisis – visibly homeless, hidden homeless or at risk of being homeless – including Aboriginal people, single parents and couples with children.¹

The federal government ended funding for social housing in 1993 and the record in BC to address its housing crisis since then has been unimpressive. The eight years between 2006 and 2013 saw virtually no creation of new social housing stock in BC for low-income families.²

- 1 Social Housing Alliance BC, socialhousingbc.com
- 2 Canadian Centre for Policy Alternatives, "Social housing reality check: government's own numbers reveal modest investment in new social housing," March 29, 2013, policyalternatives.ca

FIRST CALL RECOMMENDS

- Significantly Increase welfare and disability rates and index them annually.
- Address the demand for affordable housing and eliminate homelessness.
- Increase the combined Canada Child Tax Benefit/National Child Benefit to \$5,600 per child.
- Raise the provincial minimum wage and index it annually.
- Intensify federal and provincial government efforts to help immigrants and refugees adjust to life in Canada and improve employment standards and human rights protections and enforcement.
- Cancel all outstanding refugee transportation loan debt and cease indebting new refugees with these costs.

See the full list of recommendations on pages 37 to 39.

CALVIN'S STORY

Calvin lives in Prince George and has been raising his children on and off disability assistance for more than a decade. Calvin has full custody of four of his children, who range in age from 11 to 20, because their mother struggles with addiction.

With debilitating health problems resulting in over 20 surgeries in the last 14 years, his ability to work as a heavy equipment operator has been limited. From 1997 to 2012 he raised his children on disability income assistance. The disability rate since 2007 for a one-parent family with four children has been \$1,422 per month. When his health allows, he works as much as he can.

His family of five lives in a rented home Calvin describes as a "dump." He says, "When the power is out, I have raw sewage seeping into the basement. The roof leaks. The basement walls are cracked, we get floods of water and there is mold." They do not have internet access, cable or a TV.

When Calvin's employment insurance runs out, due to the severity of his health issues, he says he will likely end up back on disability. Calvin is behind with his bills and his rent. Worse, "I got an eviction notice. The MLAs were fighting for me. I applied for welfare for emergency funds. I am handicapped, with all these children. If we are evicted, there is no place for me to go with all these children."

Calvin has just a few hundred dollars a month to feed his family of five. He is resourceful and does everything he can to provide for them. "I have been going to the Salvation Army, the other places, because that is what I have to do. I am very creative. I have a quarter ton of flour. I create new things – make my own flat breads, my own bannock, bread, I buy the staples. Whenever we can get cheese...we have little mini pizzas."

The family can only drive into town if there is enough money for gas, so it happens rarely. The school bus gets them to school. This year, he was unable to provide any of his children with school supplies. "When the kids were young, the government transfers for kids under seven helped...the GST would help, too," says Calvin. "I have three disabilities and I am trying to raise four kids by myself."

Raising the income assistance rates would have an immediate impact on families like Calvin's, and allow them to provide their children with the fundamentals of life, such as nutritious food and safe housing. BC welfare rates have not been raised since 2007.



**"I have three disabilities
and I am trying to
raise four kids by
myself." — Calvin**

The large number of low-wage jobs in BC and other provinces has long been a problem, even for workers with steady periods of employment. For families with children, low wages mean they often have to take on multiple jobs and work more than full time to earn enough to support their families. This often leaves them little time to spend with their children or to participate in community life outside of work.



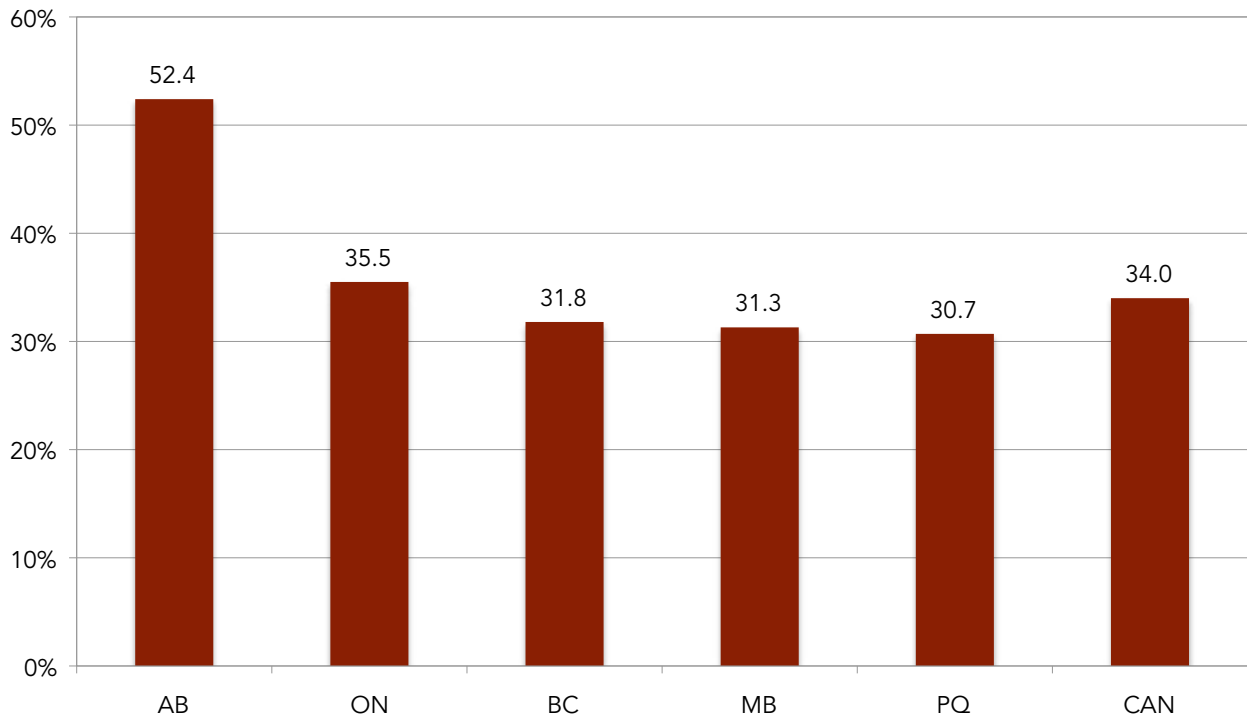
Due to data collection changes introduced by Statistics Canada, statistics on the number of poor children living with parents in the paid labour force are not yet available for 2012.

The 2011 graph below will be updated for 2012 when the new data is received.

A single parent with one child, working full time, full year for minimum wage, earns **\$8,000** below the poverty line



POOR CHILDREN WITH ONE OR MORE PARENTS EMPLOYED FULL-TIME, FULL-YEAR, 2011



Source: Statistics Canada, special data run, SLID masterfile using LICO Before-Tax, 2011.

MINIMUM WAGES

“Ensure regular, predictable, modest increases in BC’s statutory minimum wage that are tied to inflation.”

— Business Council of British Columbia and BC Chamber of Commerce, September 2013

BC’s minimum wage was last increased in May 2012 when it rose to \$10.25 from \$9.50 per hour. This increase, although it was only in place for eight months of the year, may have helped reduce the depth of poverty for some families, depending on how much work they could get. However, for most families with children, working full time, full year at this minimum wage level would still leave them earning an annual income below the poverty line.

A single parent with one child, working full time, full year, but earning only \$10.25 an hour, would have earned total wages of \$18,655, more than \$8,000 below the Low Income Measure (LIM) before-tax poverty line of \$26,810 for this family. Two parents with two children, both working full time, full year at this minimum wage would have earned \$37,310, leaving them \$990 below the poverty line. However, they would have been \$3,720 below the poverty line if the minimum wage had still been \$9.50 an hour, underscoring the power of public policy to reduce the depth of family poverty.

BC is one of only two provinces (with New Brunswick) that has not raised its minimum wage in 2014.

First Call continues to urge the BC government to raise and index the minimum wage to increases in the cost of living. The Business Council of British Columbia and the BC Chamber of Commerce joined this call in their 2013 *BC Agenda for Shared Prosperity* final report, recommending that the BC government “[ensures] regular, predictable, modest increases in BC’s statutory minimum wage that are tied to inflation.”¹

LIVING WAGES FOR FAMILIES

Aside from its work in advocating for a full-fledged poverty reduction plan for BC, through its Living Wage for Families Campaign, First Call has been raising awareness about the negative impact of low-wage poverty on families and communities. The campaign advocates that a key solution to the issue of low-wage poverty is for employers to pay a living wage. This is the wage that covers families’ basic living expenses, such as food, rent, transportation and child care. The living wage is well above the poverty line, but still only provides a bare-bones budget without room for savings or paying off debt. It is recalculated annually to take into account family expenses.

