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# **CANADA'S CHILDREN: Investing in our Future**

**Report of the Standing Committee on Health and  
Welfare, Social Affairs, Seniors and the Status of Women**

**Barbara Greene, M.P.  
Chair**

**Sub-Committee on Poverty**

**December 1991**

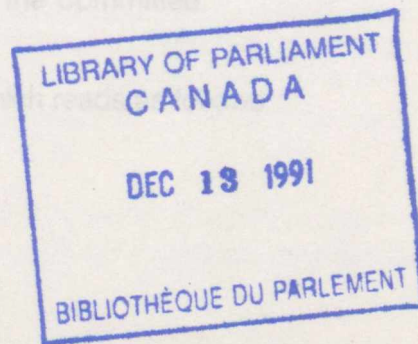




The Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women has the honour to present its

SECOND REPORT

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Investing in our Future  
CANADA'S CHILDREN

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In accordance with its mandate under Standing Order 108(1), your Committee established a Sub-Committee and assigned it the responsibility of examining the subject of poverty.

The Sub-Committee submitted its First Report to the Committee.

Your Committee adopted the following Report which reads as follows :

### Progressive Conservative

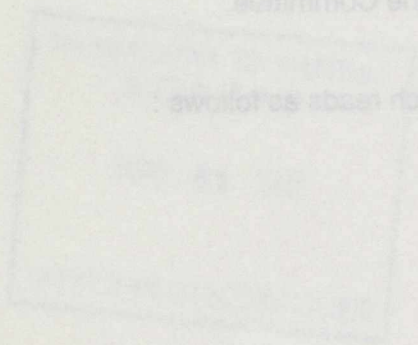
Nicole Roy-Arcelin, Chair, November 1989 to November 1991	7 meetings	
Barbara Greene, Member, November 1989 to November 1990	5 meetings	
Chair, November 1990 to Present	21 meetings	28
Edna Anderson, Member, April 1991 to Present	10 meetings	
Substitute	2 meetings	12
Jean-Luc Jodas, Member, April 1991 to Present	12 meetings	
George Fether, Member, November 1990 to April 1991	5 meetings	
Mary Brightwell, Substitute	1 meeting	
Tom Cole, Substitute	1 meeting	
Doug Fee, Substitute	1 meeting	
Tom Janes, Substitute	1 meeting	

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## Acknowledgements

The sub-committee acknowledges with gratitude the co-operation and assistance of the many individuals and organizations who contributed to this study of a plan to eliminate child poverty in Canada by the year 2000.

There is unanimous agreement that child poverty should be eliminated but the issue of how to solve this distressing problem is complex and controversial. It is indeed gratifying to see the number of Canadians willing to share their experiences, expertise and insight and attempt to provide practical solutions to address this problem.

Particular thanks are due to Ms. June Dewetering from the Library of Parliament Research Branch who competently and enthusiastically provided research and drafting services. Finn Poschmann of the Library of Parliament also spent many hours designing and producing computer simulations which were important tools for the committees deliberations. The Department of Health and Welfare also assisted the committee in its development of many of the concepts in this report.

The clerk's department provided the invaluable assistance of Clairette Bourque, Nino Travella and Eugene Morawski in co-ordinating hearings, organizing meetings and assisting in the translation of material.

The Committees Directorate and the Translation Bureau of the Secretary of State and the Support Services of the House of Commons are also commended for their work on this report.

Many Members of Parliament are to be commended for taking the time out of their busy, schedules to contribute to this important task.

### Progressive Conservative

Nicole Roy-Arcelin, Chair, November 1989 to November 1990	7 meetings	
Barbara Greene, Member, November 1989 to November 1990	5 meetings	
Chair, November 1990 to Present	21 meetings	26
Edna Anderson, Member, April 1991 to Present	10 meetings	
Substitute	2 meetings	12
Jean-Luc Joncas, Member, April 1991 to Present	12 meetings	
Louise Feltham, Member, November 1990 to April 1991	5 meetings	
Harry Brightwell, Substitute	1 meeting	
John Cole, Substitute	1 meeting	
Doug Fee, Substitute	1 meeting	
Ken James, Substitute	1 meeting	

**Liberal**

David Dingwall, Member, November 1989 to November 1990	1 meeting	
Albina Guarnieri, Member, November 1990 to April 1991,	3 meetings	
Substitute	2 meetings	5
Rey Pagtakhan, Member, April 1991 to Present,	8 meetings	
Substitute	6 meetings	14
Beth Phinney, Substitute	3 meetings	
Joe Fontana, Substittute	1 meeting	
Mac Harb, Substitute	1 meeting	
Robert Nault, Substitute	1 meeting	
Christine Stewart, Substitute	4 meetings	
David Walker, Substitute	2 meetings	

**N.D.P.**

Joy Langan, Member, November 1989 to November 1990	5 meetings
Chris Axworthy, Member, November 1990 to Present	12 meetings
Mike Breaugh, Substitute	4 meetings
Jim Karpoff, Substitute	1 meeting
Jack Whittaker, Substitute	1 meeting

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## MIND'S DOOR

In my mind there was a wall and this wall I could not climb

So after months of puzzled thinking I decided to build  
a door

I brought a saw and bought some wood and cut a hole in  
the wall

The door was oak with a handle of gold and brass  
hinges that shone

At last it was finished and taking a light I stepped inside  
and in that circle of light I saw and I cried for in front of me  
rose another wall higher than the first

(poem written by a child from Fredericton, as presented to the Sub-Committee)

# CANADA'S CHILDREN

## Investing in our Future

---

### INTRODUCTION

#### A. WHY STUDY CHILD POVERTY?

The Sub-Committee on Poverty of the House of Commons Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women was created in June 1989 at the suggestion of Members of Parliament from the three major political parties. On 24 November 1989, the House of Commons unanimously passed a motion introduced by Mr. Ed Broadbent, the then Leader of the New Democratic Party:

That this House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

Representatives from the three major political parties spoke on the motion, indicating that child poverty is not a partisan issue. Mr. Broadbent stated that:

Whatever their philosophical basis . . . I know there is not the slightest bit of difference in terms of [Canadians'] commitment to the well-being of children. . . . (T)here is no difference on the commitment to overcome child poverty. . . . We have the ability. We have done it before on pensions . . . [and] on medicare. What we need now is to demonstrate the same will concerning the needs of our children. <sup>1</sup>

In his remarks, Mr. Lloyd Axworthy of the Liberal party said:

I urge all members to support the motion to demonstrate to Canadians that Parliament . . . has the capacity, and . . . the political will to confront and to resolve child poverty throughout this great nation. <sup>2</sup>

This broad Parliamentary support for the motion was reiterated by the Honourable Perrin Beatty, the then Minister of National Health and Welfare, when he stated:

All Canadians . . . care deeply about the future of our children and about the future of our country. All Canadians can work together to try to deal with this issue. . . . Any society that cares about its future must care about the plight of its children today.<sup>3</sup>

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<sup>1</sup> *House of Commons Debates*, 24 November 1989, p. 6178.

<sup>2</sup> *Ibid.*, p. 6206.

<sup>3</sup> *Ibid.*, p. 6180, 6202.

Prime Minister Brian Mulroney has also expressed his concern:

No one suffers more from poverty than children. . . . (T)he problems facing children must be addressed urgently. . . . There is a realization that there are several aspects to the healthy development of children—economic, medical and technological.

(T)he goal of the [World] Summit [for Children] was to catalyze practical action by governments, international organizations, non-governmental organizations and families—who will always have the major responsibility to provide a loving environment for the children of the world.

At the [Summit], 71 world leaders endorsed a common Declaration and a Plan of Action. In the Declaration, they committed themselves to principles to guide their governments. . . . In the Action Plan, they endorsed specific goals and a wide range of steps to improve the lives of children around the world.<sup>4</sup>

For the children of Canada, 1 October 1990 was a noteworthy day, as the Prime Minister addressed the United Nations General Assembly on the occasion of the World Summit for Children. Also on that date, the Prime Minister requested the Minister of National Health and Welfare to provide Cabinet with recommendations on the Declaration and Action Plan, that would set goals and directions on which to base national action programs regarding children.

The Minister of National Health and Welfare's response was immediate. In the House of Commons on 1 October 1990, the Minister stated:

(T)he Prime Minister today asked me to co-ordinate activities within the government relating to children in response to the declaration on behalf of children at the United Nations. . . . I am announcing today the creation of a children's bureau within Health and Welfare Canada to assist us in doing that.<sup>5</sup>

Although the rights of children had been recognized internationally with the 1959 United Nations Declaration of the Rights of the Child, a firmer commitment to the rights of children was sought by many nations during the International Year of the Child in 1979. This advocacy has resulted, in part, in the United Nations Convention on the Rights of the Child.

On 20 November 1989, this Convention was adopted by consensus in the United Nations General Assembly. Generally, the Convention addresses the social, economic, cultural, civil and political rights of children, including rights related to their physical and material well-being; rights designed to protect them from abuse, neglect and exploitation; rights that contribute to their development through education and leisure activities; cultural and linguistic rights; and the right of children to express their views and participate in the decisions that affect them.

Canada signed the Convention on 28 May 1990, but before ratification can take place, the federal, provincial and territorial governments must review their laws and policies to ensure consistency with the Convention's obligations and principles. Speaking in the House of Commons on 1 October 1990, Mr. Beatty stated that:

<sup>4</sup> Office of the Prime Minister, *Notes for an Address by Prime Minister Brian Mulroney at the United Nations General Assembly*, 1 October 1990.

<sup>5</sup> *House of Commons Debates*, 1 October 1990, p. 13614.

We are committed to full ratification of the (C)onvention. We will have that done before the end of next year. Our goal is to ensure that all legislation in Canada is compliant with the (C)onvention itself which will enter into Canadian Law.<sup>6</sup>

## B. PAST PARLIAMENTARY STUDIES

Parliamentary study of poverty is not new. Two decades ago, a Special Senate Committee studied the issue of poverty, and published its report *Poverty in Canada*. In 1980, the Standing Senate Committee on Health, Welfare and Science published *Child at Risk*, which examined the relationship between early childhood experiences, including poverty, and criminal behaviour. Most recently, in January 1991, the Standing Senate Committee on Social Affairs, Science and Technology published its report *Children in Poverty: Toward a Better Future*. This report followed the Committee's interim report of December 1989 entitled *Child Poverty and Adult Social Problems*.

The current study of child poverty is notable, given that the House of Commons has studied some of the issues related to child poverty, such as crime, violence, family benefits and job displacement, rather than child poverty *per se*. The time has come for the House of Commons to add its study, thoughts and recommendations on this very important issue, an issue which will affect the future of our country.

The testimony is to be found in Issue Nos. 1-13 of the Sub-Committee on Poverty for the Second Session of the Thirty-Fourth Parliament and Issue No. 1 of the Third Session of the Thirty-Fourth Parliament.

## C. THE SUB-COMMITTEE'S STUDY AND METHODOLOGY

Following the passage of Mr. Broadbent's motion, the Sub-Committee decided that it would develop a plan to eliminate child poverty by the year 2000. Specifically, the Sub-Committee's terms of reference were to:

1. Investigate child poverty within the context of the changing social, demographic and economic conditions affecting families with children;
2. Inquire into and report on the effectiveness of existing public policies in alleviating child poverty and assisting families with children with particular reference to:
  - a) Income security for families from:
    - (1) employment, and
    - (2) government income support programs.
  - b) Availability and accessibility of services that assist parents in fulfilling their responsibilities to their children.
3. Recommend solutions and alternatives to the problem of child poverty.

---

<sup>6</sup> *Ibid.*



In the current study, the Sub-Committee received many briefs and heard from a number of witnesses representing many different perspectives on the issue of child poverty. The primary conclusion from the oral and written presentations is that poverty among children in a country such as ours is unacceptable and must not be permitted to continue. Our children are our most important resource, and measures must be taken today to ensure that they can grow and have every opportunity to fulfill their potential. Children are, quite simply, our future.

In seeking to develop a plan to eliminate child poverty by the year 2000, the Sub-Committee sought first to determine the dimensions of the problem. How many Canadian children are living in poverty? What is their distribution by province? What is the depth and duration of poverty in Canada? What are the health and other costs associated with child poverty? Such issues are examined in Chapter One of this report.

Further, the Sub-Committee examined the current federal child benefits delivered through the tax and transfer system. Many witnesses were critical of this system; they suggested that the "safety net" it provides is inadequate, and that there are not sufficient opportunities for families to escape poverty. What current federal tax and transfer programs seek to recognize the contribution made by families with children? How have these programs evolved over time? Federal child benefits delivered through the tax and transfer system are surveyed in Chapter Two of this report.

The Sub-Committee questioned how effective these programs are in alleviating child poverty. The Sub-Committee received a great deal of testimony regarding perceived shortcomings in the current system, and many witnesses provided recommendations for how it could usefully be changed. Generally, problems areas were thought to include income inadequacy, either as the result of unemployment, low minimum wage rates, pay and employment inequity, inadequate training or limitations in the social assistance system, as well as a lack of adequate and affordable child care and housing, and an erosion of support for children over time. These issues are discussed in Chapter Three.

Finally, the Sub-Committee evaluated current public policies, programs and services to determine their effectiveness in meeting the needs of families with children. Many witnesses questioned the degree to which the system actually supports such families. Chapter Four presents what the Sub-Committee envisions as solutions to the problem of child poverty, solutions which would eliminate child poverty in Canada by the year 2000. These solutions require both the development of new initiatives and changes to existing programs and services.

In that regard, the Sub-Committee received many letters and heard from a number of witnesses representing many different perspectives on the issue of child poverty. The primary conclusion from the oral and written presentations is that poverty among children in Canada is a most as ours is unacceptable and must not be permitted to continue. Our children are our most important resource, and measures must be taken today to ensure that they have every opportunity to fulfil their potential. Children are, quite simply, our future.

The Sub-Committee also received a number of written submissions and held public hearings in various parts of the country. In seeking to determine the best way to reduce child poverty, the Sub-Committee examined the current federal child benefits delivered through the tax and transfer system. Many witnesses were critical of this system. They suggested that the "safety net" it provides is inadequate, and that there are not sufficient incentives for families to escape poverty. What can be done to help families? The Sub-Committee examined the current system and identified areas for improvement. It also heard from witnesses who suggested that the current system is too complex and difficult to understand. They suggested that the system be simplified and made more transparent. The Sub-Committee also heard from witnesses who suggested that the current system is not targeted enough. They suggested that the system be restructured to provide more targeted support to families in need. The Sub-Committee also heard from witnesses who suggested that the current system is not sufficient to meet the needs of families with children who are in poverty. They suggested that the system be expanded to provide more support to these families. The Sub-Committee also heard from witnesses who suggested that the current system is not sufficient to meet the needs of families with children who are in poverty. They suggested that the system be expanded to provide more support to these families.

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# CHAPTER ONE

## The Dimensions of Child Poverty

---

I am just going to tell you about how I experienced my dealings with poverty when I was growing up. My parents were separated when I was six. I am not sure why. I lived first with my mother. Because of financial reasons, food, and I could not afford clothing, I moved to my father's, in Montreal. Then he could not keep up with the financial part and sent me back to my mother. . . . I began to think less of myself because I was poor. I was afraid that it would never change. Also, I never had enough food when I was with my parents. I was always sick when my friends were healthy. . . . I was always fighting, usually because I was laughed at. I did not have the clothing, the modern, in style clothing, and I was laughed at a lot, so I fought and I began thinking less of myself. . . . I did not have the extra change of clothes so could not change my clothes, and they were not cleaned as often as they should have been, so I was always dirty and not properly dressed. (Ross, a teenager growing up in poverty).<sup>7</sup>

How many Canadian children live in poverty, and how is this measured? How "deep" is their poverty? How long are they likely to remain poor? How does poverty affect children? These key questions must be examined before a solution to the problem of child poverty can be developed.

### A. HOW DO WE DEFINE AND MEASURE POVERTY?

Canada does not have an official measure of poverty. Instead, a number of different organizations and agencies have developed "poverty" measures, and these often vary in terms of the methodology used to develop the measure, whether "poverty" or low income is being assessed, and whether account is taken of locational differences in the cost of living. A variety of measures of poverty will be examined here. It should be noted that these are measures of "financial poverty". Dr. Mahoney, of the Catholic Children's Aid Society of Metropolitan Toronto, told the Sub-Committee:

I want to make it clear that I am speaking of not just financial poverty, which can be very devastating, but also the psychological poverty that so often accompanies it—the lack of self-esteem, self-worth, and self-value. These are often compounded by a sociological poverty of isolation and very few supports.<sup>8</sup>

For children, living in poverty affects what and how often they eat, what they wear, where they live and how safe that environment is, their health status, what recreational activities they can participate in, their emotional well-being, and how successful they will be in school and in life. It affects all aspects of their lives, and generally places them at a disadvantage relative to non-poor children.

<sup>7</sup> Minutes and Proceedings of the Sub-Committee on Poverty of the House of Commons Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women (hereafter, Proceedings), Issue 13, p. 34, 35.

<sup>8</sup> Proceedings, Issue 9, p. 90.

## 1. The Statistics Canada Low Income Cut-Offs

In Canada, statistics on the low-income population often refer to Statistics Canada's low income cut-offs (LICOs). These LICOs have been developed with different Family Expenditure surveys serving as the base — 1969, 1978 and 1986. Some analysts currently use the 1986-based LICOs, which may yield higher estimates of the number of people living in poverty and the depth of their poverty, than would the 1978-based LICOs, which are also used by analysts. Both sets of LICOs indicate that the number of children living in poverty is significant. It must, however, be recognized that the LICOs establish the upper limit of the low-income population. Many poor Canadians have incomes significantly below the cut-offs, as discussed in Section C.

The 1978 Survey of Family Expenditure concluded that, on average, Canadian families spend 38.5% of their income on the basic necessities of food, shelter and clothing. Poor families devote an above-average proportion of their income to these basic necessities and the low income cut-offs are set at levels where 58.5% of income, on average, is spent on them. Statistics Canada continues to calculate its LICOs on the basis of the 58.5% criterion. Any family or individual with an income at or below the relevant cut-off is defined as low income. These LICOs are updated each year to reflect changes in the cost of living as measured by the Consumer Price Index.