Living wages have been calculated for many BC communities. They are what a two-parent, two-child family, with both parents working full time, would need to earn in order to meet their basic needs.

To learn more about the Living Wage for Families Campaign and to see a current list of certified Living Wage Employers visit www.livingwageforfamilies.ca

Source: Igluka Ivanova and Seth Klein, *Working for a Living Wage, Making Paid Work Meet Basic Family Needs in Metro Vancouver*, 2014 Update, Canadian Centre for Policy Alternatives, April 2014.

| LIVING WAGE RATES IN BC | |
|-------------------------------|---------|
| Metro Vancouver (2014) | \$20.10 |
| Greater Victoria (2014) | \$18.93 |
| Fraser Valley (2014) | \$17.02 |
| Port Alberni (2014) | \$17.22 |
| Terrace (2013) | \$17.65 |
| District 69 (Qualicum) (2013) | \$17.20 |
| Central Okanagan (2013) | \$18.01 |
| Kamloops (2012) | \$17.95 |
| Prince George (2012) | \$16.90 |
| Williams Lake (2011) | \$15.77 |
| Cranbrook (2011) | \$14.16 |
| Sunshine Coast (2011) | \$18.80 |

1 Business Council of British Columbia, BC Chamber of Commerce, *The BC Agenda for Shared Prosperity*, September 2013, bcbc.com

THE \$10 A DAY CHILD CARE PLAN

Access for families to a public system of affordable, high-quality child care is key to an effective poverty reduction strategy. First Call has endorsed the *Community Plan for a Public System of Integrated Early Care and Learning*, developed by the Early Childhood Educators of BC and the Coalition of Child Care Advocates of BC. The plan proposes capping child care fees at \$10 a day for full-time care and \$7 a day for part-time care, and eliminating user fees for families with annual incomes under \$40,000.

Child care is the second highest cost (and in some places the highest) in living-wage family budget calculations. Metro Vancouver's 2014 living wage rate would be lowered by more than \$3.50 per hour if these recommendations were implemented.

Sources: *Fact Sheet 4: \$10 A Day Child Care, A Key to Ending Family Poverty*, 2012, cccabc.bc.ca/plan/wp-content/uploads/2012/10/CCCABC_ECEBC_Factsheet4.pdf; Living Wage public policy calculator: livingwageforfamilies.ca/about/public-policy/



STUDENT DEBT BURDENS YOUNG COUPLES WANTING TO START FAMILIES

Many young couples just starting their careers are burdened by huge student loans and are wondering how or when they will be able to afford to have children. At the post-secondary level, student financial barriers to access and soaring student debt are limiting many young people's potential. Student debt now averages \$35,000 for a four-year degree, well above the national average of \$27,000.¹ It will only get worse: Tuition plus compulsory fees are expected to rise from \$5,657 in 2013/14 to \$5,767 (a 2% increase) for 2014/15 and \$6,111 in 2017/18 (another 6% increase); meanwhile, BC offers the lowest levels of non-loan student aid in Canada.² It's estimated that students who must borrow are paying a 30% premium for their education, compared with those who do not have to borrow.³

FIRST CALL RECOMMENDS

- Raise the provincial minimum wage and index it annually. Extend minimum wage coverage to alcoholic beverage servers and agricultural workers currently paid piece-work rates.
- Ensure that direct and contract employees are paid a living wage by all public sector employers.
- Adopt and begin implementing the \$10/Day Child Care Plan.
- Enhance maternity and parental leave to enrich the benefit value, and extend the total duration to 18 months.
- Remove financial barriers for low-income students and lower student debt levels through tuition fee reductions, student grants instead of loans, and interest free loans.
- Restore the Employment Insurance program to provide coverage for most workers and enhance the adequacy of benefits.

See the full list of recommendations on pages 37 to 39.

1 Canadian Federation of Students – British Columbia, Speech from the throne ignores student debt crisis; Jobs blueprint will deny student aid to thousands, <http://cfs.bc.ca/section/2>

2 Canadian Centre for Policy Alternatives, *Tier for Two: Managing the Optics of Provincial Tuition Fee Policies*, September 2014.

3 Canadian Federation of Students – British Columbia, *Submission to the Select Standing Committee on Finance and Government Services*, October 2012.

NIKKI & TREVOR'S STORY

Even though her partner Trevor earns a decent wage as a mechanic, Nikki and her family struggle with poverty every day due to Nikki's minimum wage work and the cost of child care.

Now that her youngest of two sons is in kindergarten, Nikki can afford to work, without having to pay huge child care bills every month. She works as many hours as she can get at a grocery store, earning \$10.70 per hour, just 45 cents above minimum wage.

Before her youngest son was school-aged, Nikki was forced to stay home because their combined monthly income did not cover the cost of full-time child care and all their other living expenses, despite subsidies.

"We could never afford child care. Once the need became a necessity because I was sick and in the hospital...It was \$1,400 a month and we applied for subsidies, which weren't enough."

Hunger is the number one problem for the family. "Once we pay our expenses, there is very little left for food and activities," Nikki says. "If I could work for a greater wage, for \$20 an hour, our quality of life would be amplified by 100. There are a significant number of things that are impossible, which are actually necessary for every child, but that we can't give, like putting them in activities. They both do nothing right now."

According to Nikki, better wages and affordable child care is what would make a difference for her family, because that is what families need most, not food bank line-ups and subsidies. "Whether that means raising the minimum wage, bringing in a living wage and lowering the cost of child care – I mean – if a woman can't work because day care costs so much, how is that going to work for a family? For many families, they wouldn't even make enough a month to pay for full day care."

"There is this perception that we're poor because we are lazy...but we couldn't afford the child care because I didn't make enough money at my job."

"There are a significant number of things that are impossible, which are actually necessary for every child, but that we can't give, like putting them in activities. They both do nothing right now." — Nikki



FAMILIES WITH CHILDREN ON WELFARE

Year after year, people on welfare in British Columbia live far below the poverty line, according to calculations by the former National Council of Welfare and the Caledon Institute for Social Policy. BC's income assistance rates have not increased since 2007, despite the rising cost of living over the last seven years.

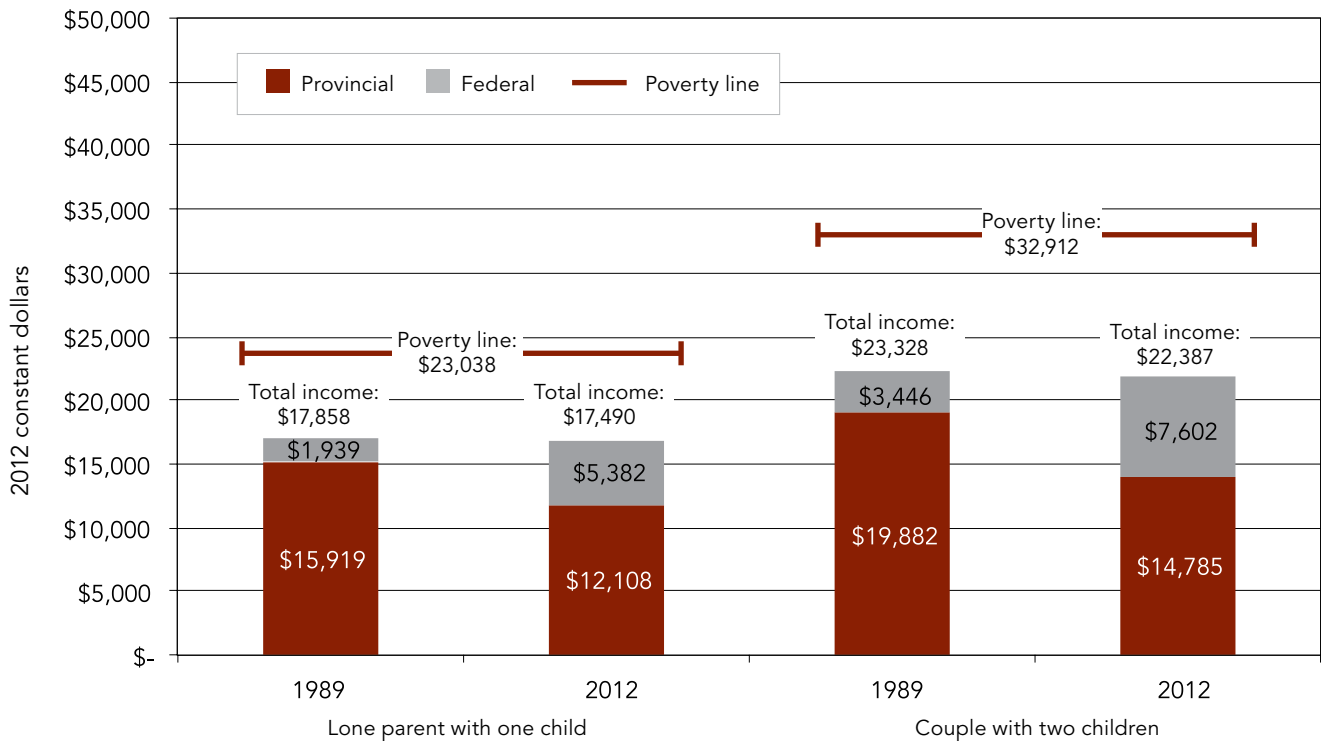
In 2012, a BC two-parent family with two children aged 10 and 15 on income assistance received a total income of \$22,387. That's \$10,525 below the Statistics Canada poverty line, using Low Income Measure (LIM) after tax, for this family of four.