Canada does not have a single LICO. Rather, Statistics Canada varies the LICOs according to:

- seven categories of family size, ranging from one person to seven or more persons; and
- five categories of community size according to population, ranging from rural areas to metropolitan areas with 500,000 or more residents.

The result of the categorization is a set of 35 LICOs, as presented in Table 1 in the Statistical Appendix for 1989, using both the 1978 and the 1986 bases. For 1989, the 1978-based LICOs for one person ranged from \$8,983 to \$12,148 and for a four-person household from \$18,175 to \$24,706, depending on community size. The 1986-based LICOs yielded slightly higher figures of \$9,198 to \$13,511 for one person and of \$18,247 to \$26,803 for a four-person household in that year.

The LICOs are based on gross, rather than net, income, where income is defined as money income received by all family members 15 years of age and older from a variety of sources:

- wages and salaries before deductions;
- net income from self-employment;
- investment income;
- government transfer payments;
- pensions; and
- miscellaneous income, such as scholarships and alimony.

Excluded from this definition of income are:

- gambling wins or losses;
- capital gains or losses;
- lump-sum inheritances;

- receipts from the sale of property or personal belongings;
- income tax refunds;
- loans received or repaid;
- lump-sum settlements of insurance policies; and
- income in kind.

Finally, the Family Expenditure Survey and the Survey of Consumer Finances used as the bases for the calculation of the LICOs and the number of low-income Canadians exclude those living in the Yukon and Northwest Territories, in institutions and on Indian reserves, and those who are members of the armed forces. Consequently, published figures most often exclude low-income Canadians in these groups. The number of poor children residing in the Yukon and Northwest Territories is not a statistic that is routinely collected; Aboriginal poverty is discussed later.

## 2. Other Measures of "Poverty"

The LICOs of Statistics Canada are not the only measure of low income. Measures are also published by the Canadian Council on Social Development (CCSD), the Senate Committee, as updated by the late Senator David Croll who chaired the Committee which published *Poverty in Canada*, the Metropolitan Toronto Social Planning Council and the Montreal Diet Dispensary, as shown in Table 2. These measures, in 1989, ranged from \$15,891 to \$30,204 for a couple with two children.

The CCSD Lines of Income Equality are based on average family income, with 50% of average family income deemed to be the "poverty line" for a three-member family; the line for individuals is 50% of the three-member family value, and for a family of two is 83% of that value. Families with more than three members receive an increment of 16.7% for each additional family member, which reflects the annual living costs of each incremental member. The lines, which do not reflect regional or urban/rural differences, were originally developed to address the problem of income inequality by defining a minimum standard of income equality, rather than to measure poverty.

The Senate Committee developed two sets of lines—poverty and income guarantee—with the poverty lines based on the income guarantee lines. The latter were designed to provide a basis for the Committee's proposed guaranteed annual income program, were intended to cover the cost of basic needs, and represented 70% of the poverty line amounts. Like the CCSD Lines of Income Equality, the Senate Committee Poverty Lines make no adjustment for place of residence.

The Metropolitan Toronto Social Planning Council Budget Guides are based on a selection of goods and services whose cost represents the minimum expenditure necessary for social survival, given prevailing community standards; thus, provision is made for such items as a daily newspaper, dental care, recreation, and a one-week vacation at a nearby rented cottage, among others. The selection of goods and services is revised from time to time to reflect changing community standards.

Finally, the Montreal Diet Dispensary Budget Guidelines have been developed by the Montreal Diet Dispensary and the Montreal Council of Social Agencies. These guidelines reflect the amount of income needed to provide "the minimum adequate requirements for the maintenance of a family as a unit and the preservation of health and self-respect of the individual members." No routine adjustment is made to reflect changes in living styles or increases in the standard of living.

Despite their similarities, certain differences in the measures should be recognized. For example, the LICOs reflect a level of income necessary for the purchase of basic necessities and are variable by family and community size, while the Metropolitan Toronto Social Planning Council Guides and the Montreal Diet Dispensary Guidelines reflect local costs and may not be relevant nation-wide; as well, the Metropolitan Toronto Guides reflect the minimum expenditures necessary for social, rather than merely physical, survival, while the Montreal Guidelines may be closer to provincial social assistance rates. Further, while the Senate Committee Poverty Lines and the Canadian Council on Social Development Lines of Income Equality vary by family size, no account is taken of community size.

Finally, it must be recognized that the LICOs are a measure of low income, rather than "poverty", even though they are often seen as "poverty lines". Mr. Michael Wolfson, of Statistics Canada, told the Sub-Committee that "(w)hile [Statistics Canada] repeatedly insist[s] that [the LICOs] are not poverty lines—they are measures of low income—they are often treated as Canada's semi-official poverty lines".<sup>9</sup>

## **B. THE EXTENT OF CHILD POVERTY: HOW MANY POOR CHILDREN?**

In his appearance before the Sub-Committee, Mr. Beatty indicated that approximately 837,000 Canadian children lived in poverty in 1989; one child in seven lived in a family with a level of income at or below the relevant 1978-based LICO. On the issue of child poverty, he indicated that "(t)he facts tell us that progress is unquestionably being made, while at the same time, they tell us there is still more work that needs to be done."<sup>10</sup> While other estimates of the numbers of poor children used by academics, social policy analysts and others may be higher or lower than 837,000, the Sub-Committee feels that the most important fact is that a significant number of Canadian children are living in poverty.

As shown in Chart 1 and Table 3, over the 1980 to 1989 period, the number of poor children under age 16 and the child poverty rate peaked in 1984 at 1,154,000 and 20.1% respectively, and have declined steadily since that time.<sup>11</sup> However, some witnesses stated that the number of children in poverty increases during a recession, as it did in the early 1980s, and suggested that in the current recession the declines in the number of poor children since 1984 may be reversed. Further, they anticipate that future declines in the number of poor children may be difficult to attain, given the slow rate of decline accompanying the prolonged and significant rates of economic growth following the recession in the early 1980s. The Ottawa-Carleton Chapter of the Child Poverty Action Group told the Sub-Committee:

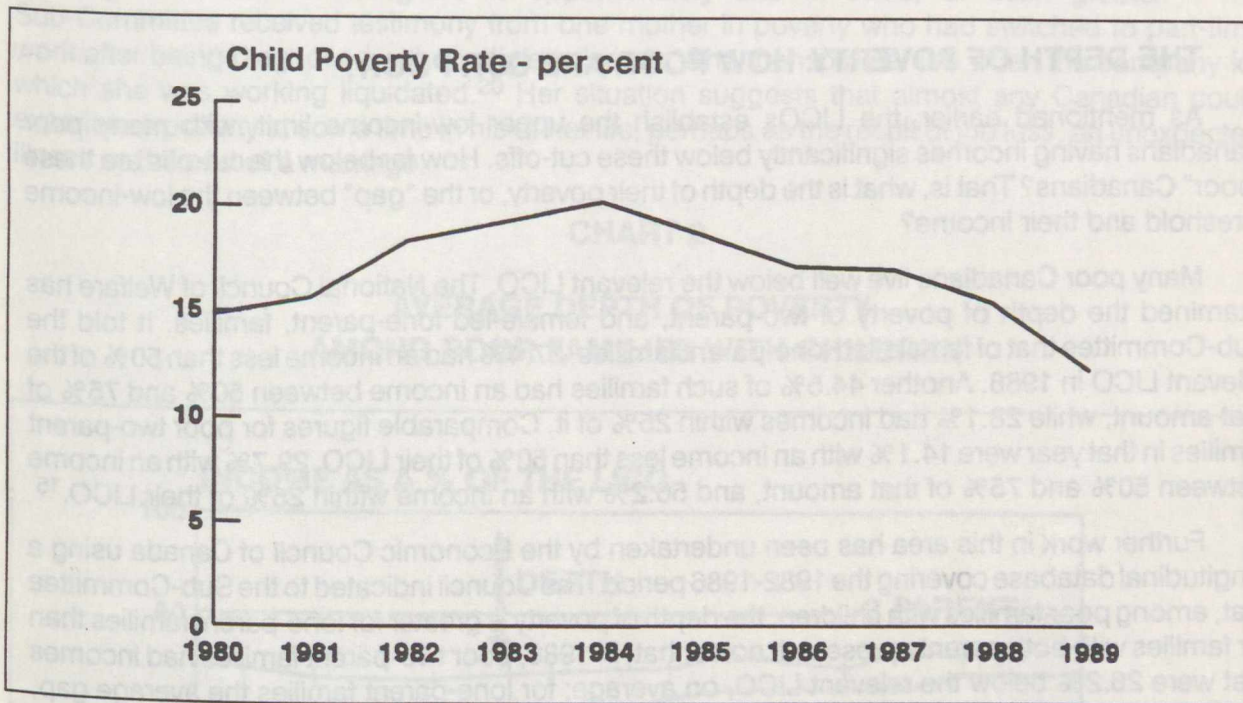
(S)tarting from 1980, the [child poverty] numbers did go up during the recession and then they started coming down. The really disturbing thing was that they came down very slowly, although we had some of the best years of economic growth we have ever had. This is what alarms us. . . .

<sup>9</sup> *Proceedings*, Issue 10, p. 138.

<sup>10</sup> *Proceedings*, Issue 8, p. 19.

<sup>11</sup> Submission to the Sub-Committee by the National Council of Welfare, 11 April 1990, p. 2.

**CHART 1**  
**CHILD POVERTY RATE AND NUMBER POOR,**  
**ALL CHILDREN UNDER 16, 1980-1989**



Source: Statistics Canada.

(!) In recessions the numbers go up. Now we are asking whether we have lost everything we gained during the 1980s. <sup>12</sup>

Table 3 shows a clear relationship between the rates of unemployment and child poverty.

The risk of being poor is related, in part, to the region of residence. Child poverty exists everywhere in Canada, although the rates vary substantially between provinces, as shown in Table 4. In 1989, children were more likely to be poor, for example, if they lived in Manitoba or Saskatchewan, which had child poverty rates of 22.5% and 20.7% respectively. Children were least likely to be poor if they resided in Ontario or Prince Edward Island, which had child poverty rates of 11.4% and 13.9% respectively in that year. <sup>13</sup> Further, Table 5 presents a ranking of federal electoral districts, using their 1987 representation, according to the incidence of low income; all districts contain low-income families.

Family structure is also important. The National Council of Welfare indicated to the Sub-Committee that, although the majority of poor children live in two-parent families, children are more likely to be poor if they are raised in a lone-parent family. It noted that in 1988, of children under age 16 raised in femaleled lone-parent families, 64.6% were in poverty. The comparable

<sup>12</sup> *Proceedings*, Issue 6, p. 26.

<sup>13</sup> Submission to the Sub-Committee by the National Council of Welfare, 11 April 1990, p. 3.

figure for male-led lone-parent families was 28.4%; for two-parent families it was 10.2%. Thus, children are at greatest risk of poverty in a lone-parent family, particularly if the parent is female. These numbers are significant, given the rising number of lone-parent families. Poverty appears to be exacerbated if the head of the household is young, and/or if there are young children in the household.<sup>14</sup>

### C. THE DEPTH OF POVERTY: HOW POOR ARE OUR POOR?

As mentioned earlier, the LICOs establish the upper low-income limit, with many poor Canadians having incomes significantly below these cut-offs. How far below the cut-offs are these "poor" Canadians? That is, what is the depth of their poverty, or the "gap" between the low-income threshold and their income?

Many poor Canadians live well below the relevant LICO. The National Council of Welfare has examined the depth of poverty of two-parent, and female-led lone-parent, families. It told the Sub-Committee that of female-led lone-parent families, 27.4% had an income less than 50% of the relevant LICO in 1988. Another 44.5% of such families had an income between 50% and 75% of that amount, while 28.1% had incomes within 25% of it. Comparable figures for poor two-parent families in that year were 14.1% with an income less than 50% of their LICO, 29.7% with an income between 50% and 75% of that amount, and 56.2% with an income within 25% of their LICO.<sup>15</sup>

Further work in this area has been undertaken by the Economic Council of Canada using a longitudinal database covering the 1982-1986 period. The Council indicated to the Sub-Committee that, among poor families with children, the depth of poverty is greater for lone-parent families than for families with both parents present. It noted that, in 1988, poor two-parent families had incomes that were 26.2% below the relevant LICO, on average; for lone-parent families the average gap, while 31.8% in 1988, was much improved over the 1973 gap of 43.3%.<sup>16</sup> Chart 2 presents changes in the depth of poverty for these two family types over the 1973-1988 period, and indicates that the average gap has been improving in recent years, with a decrease in the depth of their poverty.

### D. THE DURATION OF POVERTY: HOW LONG ARE OUR POOR FAMILIES POOR?

Many witnesses appearing before the Sub-Committee testified as to the generational poverty cycle. The Economic Council of Canada, however, has reached a somewhat different conclusion, finding significant movements into, and out of, poverty over time. The Council told the Sub-Committee that most of those identified as poor over the 1982-1986 period were no longer poor after three years. However, about 25% of those poor at any time during that period were poor for the entire five-year period. There is evidence to suggest that the proportions who are poor for longer periods 7 of time become progressively smaller, as presented in Chart 3; this conclusion is supported by evidence from longer-term studies in the United States.<sup>17</sup> The Council's view was supported by the Social Planning Council of Winnipeg, which told the Sub-Committee that "only 7% are accounted for by high risk or chronically poor, because . . . the majority are temporarily or periodically poor."<sup>18</sup>

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*, p. 4.

<sup>16</sup> Submission to the Sub-Committee, p. 5.

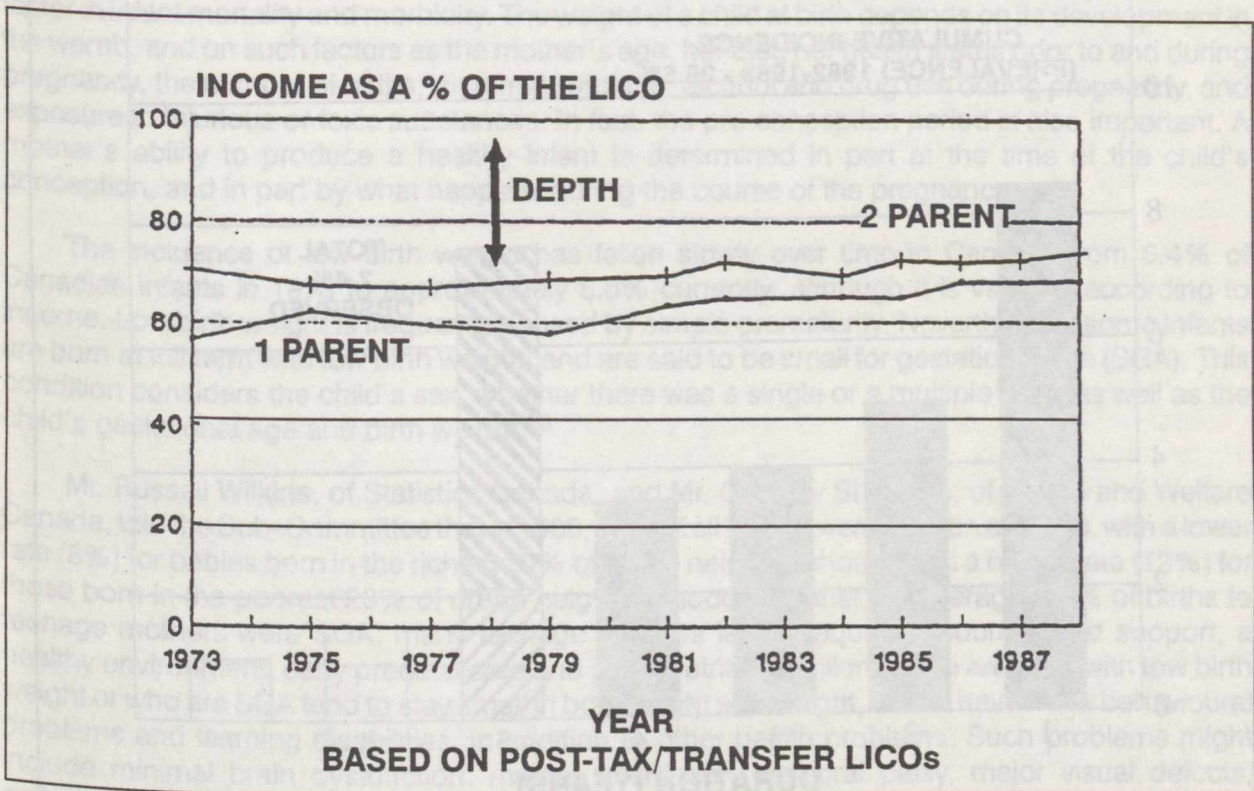
<sup>17</sup> *Ibid.*, p. 7.

<sup>18</sup> *Proceedings*, Issue 10, p. 92.



The Economic Council of Canada has concluded that the proportion of non-elderly Canadians who were poor at some time during the 1982-1986 period was 28.6%, almost twice as many as are poor in any given year. It suggests that this result is not unlike conclusions reached in the United States. The Council suggests that the "risk" of non-elderly Canadians being poor at some point in their working life is approximately one in three, or even greater.<sup>19</sup> The Sub-Committee received testimony from one mother in poverty who had switched to part-time work after being diagnosed with multiple sclerosis. She then lost her job when the company for which she was working liquidated.<sup>20</sup> Her situation suggests that almost any Canadian could experience poverty at some time in his or her life, perhaps as the result of job loss, an unexpected illness or the end of a marriage.

**CHART 2**  
**AVERAGE DEPTH OF POVERTY**  
**AMONG POOR FAMILIES WITH CHILDREN**



Source : Submission to the Sub-Committee by the Economic Council of Canada, February 1991, p.6.