A BC lone-parent family with one child aged two received \$17,490, which is \$5,548 below the poverty line.

Total welfare incomes in 2012 were about the same as in 2011. Provincial welfare rates were not increased with the cost of living, but provincial tax credits did go up. Federal child benefits and the federal GST credit both went up with the cost of living.

For the past two years, the BC government has clawed back more than **\$18 million** per year in child support and spousal support from more than **6,000** single-parent families on welfare.

FEDERAL AND PROVINCIAL SHARES OF WELFARE INCOMES, 1989 AND 2012



Source: Caledon Institute of Social Policy; poverty lines from Statistics Canada, LIM After-Tax



BC's income assistance rates have **NOT** increased since 2007, despite the rising cost of living.

Statistics from the BC Ministry of Social Development and Social Innovation show an average of 36,007 children in families on welfare in 2012. Over 80% of the children were in lone-parent families, mostly families led by lone-parent mothers.

Welfare recipients in BC and other provinces have consistently struggled to survive on incomes well below the poverty line. They are frequently forced to rely on food banks and other sources of charity to feed and clothe their children. In 2012, the sample BC two-parent family was at 68% of the poverty line, and the BC lone-parent family was at 76% of the poverty line.

Funding for welfare programs has changed significantly over the last decade. The federal government got rid of cost-sharing for welfare in favour of block grants to the provinces. Another important change was the introduction of the Canada Child Tax Benefit, which increased federal benefits for parents but also allowed provinces to "claw back" part of the payments they made for welfare. A third change was the taxable federal Universal Child Care Benefit of \$1,200 a year for children under six.

The graph on the preceding page shows the changes in federal and BC payments to two-parent and one-parent families. The 1989 figures have been converted to 2012 dollars to account for changes in the cost of living between 1989 and 2012. The graph also shows the poverty lines for each family.

While total welfare incomes were close to the same amount in both years, federal payments to families more than doubled over the 23 years. The proportionately larger increase for the lone-parent family with a child under six occurred because of the addition of the Universal Child Care Benefit. Meanwhile, provincial payments to both families declined significantly.

FIRST CALL RECOMMENDS

- Significantly Increase welfare and disability rates and index them annually.
- Restore the income exemption for child support payments for lone parents on welfare, and allow welfare recipients to retain benefits while attending a post-secondary institution.
- Address the demand for affordable housing and eliminate homelessness.
- Increase funding for child welfare, education and community health services for Aboriginal peoples on and off reserves, and develop a long-term poverty eradication strategy in coordination with First Nations, urban Aboriginal communities and provincial governments.

See the full list of recommendations on pages 37 to 39.

REBECCA'S STORY

Maple Ridge resident Rebecca thinks every month about how much food she could buy each month with the \$400 in child support that her ex-partner provides for her five-year-old daughter, Sophey. But instead of heading out to fill the fridge, she finds herself checking the food bank schedule.

Since Rebecca is unable to work and receives \$1,242 per month from disability income assistance, the government does not permit her daughter to benefit from the child support provided by her father. That money is deducted from Rebecca's disability cheque, dollar for dollar.

For the past two years, the BC government clawed back more than \$18 million per year in child support and spousal support from more than 6,000 single-parent families on welfare. Child support is classified as "unearned income" and, along with "lottery winnings," single parents and their children on any kind of income assistance are not permitted to keep it.

"I would not have to visit the food bank if I could keep the \$400 in child support... There is a lot I could do with \$400 at Costco."

To survive on disability, Rebecca lives in subsidized housing and uses her local food bank as much as possible. She has no money for clothes, haircuts, school supplies, sports equipment, bikes or any kind of extracurricular activities for her daughter. They go without.

Rebecca cannot benefit from the \$800 a month that those on disability who are working are allowed to keep. "I am not able to work like most people. For me to have to work is actually quite traumatic. I've got post-traumatic stress disorder...That really limits the amount of work and how I can work."

"What would be great is if we counted the home [and the job of raising children] as an economy as well. Then, we could keep the child support as income," she says, adding, "There is no perception that mothering is work, real work. But it is real work."

Sophey and Rebecca miss out on \$4,800 per year in child support. Since Becky went on disability in 2010, Sophey has missed out on \$24,000 worth of nutrition, swimming lessons, proper shoes and everything else a child needs, due to the clawback.

The Community Legal Assistance Society launched a charter challenge in October 2014 against BC's clawback of child support from single parents on income assistance. Three single mothers, their children, and the Single Mothers' Alliance of BC are the plaintiffs in the case.

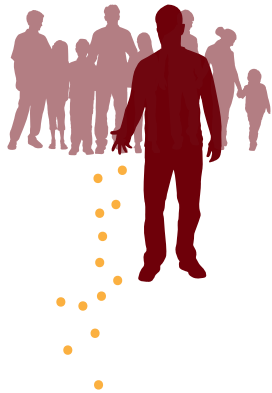
"I would not have to visit the food bank if I could keep the \$400 in child support." — Rebecca



INCOMES OF FAMILIES WITH CHILDREN – GROWING INEQUALITY



The **richest** group of Canadians has increased its share of total national income, while the **poorest** and middle-income groups have been losing ground.

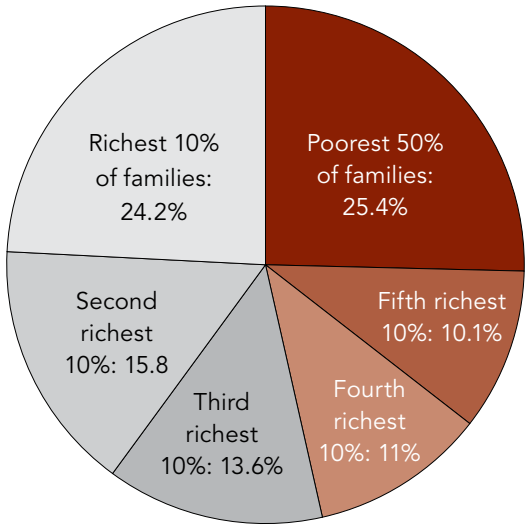


In the past 20 years, income inequality in Canada has increased and continues to grow. The richest group of Canadians has increased its share of total national income, while the poorest and middle-income groups have been losing ground. International research shows that high rates of income inequality negatively affect both rich and poor people.

As shown in the following graph, in BC in 2011, the richest 10% received 24.2% of all the income of BC families with children. The top five deciles (or half) collected three-quarters of all income received by BC families with children, leaving only 25.4% for the other half. Some families in the bottom half are poor, but many others are middle-class families living well above the poverty line.

The graph, using data from Statistics Canada prepared for the Canadian Centre for Policy Alternatives, measures the total income of families with children. Total income refers to all income before taxes, including wages and salaries, earnings from self-employment, and earnings from investments. It also includes government benefits from the federal and provincial governments, such as the Canada Child Tax Benefit, GST credits, Employment Insurance and welfare.

PERCENTAGE OF TOTAL INCOME AMONG BC PARENTS WITH CHILDREN, 2011



24% of total income for BC families with children goes to the top 10% of families, while the poorest 50% share 25%.

Source: Canadian Centre for Policy Alternatives based on Statistics Canada data

NOTE: Income inequality data for BC families for 2012 was unavailable at the time of publication. New data, when received, will be added to the on-line version of this report.

The table below shows how total income has changed for each of the ten-percent groups or “deciles” since 1989. Families in the three lower deciles actually lost money over time, while those in the higher deciles, especially the top half of the income groups, gained significant amounts of income – much of it during the last several years.

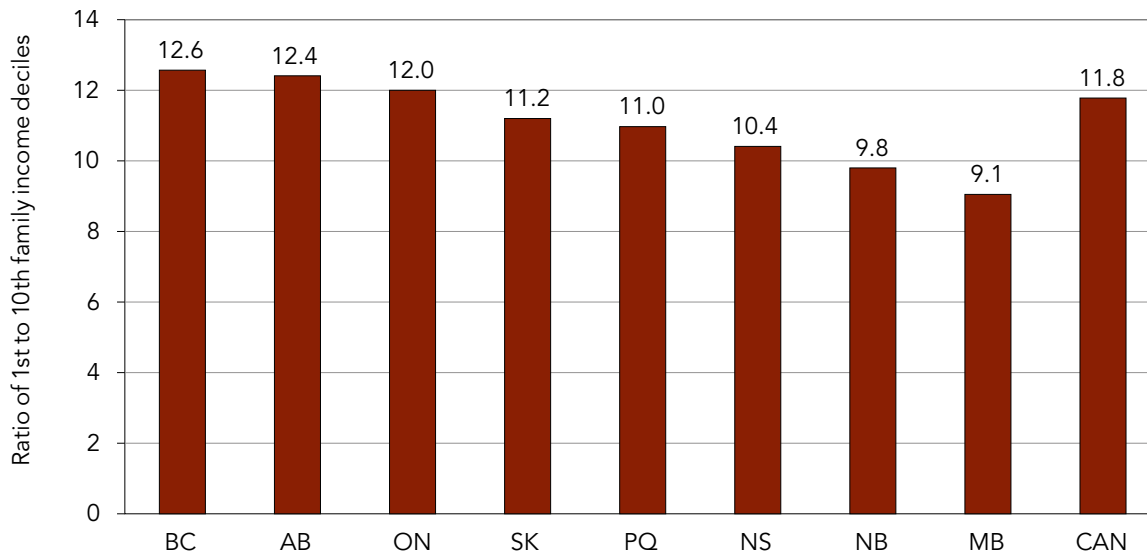
CHANGES IN AVERAGE TOTAL INCOMES BY DECILE GROUP, ALL BC FAMILIES WITH CHILDREN, IN CONSTANT 2011 DOLLARS

| Decile | 1989 | 2011 | Difference |
|------------------------------------|-----------|-----------|------------|
| Decile 1: Poorest | \$ 18,843 | \$ 18,070 | \$ -773 |
| Decile 2: Second poorest | 36,986 | 33,197 | -3,789 |
| Decile 3 | 52,488 | 47,427 | -5,061 |
| Decile 4 | 63,564 | 64,802 | 1,238 |
| Decile 5 | 72,727 | 79,731 | 7,004 |
| Decile 6 | 81,752 | 93,401 | 11,649 |
| Decile 7 | 92,764 | 109,143 | 16,379 |
| Decile 8 | 105,300 | 124,924 | 19,624 |
| Decile 9: Second richest | 121,055 | 152,025 | 30,970 |
| Decile 10: Richest | 172,477 | 227,164 | 54,687 |
| Average for families with children | 81,873 | 95,439 | 13,566 |

Source: Canadian Centre for Policy Alternatives based on Statistics Canada data

All provinces have grossly unequal income distributions, but the distribution in BC is the most unequal. The graph below measures the ratio between the average incomes of families in the richest decile (decile #10 above) with the average incomes of families in the poorest decile (decile #1 above) in BC and other provinces.

RATIO OF HIGHEST TO LOWEST AVERAGE INCOMES, FAMILIES WITH CHILDREN, 2011



The primary reason BC had the largest ratio was the very low incomes among families in the lowest decile.

Source: First Call calculations on special Statistics Canada data runs for CCPA

The average income of the richest decile in BC was \$227,164 and the average for the lowest decile was \$18,070, a ratio of 12.6 to one. At the other end of the scale was Manitoba, with a ratio of \$208,952 to \$23,082 or 9.1 to one.

The primary reason that British Columbia had the largest ratio was the very low incomes among families in the lowest decile: the average income of the lowest decile families in BC (\$18,070) was the lowest in Canada and below the Canadian average (\$23,024).

INEQUALITY AND TAXES

BC's tax system has become more unfair over the past 10 years, with the rich now paying a lower total provincial tax rate than middle and low income earners. In 2010, the poorest fifth of BC households paid 14 to 15% of their income in tax, middle income households paid 13%, and the richest fifth paid only 11%.

— *A Decade of Eroding Tax Fairness in BC: Time for progressive tax reform*, CCPA-BC

POVERTY MAKES YOU SICK

If you are poor, you are more likely to suffer more illness, have a chronic health condition and die earlier. The Canadian Medical Association, in their report, *What Makes Us Sick?* notes, "Poverty in childhood can be a greater predictor of cardiovascular disease and diabetes in adults than later life circumstances and behaviour."

Poverty is a major contributor to health inequities, which in turn results in higher costs for our health and social service systems, as well as negative social impacts on people and our communities. It is estimated that \$1.2 billion in health care costs could be saved if disadvantaged British Columbians were as healthy as those with higher education and incomes.



Sources: Canadian Mental Health Association, cma.ca/En/Pages/health-equity.aspx; Public Health Association of BC, Health Voices, povertybadforhealth.wordpress.com/poverty-health/poverty-is-bad-for-your-health/

NEW FEDERAL TAX POLICIES: A GIFT TO THE WEALTHY

On October 30, 2014, the federal government announced new tax policies aimed at helping families: an income-splitting program called the Family Tax Cut, an enhanced Universal Child Care Benefit (UCCB) and an increased Child Care Expense Deduction. Earlier in the month the government announced it will double the Children's Fitness Tax Credit and make it refundable.

Economists and tax experts alike have shown the Family Tax Cut will mostly benefit the highest income earners with low-income spouses,¹ while some 87% of households are estimated to get zero benefit.² Single-parent and low income families will receive no help from this tax cut for the wealthy.

Boutique tax credits like the Children's Fitness Tax Credit are mostly used by higher-income families and do nothing to help low-income families find the money to enroll their children in programs. Funds spent on the UCCB could be better spent building a national child care system that's affordable and accessible to all families.

1 Kevin Milligan, *Is the Conservative tax plan principled or just vote-buying?* *Maclean's*, November 3, 2014, macleans.ca/economy/economicanalysis/is-the-new-conservative-tax-package-principled/; Kathleen Lahey, *Income splitting won't help parents who really need a tax break*, *Globe and Mail*, October 30, 2014, www.theglobeandmail.com/globe-debate/income-splitting-wont-help-parents-who-really-need-a-tax-break/article21382476/

2 Jonathan Rhys Kesselman, *Family Tax Cuts: How Inclusive a Family?*, Caledon Institute of Social Policy. Retrieved from <http://caledoninst.org/Publications/Detail/?ID=1055>

FIRST CALL RECOMMENDS

- Increase the combined Canada Child Tax Benefit/National Child Benefit to \$5,600 per child.
- Scrap the new income splitting provisions for families with children and invest the projected cost of this tax reduction in the other federal program enhancements recommended above.
- Establish universal public dental care, prescription drug and eye care programs.
- Create an independent commission on tax reform to study taxes levied in BC and to recommend ways to make the tax system fairer and reduce income inequality.

See the full list of recommendations on pages 37 to 39.