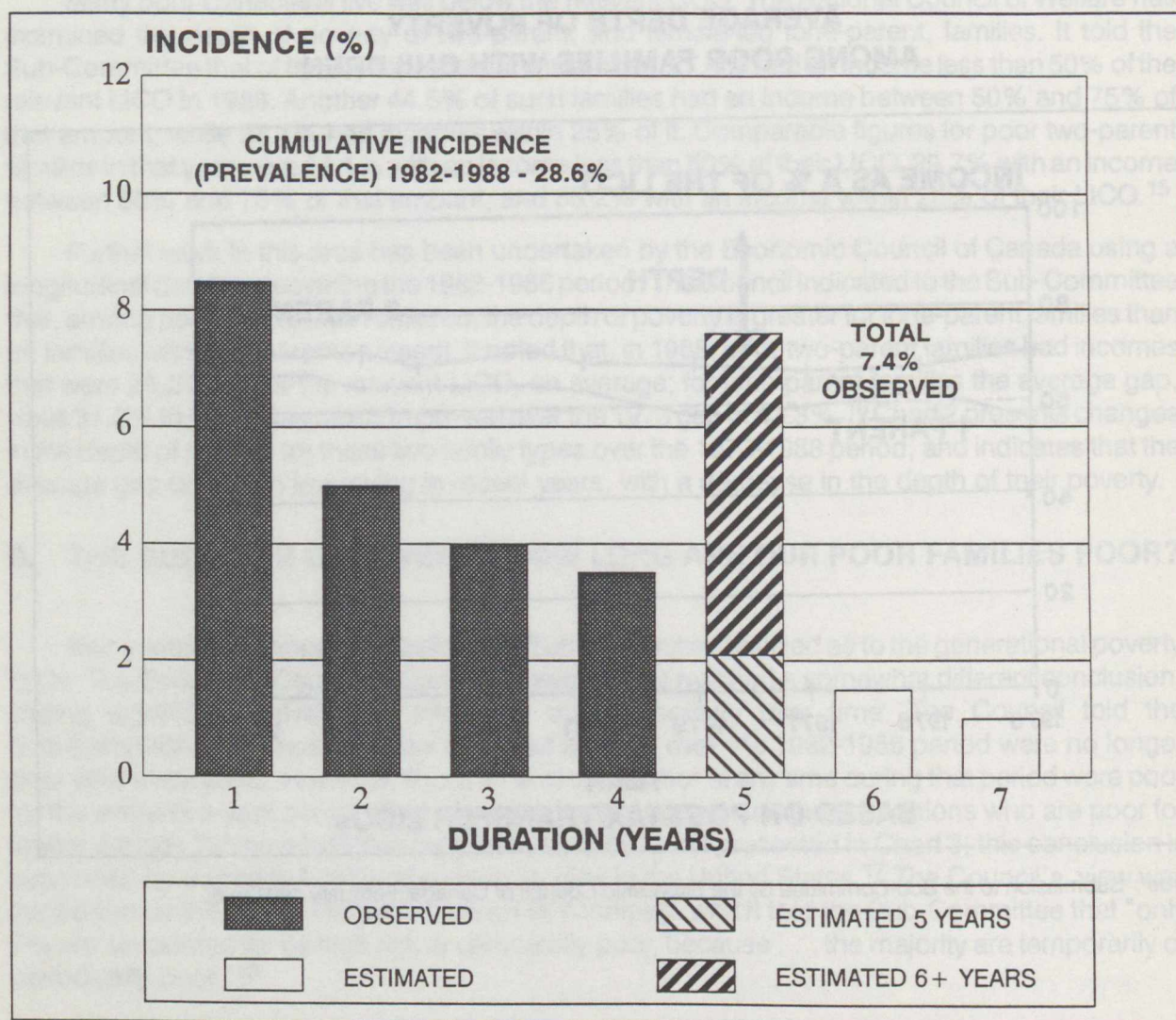
<sup>19</sup> Submission to the Sub-Committee, p. 8.

<sup>20</sup> Proceedings, Issue 13, p. 69.

The Council found that transitions into, and out of, poverty, were more likely for two-parent, than for lone-parent, families. A change in earnings, through job gain or job loss, was found to be the predominant factor associated with the movement, although a change in family structure, for example through marriage and family dissolution, was also important.<sup>21</sup>

Finally, the Council concluded that the short-term poor differ from the longer-term or "persistent" poor. It found that the short-term poor are more like the non-poor population in terms of family structure, age and earnings behaviour than are the persistent poor. Moreover, the persistent poor were found to be older, to be more likely to be lone-parent families and unattached individuals, and to have fewer earners per family.<sup>22</sup>

**CHART 3**  
**DURATION OF POVERTY**



Source : Submission to the Sub-Committee by the Economic Council of Canada, February 1991, p.8.

<sup>21</sup> Proceedings, Issue 9, p. 130.

<sup>22</sup> Submission to the Sub-Committee, p. 9.

## E. THE EFFECTS OF CHILD POVERTY

Poverty among children leads to economic, psychological and social costs. It has been found to be associated with poorer physical and mental health, lower levels of educational attainment and persistent offending.

### 1. The Effects on Physical Health

One of the most significant costs associated with child poverty is that associated with the health status of poor children. The Sub-Committee heard evidence of the importance of each stage in a child's development and of the ways in which this development is impaired by poverty. It learned that the health problems of poor children begin before birth and that poor children are at greater risk of death, disability and other health problems throughout infancy, childhood and adolescence.

One key concern is low birth weight, which has been described as the single most important factor in infant mortality and morbidity. The weight of a child at birth depends on its development in the womb, and on such factors as the mother's age, her diet, her health status prior to and during pregnancy, the number of births, maternal smoking, alcohol and drug use during pregnancy, and exposure to injurious or toxic substances. In fact, the pre-conception period is also important. A mother's ability to produce a healthy infant is determined in part at the time of the child's conception, and in part by what happens during the course of the pregnancy.

The incidence of low birth weight has fallen slowly over time in Canada, from 6.4% of Canadian infants in 1978 to approximately 5.6% currently, although it is variable according to income. Low birth weight is frequently caused by simple prematurity. Nevertheless, some infants are born at full term with low birth weight, and are said to be small for gestational age (SGA). This condition considers the child's sex, whether there was a single or a multiple birth, as well as the child's gestational age and birth weight.<sup>23</sup>

Mr. Russell Wilkins, of Statistics Canada, and Mr. Gregory Sherman, of Health and Welfare Canada, told the Sub-Committee that in 1986, 10% of all babies were SGA on average, with a lower rate (8%) for babies born in the richest 20% of urban neighbourhoods and a higher rate (12%) for those born in the poorest 20% of urban neighbourhoods. Further, on average, 15% of births to teenage mothers were SGA; many teenage mothers lack adequate resources and support, a healthy environment, early prenatal care and good nutrition. Children who are born with low birth weight or who are SGA tend to stay small in both height and weight, and to have more behavioural problems and learning disabilities, in addition to other health problems. Such problems might include minimal brain dysfunction, mental retardation, cerebral palsy, major visual defects, epilepsy, hearing defects, and lower average IQ. Children from poor neighbourhoods are 40% to 50% more likely than children from rich neighbourhoods to be born too small, too soon, or with growth retardation.<sup>24</sup>

Dr. Graham Chance, Chairman of the Canadian Coalition for the Prevention of Developmental Disabilities, indicated to the Sub-Committee that the greatest potential for prevention of low birth weight is for infants born to women in poverty. Prevention of low birth weight should be society's goal if for no other reason than a purely economic one. Dr. Chance told the Sub-Committee of the

<sup>23</sup> *Proceedings*, Issue 2, p. 8.

<sup>24</sup> *Ibid.*, p. 7, 8, 9.

significant costs of caring for low birth weight infants. He indicated that the daily cost of a baby of 1500 grams birth weight going through a perinatal unit is \$1,500. The average length of stay for such an infant is 40 days, leading to a cost of \$60,000 per infant, plus incalculable social and psychological costs.<sup>25</sup> The Canadian Council on Children and Youth told the Sub-Committee that \$1 invested in pre-natal care can save \$3.38 in the cost of care for low birth weight infants. The Council estimated that the cost of such care, in Ontario, is as much as \$200,000 per case for babies under two years of age.<sup>26</sup>

Further, the Canadian Institute of Child Health told the Sub-Committee of the long-term consequences of being born under weight and indicated its belief that if low birth weight could be prevented, "we might also create a cascade of events for the better."<sup>27</sup> Prevention of low birth weight is preferable to long-term intensive neonatal care after birth.

Rates of infant mortality are also higher among the poorest urban Canadian neighbourhoods. Again citing 1986 data, Mr. Wilkins and Mr. Sherman told the Sub-Committee that in the poorest neighbourhoods there were 11 deaths per 1,000 live births in that year, compared to 6 deaths in the richest neighbourhoods; that is, the rate of infant mortality in the poorest neighbourhoods was nearly double that in the richest neighbourhoods. As shown in Chart 4 and Table 6, however, there have been significant improvements in infant mortality rates over time, largely attributable to increasingly effective and sophisticated treatment of high-risk infants. In 1931, for example, there were 86 infant deaths for each 1,000 live births; by 1989, this figure had declined to just over 7 deaths for each 1,000 live births. Nevertheless, there is substantial variation among the provinces in their infant mortality rates. As shown in Table 7, in 1989 the infant mortality rates in the Northwest Territories, Newfoundland, British Columbia, Saskatchewan and Alberta exceeded the national average. The Northwest Territories, with an infant mortality rate of 16.2% in 1989, had the highest rate in that year, while the Yukon, at 4.2%, had the lowest. It was noted that infant mortality is a cause of death that responds well to medical intervention, among other things.<sup>28</sup>

Poor children are also likely to suffer higher rates than average of physical disability. In 1986, the rate of childhood disability was twice as high among children from the poorest 20% of families and neighbourhoods (7%) than it was among children from the richest (3.5%). The differences between rich and poor families and neighbourhoods were even more pronounced when only severe disabilities were considered. In these situations, the rate was 2.7 times greater in the poorest 20% of families and neighbourhoods than in the richest 20%.<sup>29</sup>

Further, poor children have a lower life expectancy. In 1986, at birth, boys from the poorest urban Canadian neighbourhoods had a life expectancy which was 5.5 years shorter than that of boys from the richest 20% of neighbourhoods; for girls, life expectancy was two years shorter. For children aged 1 to 14 years, the death rate in the poorest urban Canadian neighbourhoods was 1.5 times that in the richest neighbourhoods. In addition, a higher proportion of those fewer years of life can be expected to be lived with disability and other health problems.<sup>30</sup>

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<sup>25</sup> *Proceedings*, Issue 12, p. 14.

<sup>26</sup> *Proceedings*, Issue 9, p. 58.

<sup>27</sup> *Ibid.*, p. 119.

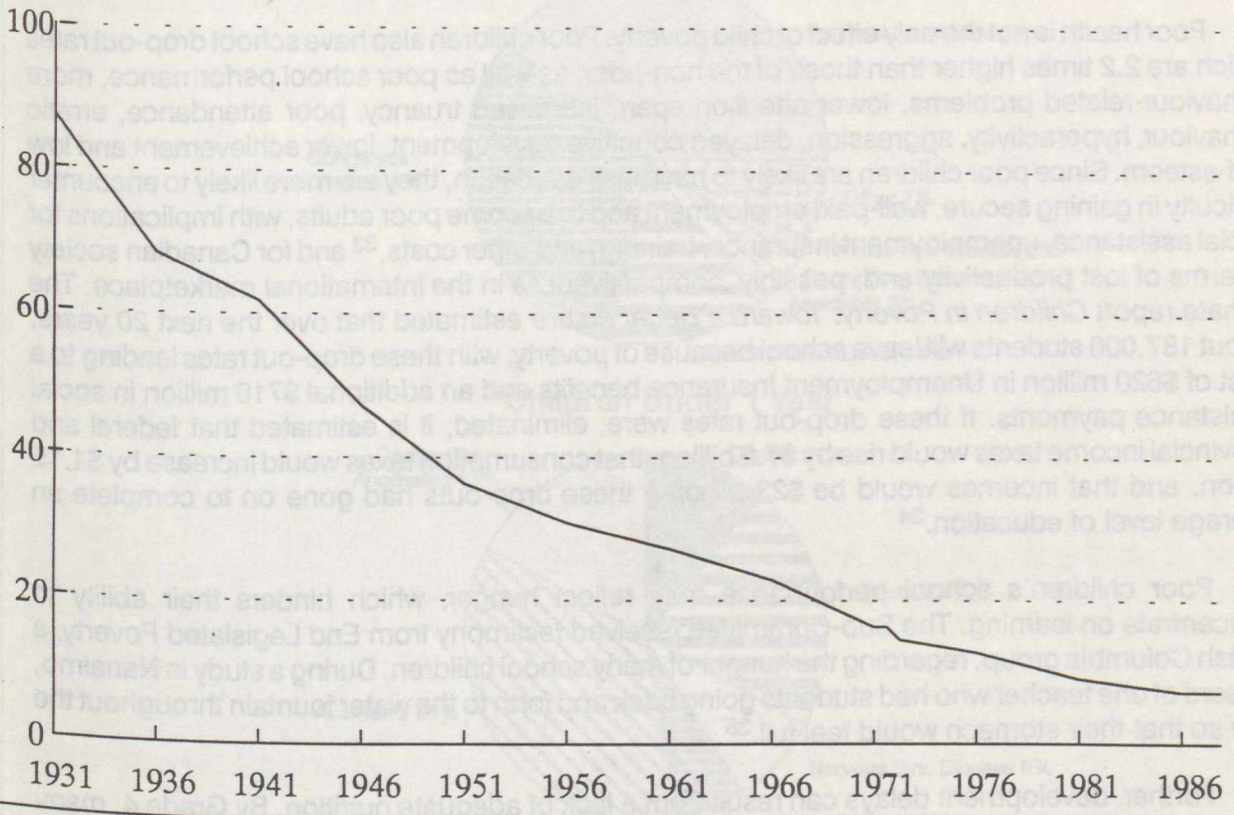
<sup>28</sup> *Proceeding*, Issue 2, p. 5, 9, 11.

<sup>29</sup> *Ibid.*, p. 6.

<sup>30</sup> *Ibid.*, p. 4, 5.

**CHART 4**  
**INFANT MORTALITY RATES**  
**CANADA, 1931-1989**

**Infant deaths per 1,000 live births**



Source: Statistics Canada.

As well, in examining the major causes of death among children aged 1 to 14 years in urban Canada in 1986, Mr. Wilkins and Mr. Sherman found that about 40% of deaths resulted from accidents, 20% from tumours, 14% from congenital anomalies, 7% from nervous system diseases, and 5% from respiratory diseases. Moreover, for every death of a child due to accident there are about 70 admissions to hospital, while for every admission to hospital, there is a large, but unknown, number of injuries treated by out-patient services.<sup>31</sup> Dr. Geoff Dougherty, a pediatrician at the Montreal Children's Hospital, suggested to the Sub-Committee that all accidents are theoretically preventable by social, parental or adult action. While deaths in the perinatal period are substantially amenable to medical care, deaths due to violent events and injuries are not, and most occur before children reach the hospital. Finally, he noted that injury is now the most prominent health discrepancy between poor and wealthy children.<sup>32</sup>

<sup>31</sup> *Ibid.*, p. 5, 6.  
<sup>32</sup> *Proceedings*, Issue 13, p. 9, 17.

Chart 5 presents the leading causes of death among Canadian children, by age group, for 1988, and shows that the major causes of death for children under 1 year of age are congenital anomalies and perinatal conditions, while accidents are particularly significant for children aged 1 to 14 years.

## 2. The Effects on Educational Attainment

Poor health is not the only effect of child poverty. Poor children also have school drop-out rates which are 2.2 times higher than those of the non-poor, as well as poor school performance, more behaviour-related problems, lower attention span, increased truancy, poor attendance, erratic behaviour, hyperactivity, aggression, delayed cognitive development, lower achievement and low self-esteem. Since poor children are likely to have less education, they are more likely to encounter difficulty in gaining secure, well-paid employment and to become poor adults, with implications for social assistance, unemployment insurance, training, and other costs,<sup>33</sup> and for Canadian society in terms of lost productivity and, possibly, competitiveness in the international marketplace. The Senate report *Children in Poverty: Toward a Better Future* estimated that over the next 20 years, about 187,000 students will leave school because of poverty, with these drop-out rates leading to a cost of \$620 million in Unemployment Insurance benefits and an additional \$710 million in social assistance payments. If these drop-out rates were eliminated, it is estimated that federal and provincial income taxes would rise by \$7.2 billion, that consumption taxes would increase by \$1.15 billion, and that incomes would be \$23 billion if these drop-outs had gone on to complete an average level of education.<sup>34</sup>

Poor children's school performance may reflect hunger, which hinders their ability to concentrate on learning. The Sub-Committee received testimony from End Legislated Poverty, a British Columbia group, regarding the hunger of many school children. During a study in Nanaimo, it heard of one teacher who had students going back and forth to the water fountain throughout the day so that their stomach would feel full.<sup>35</sup>

Further, development delays can result from a lack of adequate nutrition. By Grade 4, many poor children are two years behind their peers; by Grade 7, the gap between poor children and their peers may be irreversible.<sup>36</sup>

Repeatedly, the Sub-Committee heard testimony regarding the hunger being experienced by poor children. The Canadian Association of Food Banks told the Sub-Committee that, in 1990, one in nine Canadian children used a food bank at least once during the year; the average use was 3.5 times per year. Further, the number of children using food banks is increasing. Whereas in March 1989 141,000 children used food banks on a monthly basis, the number had risen to 155,000 in March 1990, with estimates of 189,700 for the autumn of 1990. A recent estimate of food bank use

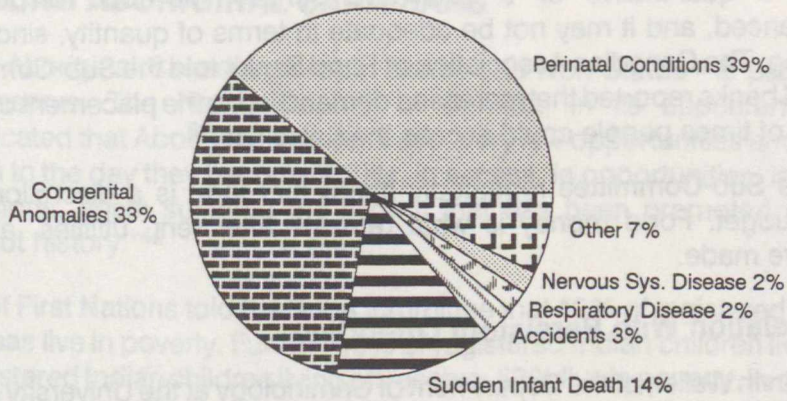
<sup>33</sup> Submission to the Sub-Committee by Mr. Ross and Mr. Shillington, 8 February 1990.