The Family Tax Cut will mostly benefit the highest income earners with low-income spouses, while some **87% of households are estimated to get zero benefit.**

DEREK & JENNIFER'S STORY

Derek Gent and Jennifer Lindberg live in Vancouver with their three children. Derek works outside the home, as Executive Director at Vancity Community Foundation, and since the birth of their third child Jennifer has decided to stay home and care for their children while focusing on unpaid work and volunteer roles.

They are hopping mad at the BC and Canadian governments for cutting them cheques and providing thousands of dollars in tax relief that they don't really need, while not adequately supporting services or helping poorer families who are really struggling financially.

Last month, they received the \$40 a day child care subsidy for each of their three children in public schools as compensation for the BC teachers' strike, but with Jennifer at home they didn't pay anything extra for child care. On the heels of this payment, the federal government then announced the "Family Tax Cut" through which single income families like Derek and Jennifer's can apply principles of income splitting to lower their taxes by up to \$2,000 per year, while also receiving an additional \$2,100 from the 'Universal Child Care Benefit' and up to \$1,500 in new credits through the expansion of a 'Children's Fitness Tax Credit'.

While pleased to be significantly increasing their charitable giving this year (which will create a further tax refund) they don't understand the government's priorities when there is so much more that could be done to support Canada's poorest families at this time.

"I would rather have them keep the taxes and know that the money is going towards social programs that will benefit more families in need" explained Derek. Jennifer wonders why the government is contributing to increased income inequality among families with children, instead of focusing on reducing child and family poverty.

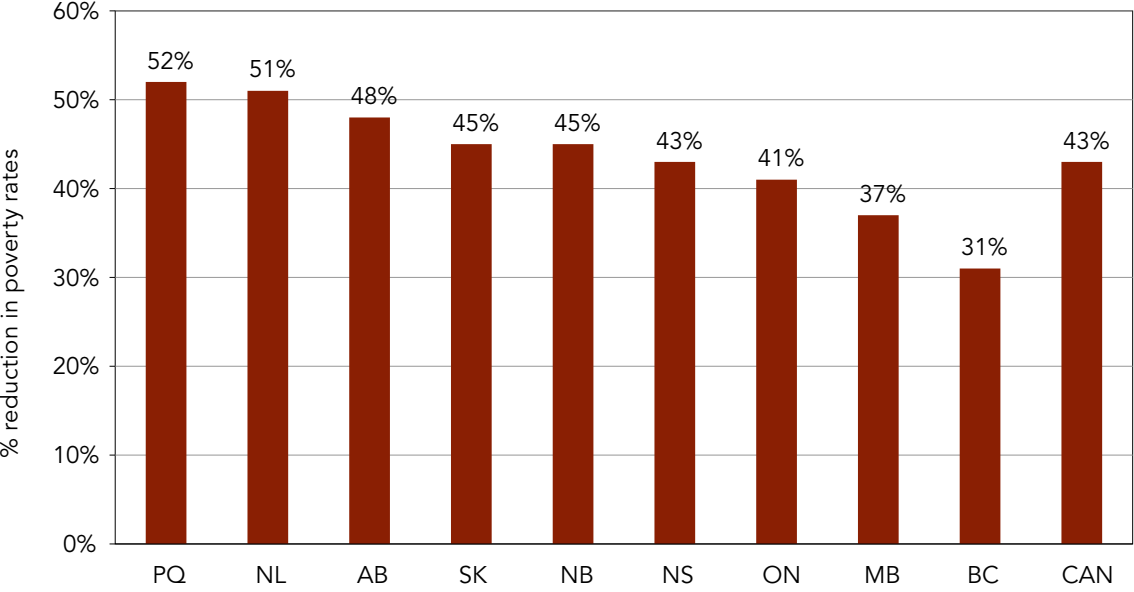
"I'm concerned that these tax cuts are a distraction from the government's role in implementing policies that affect social change. We can't count on citizens re-directing their tax refunds to make up this shortcoming."

IMPORTANCE OF GOVERNMENT HELP

Due to data collection changes introduced by Statistics Canada, data is not yet available on how much difference government transfers made to the child poverty level in BC and other provinces in 2012.

The 2011 graph below will be updated for 2012 when the new data is received.

PERCENTAGE REDUCTION IN CHILD POVERTY RATES IN 2011 BECAUSE OF GOVERNMENT TRANSFER PAYMENTS



Source: Special Statistics Canada tabulations for Campaign 2000.

HOW GOVERNMENT HELPS

Both the federal and provincial governments have programs that reduce child poverty. The federal government provides families with children with the monthly Canada Child Tax Benefit (CCTB) for children under 18 and the taxable Universal Child Care Benefit for children under six. The federal government also pays a quarterly GST credit to low-income families and individuals. Ottawa administers the Employment Insurance (EI) fund to assist Canadians who are temporarily out of work. EI is considered a government program, even though the money in the fund comes from contributions by workers and employers.

The federal and provincial governments also provide a refundable Working Income Tax Benefit (WITB) for eligible families who are in the workforce. The 2014 upper income threshold for this benefit for a family of any size with children in BC is \$28,316.

Starting in April 2015, some families with children under six will be eligible for a new BC Early Childhood Tax Benefit. Benefits from this program will be combined with the federal CCTB and the BC family bonus program into a single monthly payment.

The BC government provides welfare payments for people who have exhausted other sources of income. Part of the cost of welfare is covered by the federal government through the Canada Social Transfer (CST). The CST is a government-to-government transfer designed to defray the costs to provinces of welfare and social services, early childhood development and early learning and child care, and post-secondary education. In 2013–14, BC received \$1.6 billion in CST transfers.

The BC government also assists some low-income families directly with rent supplements and child care subsidies. While they benefit some families, these programs have a limited reach. Many low-income families do not meet the eligibility criteria for the rent supplement. Similarly, child care subsidy dollars normally do not cover the total cost of care, leaving parents to make up the difference.

In 2013-14, BC received **\$1.6 billion** under the Canada Social Transfer.

FIRST CALL RECOMMENDS

- Provide additional funds to social service agencies and non-profit housing societies to provide housing and other supports to queer and transgender youth at risk of homelessness and social exclusion.
- Extend and enhance supports for youth transitioning out of government care at age 19 and permit the extension of foster care for some youth up to the age of 25.
- Establish universal public dental care, prescription drug and eye care programs.
- Adopt and begin implementing the \$10/Day Child Care Plan.
- Increase funding for child welfare, education and community health services for Aboriginal peoples on and off reserves, and develop a long-term poverty eradication strategy in coordination with First Nations, urban Aboriginal communities and provincial governments.

See the full list of recommendations on pages 37 to 39.

MICHAEL & CARRIE'S STORY

Michael and his partner, Carrie, from the Nuxalk Nation of Bella Coola, live in a BC Housing complex in Vancouver. Michael is a traditional carver. Their blended family of four kids (ranging from age seven to 15), currently survives on income assistance for a two parent family of four, \$1,186 per month, which includes their rent allowance. "From assistance, we get about \$300 [leftover after rent]," Michael says, "and mostly that all goes to food."

With welfare rates being set so far below the poverty line, parents like Michael and Carrie end up spending an enormous amount of their time and energy just meeting the day to day nutritional and other needs of their growing children.

Michael explains that his family must use all the resources they can access to feed, clothe and equip their children for school. The children attend the Union Gospel Mission after-school program, and every two weeks the whole family has a meal there – a necessity Michael says, since it "saves food at home." They visit local food banks when needed. For backpacks and school supplies they rely on the Native Friendship Centre.

Michael says changes that would impact his family are raising the assistance rates, allowing those on assistance to work more and keep their earnings, and increasing the government transfers that provide his family with more funds to buy necessities their income on welfare does not allow. "Everything, [the cost of living], goes up all the time, and then the welfare rates don't go up – that is the problem."

"Everything, [the cost of living], goes up all the time, and then the welfare rates don't go up – that is the problem." — Michael



CHILD POVERTY ACROSS BRITISH COLUMBIA

Child poverty is a challenge in every part of British Columbia. According to 2012 taxfiler data and the Low Income Measure (LIM) after tax, the majority (72%) of British Columbia's regional districts had child poverty rates of 20% or higher, with British Columbia as a whole having a child poverty rate of 20.6%.