<sup>34</sup> The Senate of Canada, *Children in Poverty: Toward a Better Future*, January 1991, p. 5, 6.

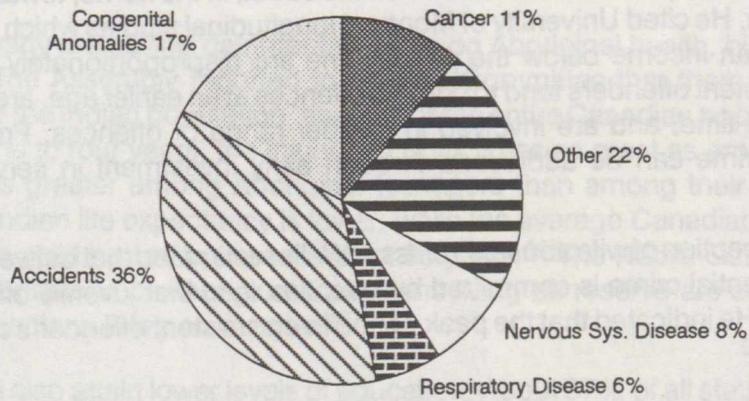
<sup>35</sup> *Proceedings*, Issue 9, p. 73.

<sup>36</sup> Child Welfare League of America/Canada, *Overview and Highlights of the Discussion Papers for the National Symposium on Canada's Children: The Priority for the 90s*, October 1991, p. 13.

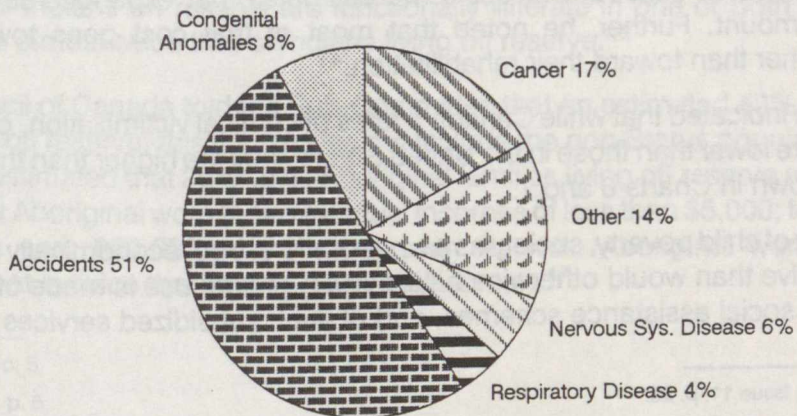
**CHART 5**  
**LEADING CAUSES OF DEATH**  
**AMONG CANADIAN CHILDREN, 1988**



**Children Under 1 Year**



**Children Aged 1 to 4 Years**



**Children Aged 5 to 14**

Source : Statistics Canada.

by children is 225,000 children per month. These numbers alone do not indicate the extent of hunger and use of food sources outside the home, since children and their families also obtain food through soup kitchens, drop-in centres, and breakfast programs, for which data are not collected, either in terms of numbers served or frequency of use.<sup>37</sup>

Further, the use of food banks does not necessarily imply that people are being adequately fed, either in a quantitative or a qualitative sense. The food dispersed may not be nutritionally balanced, and it may not be adequate in terms of quantity, since some food banks impose rationing. The Canadian Association of Food Banks told the Sub-Committee that, in 1990, 80% of the food banks reported that increased demand led to the placement of artificial restrictions on the number of times people could access their services.<sup>38</sup>

Finally, the Sub-Committee repeatedly heard that food is a discretionary item in a poor household's budget. Food money is what remains after rent, utilities, and any emergency expenditures are made.

### 3. The Correlation With Persistent Offending

Professor Irvin Waller, of the Department of Criminology at the University of Ottawa, indicated to the Sub-Committee that there is a sub-group of poor children who are disproportionately involved in all types of persistent offences — on the street, in the home, toward a stranger or toward a family member. He cited University of Montreal longitudinal studies which found that those living in families with an income below the poverty line are disproportionately involved in persistent offending. Persistent offenders tend to commit offences at an earlier age, are involved in crime for a longer period of time, and are involved in a wider range of offences. Professor Waller stated, however, that crime can be addressed through early investment in services or programs for children.<sup>39</sup>

With the exception of wife abuse, Professor Waller estimated that between 40% and 60% of all street and residential crime is committed by juveniles, and that juvenile offenders often become adult offenders. He indicated that the peak period in a persistent offender's career occurs between age 15 and 19.<sup>40</sup>

The cost of maintaining criminal offenders in institutions is significant. Professor Waller indicated that in Canada the per capita cost of adult detention is between \$40,000 and \$50,000 annually, exclusive of construction costs; he estimates that expenditures on juveniles would exceed this amount. Further, he noted that most of that cost goes toward housing these individuals, rather than toward their rehabilitation.<sup>41</sup>

Finally, he indicated that while Canada's rates of criminal victimization, crime rates and rates of prison use are lower than those in the United States, they are higher than the rates in Japan and Europe, as shown in Charts 6 and 7.

As a result of child poverty, society as a whole suffers, both economically and socially: society is less productive than would otherwise be the case; greater use is made of the unemployment insurance and social assistance schemes, and of such subsidized services as day care, health

<sup>37</sup> *Proceedings*, Issue 11, p. 25.

<sup>38</sup> *Ibid.*, p. 27.

<sup>39</sup> *Proceedings*, Issue 13, p. 23, 25.

<sup>40</sup> *Ibid.*, p. 26.

<sup>41</sup> *Ibid.*, p. 25, 26.



care and housing; greater burdens are placed on our justice system and the prisons; and the future generation grows up stigmatized, marginalized and deprived. These costs must be avoided in the future. The preventable causes of poverty must be addressed, and there must be equal opportunities for all Canadians. Children are a resource that society cannot afford to waste.

## F. POVERTY AMONG ABORIGINAL CANADIANS

Poverty among Aboriginal Canadians—both Status and Non-Status—is particularly acute, both on and off reserve. The Native Council of Canada, in its appearance before the Sub-Committee, indicated that Aboriginal children have “very few opportunities and chances from the day they are born to the day they become adults, in access, in opportunities, in development, training, the professions, again suffering the stigma that has been promoted and reinforced continually throughout history.”<sup>42</sup>

The Assembly of First Nations told the Sub-Committee that 40% of registered Indian families in rural and urban areas live in poverty. Further, 48% of registered Indian children living on reserve are poor; among registered Indian children living off reserve, 53% live in poverty. In sum, registered Indian children, both on and off reserve, are at least 2.5 times as likely to be poor as are non-Aboriginal children.<sup>43</sup>

These rates of poverty are having detrimental effects on Aboriginal health, birth weights and infant mortality rates. The Assembly reported to the Sub-Committee that there are 17.4 infant deaths per thousand for the Indian population, and 7.9 for the entire Canadian population. Among Indian children aged one to four years, the injury rate is six times as great as among non-Indian children; it is four times greater among Aboriginal teenagers than among their non-Aboriginal counterparts. Further, Indian life expectancy is lower; while the average Canadian is expected to live to age 76, an Indian child has a life expectancy of 68 years.<sup>44</sup> The Native Council of Canada noted that the health conditions of Aboriginal Canadians living off reserve are even worse than those of Aboriginal Canadians living on reserve.<sup>45</sup>

Aboriginal children also attain lower levels of education. About 37% of all status Indians have less than grade 9 education, while the average rate for Canada is 17%. Although 28% of all status Indians have at least high school education, such is the case for 56% of all Canadians. Finally, approximately 45% of Indians on reserve are functionally illiterate in one or both of the official languages; this rate is almost twice that of Indians living off reserve.<sup>46</sup>

The Native Council of Canada told the Sub-Committee that an estimated 40% of the Status Native population live off reserve; this figure does not include the non-Status population living off reserve. Further, it is estimated that 20% of all Aboriginal families living off reserve are headed by women, and that most Aboriginal women have annual incomes of less than \$5,000; fewer than 5% of Aboriginal women earn \$20,000 or more per year. As well, Aboriginal women have an unemployment rate that is twice that of non-Aboriginal women.<sup>47</sup>

<sup>42</sup> *Proceedings*, Issue 9, p. 5.

<sup>43</sup> *Proceedings* Issue 11, p. 5.