Overall:

- One regional district (Central Coast; 3.4% of all districts) had a child poverty rate above 40%
- Four regional districts (13.8% of all districts) had child poverty rates between 30% and 39.9%
- Sixteen regional districts (55.2% of all districts) had child poverty rates between 20% and 29.9%
- Eight regional districts (27.6% of all districts) had child poverty rates between 14.9% and 19.9%

Every regional district except for Stikine (which only had 220 children 0–17 years old total) had at least 100 children living in poverty and 24 out of the 29 regional districts had at least 1,000 children 0–17 years old living in poverty.

The regional districts in the northeast of the province (e.g., Peace River Regional District) and some parts of the Kootenays (e.g., East Kootenay Regional District) had the lowest child poverty rates, and regional districts in parts of Vancouver Island (e.g., Mount Waddington Regional District) and the central and north coasts (e.g., Central Coast Regional District) had the highest child poverty rates. The regional districts with the highest child poverty rates were:

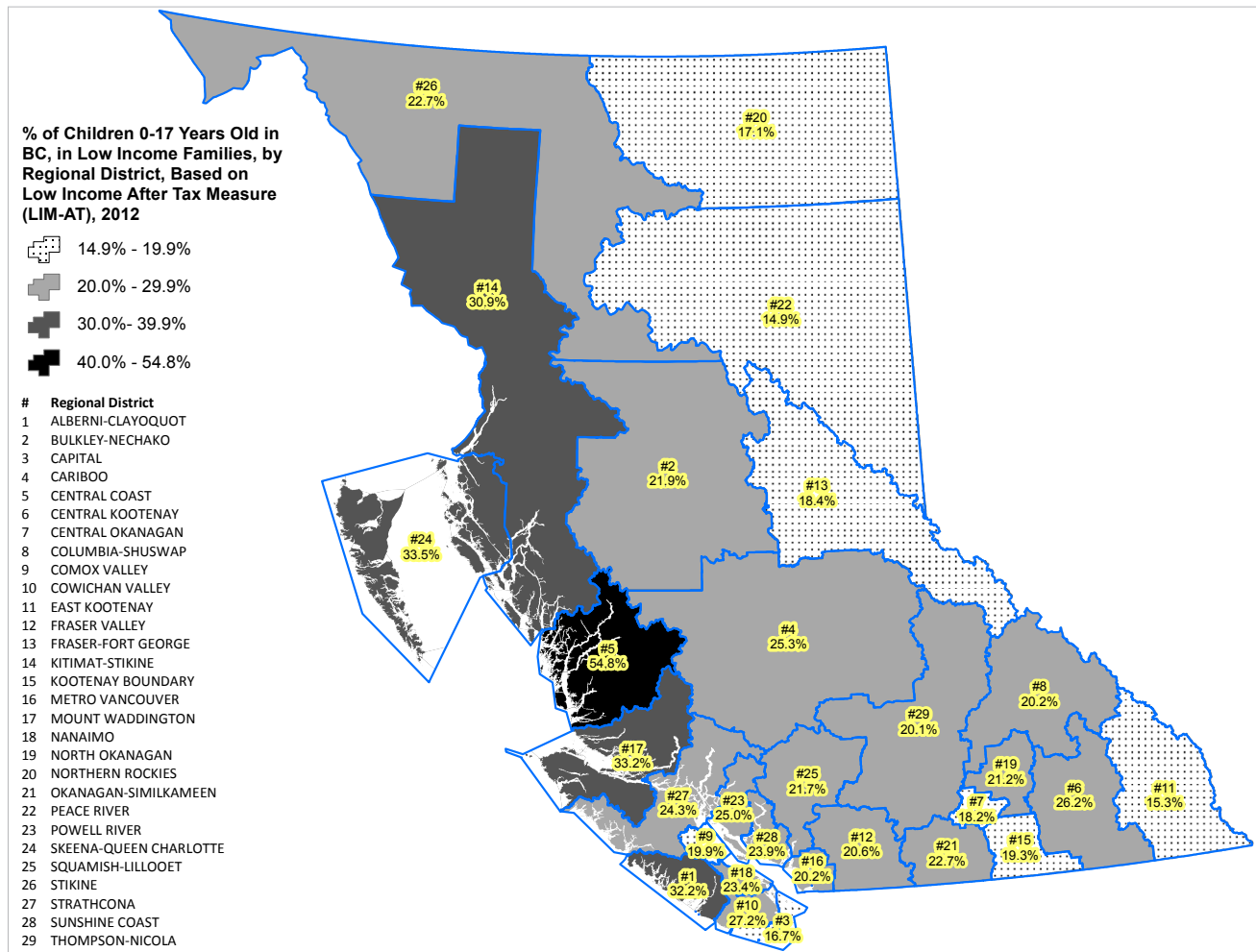
- Central Coast Regional District (54.8% child poverty rate)
- Skeena-Queen Charlotte Regional District (33.5% child poverty rate)
- Mount Waddington Regional District (33.2% child poverty rate)

The regional districts with the lowest child poverty rates were:

- Peace River Regional District (14.9% child poverty rate)
- East Kootenay Regional District (15.3% child poverty rate)
- Capital Regional District (16.7% child poverty rate)

24 out of the 29
regional districts
had at least **1,000**
children living in
poverty.

CHILDREN 0-17 YEARS IN LOW INCOME FAMILIES, BY REGIONAL DISTRICT, BASED ON LOW INCOME AFTER TAX MEASURES (LIM-AT), 2012



Source Data: Statistics Canada, Income Statistics Division, 2012, Annual Estimates for Census Families and Individuals, 13C0016 Table F-18 Family data – after tax low Income (based on after tax low income measures, LIMs) 2012. Data includes information copied with permission of Canada Post Corporation.

ONLINE MAP: To view and download this map, and additional maps of child poverty rates for Metro Vancouver municipalities, visit: still1in5.ca

FIRST CALL RECOMMENDS

- Adopt a comprehensive provincial poverty reduction plan with legislated targets and timelines, a cabinet minister with the authority and responsibility to ensure government is achieving its targets on time, and a goal of reducing BC's child poverty rate to 7% or lower by 2020.
- Recognizing that children of recent immigrants, Aboriginal children, children of female lone-parent families, children in racialized families and children with a disability, are at greater risk of living in poverty, efforts should also be targeted to achieve major reductions in poverty levels for these populations.

See the full list of recommendations on pages 37 to 39.

Child poverty exists in every census tract in Metro Vancouver, as every census tract had at least 20 poor children based on 2012 taxfiler data using Low Income Measure (LIM) after tax. In fact, most census tracts had large numbers of poor children, with 363 out of the 455 census tracts (79.8% of all census tracts) having at least 100 poor children 0–17 years old. (Note, there are 457 census tracts, but two have insufficient data.)

At least one in 10 children was poor in most Metro Vancouver census tracts, with Metro Vancouver as a whole having a child poverty rate of 20.2%. The distribution of census tracts by rates of child poverty was:

- 16 census tracts (3.5% of all Metro Vancouver census tracts) had child poverty rates of 40% or higher
- 53 census tracts (11.6%) had child poverty rates of 30–39.9%
- 156 census tracts (34.3%) had child poverty rates of 20–29.9%;
- 204 census tracts (44.8%) had child poverty rates of 10–19.9%
- 26 census tracts (5.7%) had child poverty rates of <10%

The Metro Vancouver area has clusters of areas with high child poverty, including:

- Northeast Vancouver (Downtown Eastside)
- North and Central Richmond
- The Metrotown and Edmonds areas of Burnaby
- The Whalley, Guildford and Newton areas of Surrey
- The central and northern areas of Langley City
- Some of the First Nations reservations in Metro Vancouver (the Capilano reserve near West Vancouver and the Musqueam reservation in Vancouver in particular)

The census tracts with the highest child poverty rates were:

- Census tract 58.00 in Downtown Eastside in Vancouver (65.2% child poverty rate)
- Census tract 57.01 in Chinatown in Vancouver (63.3% child poverty rate)
- Census tract 57.02 in Strathcona in Vancouver (50% child poverty rate)
- Census tract 130.04 in Capilano native reserve (48% child poverty rate)
- Census tract 287.09 near Coquitlam Centre in Coquitlam (47.7% child poverty rate)

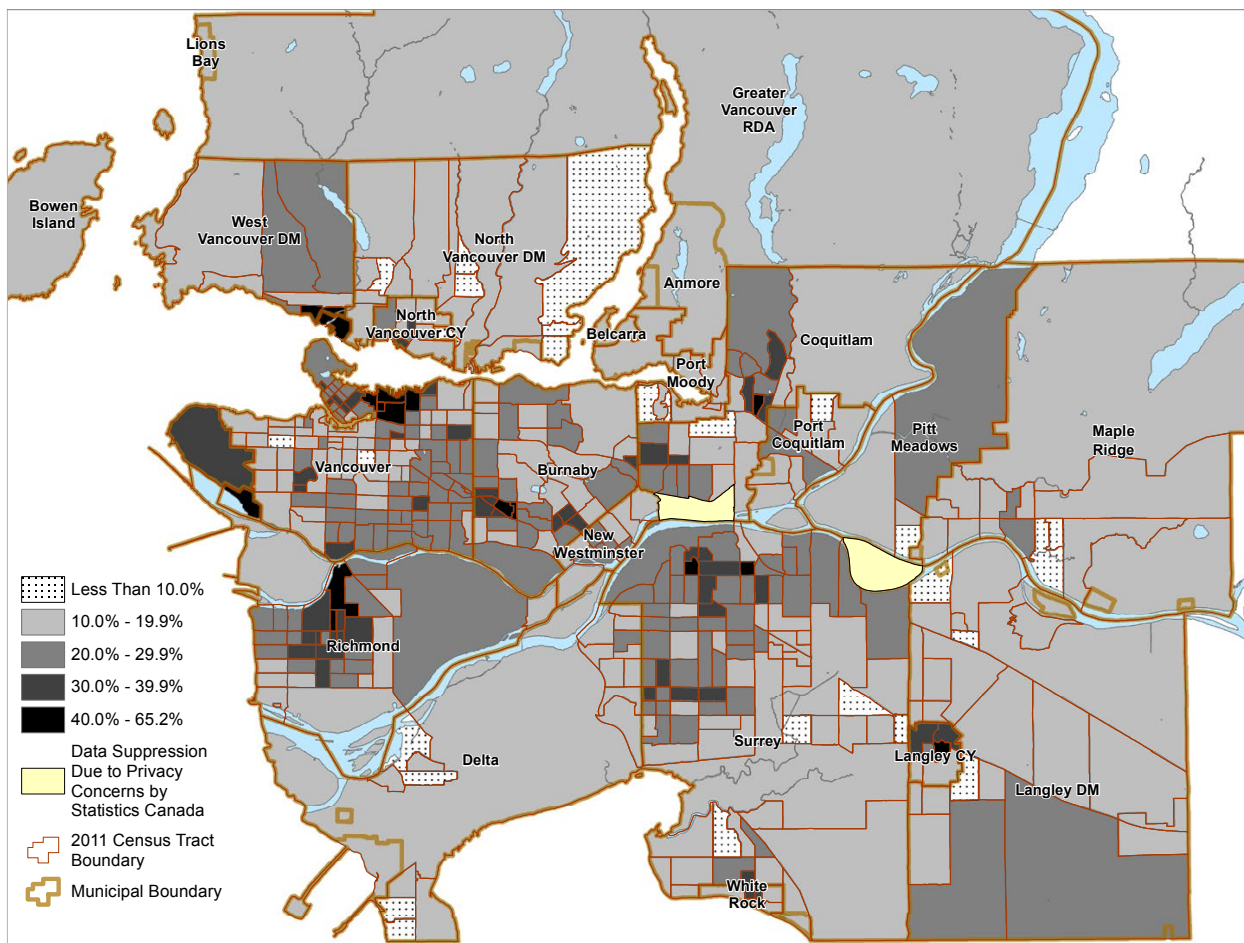
The census tracts with the lowest child poverty rates were:

- Census tract 160.03 in Tsawwassen in Delta (7.2% child poverty rate)
- Census tract 114.02 in Lynn Valley in North Vancouver District (7.3% child poverty rate)
- Census tract 160.01 in Tsawwassen in Delta (7.6% child poverty rate)
- Census tract 114.01 in Lynn Valley in North Vancouver District (7.7% child poverty rate)
- Census tract 110.04 in Deep Cove in North Vancouver District (7.7% child poverty rate)

What is also notable is that all municipalities had at least one census tract with child poverty rates of 10% or higher, with most municipalities having multiple numbers of census tracts with child poverty rates of 20% or more. Therefore, child poverty is an issue that affects neighbourhoods in all Metro Vancouver municipalities.

80% of all Metro Vancouver census tract areas had **at least 100 poor children** in them.

CHILDREN 0-17 YEARS IN LOW INCOME FAMILIES, BY METRO VANCOUVER CENSUS TRACT, BASED ON LOW INCOME AFTER TAX MEASURES (LIM-AT), 2012



Source Data: Statistics Canada, Income Statistics Division, 2012, Annual Estimates for Census Families and Individuals, 13C0016 Table F-18 Family data – after tax low Income (based on after tax low income measures, LIMs) 2012. Data includes information copied with permission of Canada Post Corporation.

ONLINE MAP: To view and download this map, and additional maps of child poverty rates for Metro Vancouver municipalities, visit: stillin5.ca

FIRST CALL RECOMMENDS

- Adopt a comprehensive provincial poverty reduction plan with legislated targets and timelines, a cabinet minister with the authority and responsibility to ensure government is achieving its targets on time, and a goal of reducing BC’s child poverty rate to 7% or lower by 2020.
- Recognizing that children of recent immigrants, Aboriginal children, children of female lone-parent families, children in racialized families and children with a disability, are at greater risk of living in poverty, efforts should also be targeted to achieve major reductions in poverty levels for these populations.

See the full list of recommendations on pages 37 to 39.

WHAT NEEDS TO HAPPEN

Broken Promises

This year marks the 25th anniversary of the broken House of Commons promise “to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000” and three years after the entire House of Commons voted to “develop an immediate plan to end poverty for all in Canada.” Neither the promised poverty elimination nor plans have materialized. Twenty-three years later (using 2012 data) one of every five children in Canada and in BC still live in poverty.

Canada has repeatedly drawn criticism from the United Nations Committee on the Rights of the Child for failing to live up to our obligations to uphold and promote children’s rights under the UN Convention on the Rights of the Child (UNCRC). As recently as 2012, the UN review committee, made up of knowledgeable representatives from countries around the world, again chastised us for the level of inequality and the resulting inequities we not only tolerate, but sustain among different groups of children through our lack of investment and lack of remedial action. BC is also a signatory to the UNCRC.

Recommendations

First Call’s overarching recommendation for BC is for government to adopt a comprehensive poverty reduction plan with legislated targets and timelines and a cabinet minister with the authority and responsibility to ensure government is achieving its targets on time. We recommend the plan contain a goal to reduce BC’s child poverty rate to 7% or lower by 2020.

Recognizing that children of recent immigrants, Aboriginal children, children of female lone-parent families, children in racialized families and children with a disability, are at greater risk of living in poverty, efforts should also be targeted to achieve major reductions in poverty levels for these populations.

There are many specific changes that can help governments achieve these targets:

1. The BC government should raise the minimum wage to make sure that the lowest paid workers earn more than a poverty wage if they work full-time, full-year. The minimum wage should rise to \$15 an hour as soon as possible and be indexed annually thereafter to increases in the cost of living. All workers in BC should be covered by minimum wage legislation, including workers who serve alcoholic beverages and agricultural workers who are currently paid using piece-work rates. **P**
2. Governments at all levels should ensure their regular and contract employees are paid a living wage that allows them to meet their basic needs, properly support their children and avoid chronic financial stress. **F P L**

This year marks the **25th anniversary** of the broken House of Commons promise “to seek to achieve the goal of eliminating poverty among Canadian children **by the year 2000**” and five years after the entire House of Commons voted to “develop an immediate plan to end poverty for all in Canada.”

3. The BC government should significantly raise welfare and disability rates and index them to inflation. P
4. The province should exempt the full amount of child support payments received by lone parents on welfare from any clawback, allowing their children to benefit from the payments made on their behalf. The provincial government should also rescind the rule that does not allow welfare recipients to retain benefits while attending a post-secondary institution. P
5. The federal government should increase the combined Canada Child Tax Benefit/National Child Benefit to a maximum of \$5,600 per child. F
6. For children being raised by grandparents on CPP Disability, the federal government should continue to pay the children's benefit to these grandparents after they turn 65. F
7. The federal government should implement immediate increases to funding for First Nations child welfare services, education and community health services and services for urban Aboriginal people, and develop a long-term poverty eradication strategy in coordination with First Nations, urban Aboriginal communities and provincial governments. F
8. The province should adopt and start implementing the Community Plan for a Public System of Integrated Early Care and Learning, put forward by the Early Childhood Educators of BC and the Coalition of Child Care Advocates of BC, to establish universal access to high quality child care for children that is affordable for families at \$10 per day for full-time care, \$7 per day for part-time care, and free to families with incomes under \$40,000. The federal government should support this initiative with a national early care and learning program that includes the transfer of adequate and sustained resources to the provinces and territories to create quality, affordable child care spaces and services available to all children (0–12). P F
9. The federal government should enhance maternity and parental leave to enrich the benefit value, and extend the total duration to 18 months, reserving additional months for fathers. F
10. The federal government should scrap the new income splitting provisions for families with children and invest the projected cost of this tax reduction for mostly high income families in the other federal program enhancements recommended above. F
11. The federal and provincial governments should intensify their efforts to help immigrants and refugees adjust to life in Canada by improving employment assistance, removing long-standing barriers to qualification for professionals trained abroad, making more language training available, and improving employment standards and human rights protections and enforcement. P F

Area of responsibility:

- F Federal
- P Provincial
- L Local

12. The federal government should immediately cancel all outstanding refugee transportation loan debt and cease seeking repayment of transportation costs for new refugees coming to Canada. F

13. Provincial and federal support for access to post-secondary education should be increased both to remove financial barriers for low-income students and to lower student debt levels. Specific policy options include tuition fee reductions, providing lower income students with grants instead of loans and making student loans interest free. P F

14. The province should extend and enhance supports for youth transitioning out of government care at age 19 and permit the extension of foster care for some youth up to the age of 25. P

15. The province should provide additional funds to social service agencies and non-profit housing societies to provide housing and other supports to queer and transgender youth at risk of homelessness and social exclusion due to the loss of family support. P

16. Cuts in Employment Insurance made by successive federal governments should be rescinded, so that most workers are protected during a temporary loss of wages and receive a benefit they can live on while they look for new employment. F

17. The federal and provincial governments should increase their efforts to provide housing for low-income people. This should include building more social housing to reduce the “core housing needs” of families and to eliminate homelessness. There is also a need to enhance and expand rental subsidies and other income supports to families living in or near poverty to reduce housing insecurity. P F

18. Introduce universal coverage for all British Columbians/Canadians for prescription drugs, dental care and eye care. While some workers already have access to extended medical and dental benefits through their work, universal public plans would expand and stabilize coverage for all and reduce costs through economies of scale. P F

19. The provincial government should create an independent commission on tax reform to study taxes levied in BC and to recommend ways to make the tax system fairer. Reducing income inequality should be one of the commission’s mandates. P

DATA CHALLENGES AND MEASURES OF POVERTY

Canada does not have an official way of measuring poverty, but Statistics Canada does produce three main measures of low income: the Low Income Cut-Offs (LICOs), before- and after-tax versions, the Low Income Measures (LIMs), before- and after-tax versions, and the Market Basket Measure (MBM).¹

First Call has traditionally used the LICO before tax in its annual BC Child Poverty Report Card. This year's report features the LIM after tax, following a shift in recent years to the use of this measure by others in the anti-poverty community across Canada and some provincial governments.

This shift was also a result of the changes in the availability of low income data from Statistics Canada. The data used in this report card has always been two years old at the time of publication, as it took Statistics Canada 18 months to release it. Thus the data in the 2013 BC Child Poverty Report Card was for 2011. It was drawn from the Survey of Labour and Income Dynamics (SLID). Statistics Canada has since discontinued the SLID and 2012 low income data was to be available from the new Canadian Income Survey (CIS). However, the release of the CIS data was delayed and still unavailable at the time of writing this report.

In the absence of the CIS data, we have instead used taxfiler income data, which was made available to Campaign 2000 through a custom tabulation. Some of it is also available to the public on the Statistics Canada website. Statistics Canada has been unable to provide us with some of the statistics we usually publish, such as the poverty rates of children living with female lone parents, children living with a parent working full-time, full-year, children under 6 and comparable longitudinal poverty rates for years prior to 2000 (other than 1989) in time for this publication. We were also unable to obtain family income inequality data for 2012 by the time of publication. We expect to receive some of this information early in 2015, at which time we will update this report card.

¹ A detailed description of each measure can be found in the Statistics Canada publication, *Low Income Lines, 2011-2012*, <http://www.statcan.gc.ca/pub/75f0002m/75f0002m2013002-eng.htm>

The following chart contains the LIMs after tax used in this report card for different family sizes based on the number of adults and children in each family type.

STATISTICS CANADA'S LOW INCOME MEASURES FOR 2012 (AFTER TAX)

| Number of adults* | Number of children less than 16 years of age | | | | |
|-------------------|--|--------|--------|--------|--------|
| | 0 | 1 | 2 | 3 | 4 |
| 1 | 16,968 | 23,755 | 28,846 | 33,936 | 39,026 |
| 2 | 23,755 | 28,846 | 33,936 | 39,026 | 44,117 |
| 3 | 30,542 | 35,633 | 40,723 | 45,814 | 50,904 |
| 4 | 37,330 | 42,420 | 47,510 | 52,601 | 57,691 |

* Includes parents/spouses, children 16 years of age and over, and the first child in lone-parent families regardless of age.

Source: Statistics Canada T1 Family File 2012 User's Guide

This second chart contains the LIMs before tax for different family sizes based on the number of adults and children in each family type. These are used when comparing minimum wages to poverty lines, as wages are before-tax income.

STATISTICS CANADA'S LOW INCOME MEASURES FOR 2012 (BEFORE TAX)

| Number of adults* | Number of children less than 16 years of age | | | | |
|-------------------|--|--------|--------|--------|--------|
| | 0 | 1 | 2 | 3 | 4 |
| 1 | 19,150 | 26,810 | 32,555 | 38,300 | 44,045 |
| 2 | 26,810 | 32,555 | 38,300 | 44,045 | 49,790 |
| 3 | 34,470 | 40,215 | 45,960 | 51,705 | 57,450 |
| 4 | 42,130 | 47,875 | 53,620 | 59,365 | 65,110 |

* Includes parents/spouses, children 16 years of age and over, and the first child in lone-parent families regardless of age.

Source: Statistics Canada T1 Family File 2012 User's Guide



First Call's annual Child
Poverty Report Cards have
helped countless individuals
& groups like YOU advocate
for BC's children & youth.

Help support our work
by making a donation at
www.firstcallbc.org



WHAT IS FIRST CALL?

First Call is a non-partisan, province-wide coalition of over 90 provincial and regional organizations, engaged communities and hundreds of individuals who come together to mobilize British Columbians in support of strong public policies and social investments for the benefit of children, youth and families.

Our coalition partners are committed to the 4 Keys to Success for Children and Youth:

A Strong Commitment to Early Childhood Development

- Improve pregnancy outcomes (healthy babies)
- Identify developmental risks early and provide supports
- Support parents of young children
- Build a public system of high quality, affordable, accessible early care and learning

Support in Transitions from Childhood to Youth and Adulthood

- Enhance resiliency and reduce risk
- Increase the success of youth in high school
- Increase the readiness of older youth for adult roles

Increased Economic Equality

- End child and youth poverty
- Reduce the gap between the high- and low-income earners
- Create more living wage jobs

Safe and Caring Communities

- Make each community a better place to live for families with children
- Create youth-friendly spaces and supports
- Build safe, violence-free communities
- Increase opportunities for participation and involvement

First Call's charitable activities are hosted by the Vancity Community Foundation and the Coalition is supported by the United Way of the Lower Mainland, the Vancouver Foundation, Vancity, the Health Sciences Association of BC and contributions from individuals and our coalition partners.

First Call: BC Child and Youth Advocacy Coalition

#810 – 815 West Hastings Street, Vancouver BC V6C 1B4

Phone: (604) 709-6962 / 1-800-307-1212

info@firstcallbc.org • www.firstcallbc.org

Graphic design by
handsonpublications.com