<sup>44</sup> *Ibid.*

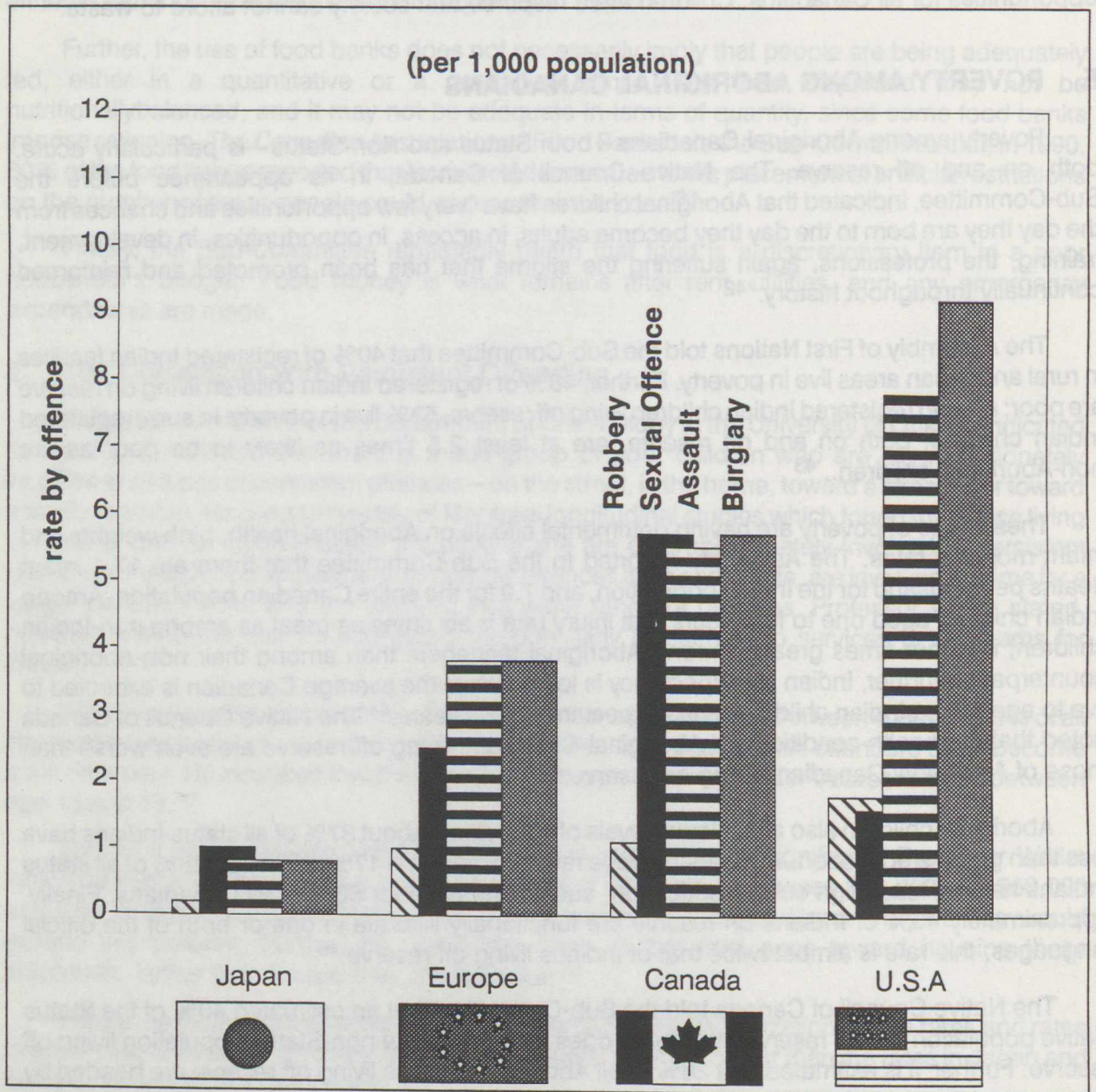
<sup>45</sup> *Proceedings*, Issue 9, p. 6.

<sup>46</sup> *Proceedings*, Issue 11, p. 5.

<sup>47</sup> *Proceedings*, Issue 9, p. 6.

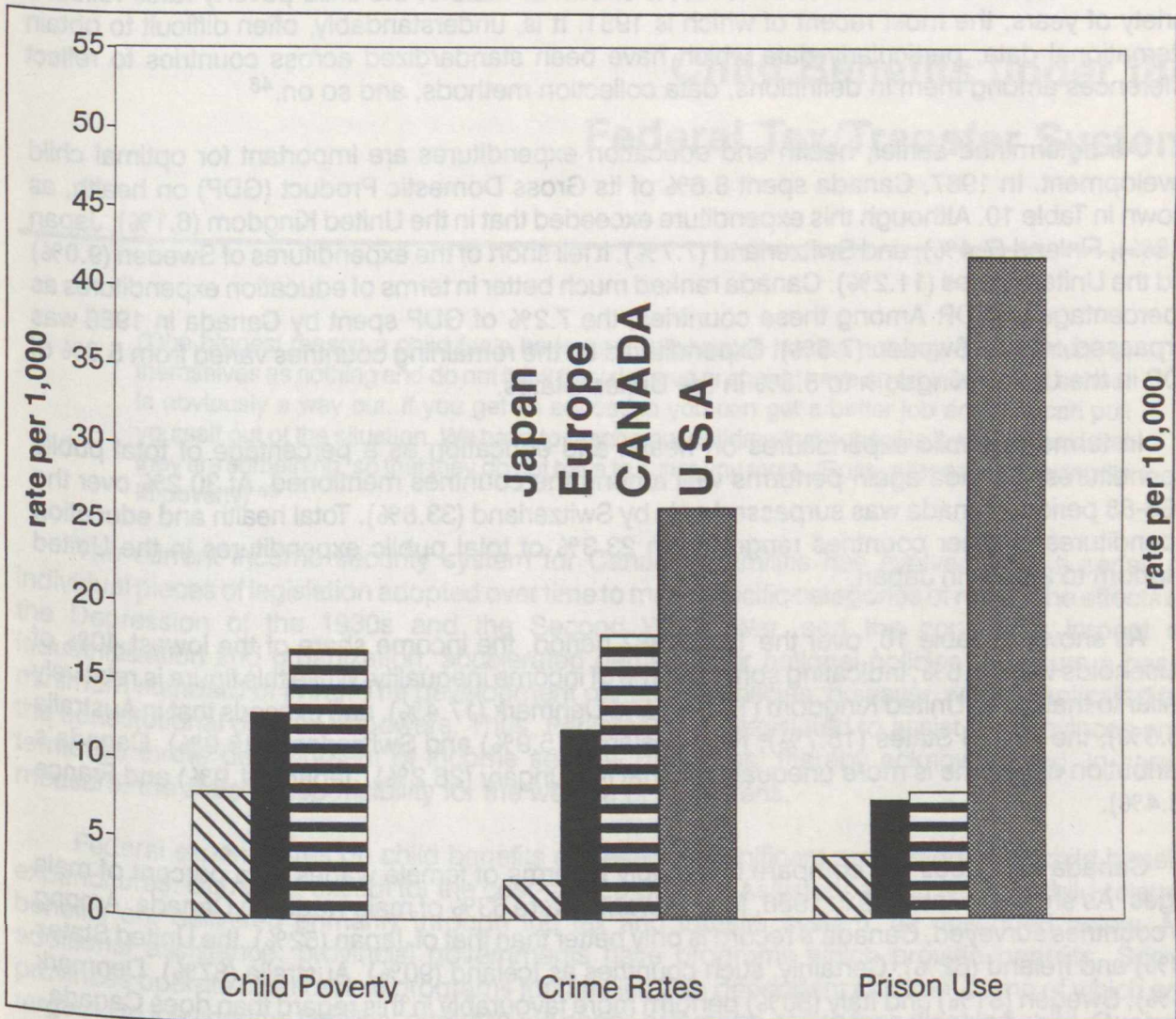
## CHART 6

### CRIMINAL VICTIMIZATION



Source: Submission to the Sub-Committee by Professor Irvin Waller, 20 March 1991.

**CHART 7**  
**CHILD POVERTY, CRIME AND PRISON USE**



Source: Submission to the Sub-Committee by Professor Irvin Waller, 20 March 1991.

Both the Native Council of Canada and the Assembly of First Nations expressed a desire to co-operate with governments and to co-manage, if sole management is not possible, programs and services. They want employment, development and other opportunities that will allow them to become self-sufficient.

### G. AN INTERNATIONAL PERSPECTIVE

Internationally, Canada does well in some areas, while less well in others. For example, as shown in Table 8, the Canadian infant mortality rate as a percent of live births, at 0.71 in 1989, ranked third among the seven industrial countries of the Organization for Economic Co-operation and Development (OECD); it ranked behind Japan (0.46) and the Netherlands (0.68), but ahead of France (0.75), Germany (0.75), the United Kingdom (0.84) and the United States (0.97). Among all OECD member countries, the rate in Canada also lagged that in Iceland (0.53), Sweden (0.58) and Finland (0.61).

Further, Canada (16.8%) also lagged Sweden (5.2%) in terms of rates of child poverty in 1981, as shown in Table 9. Again, however, the Canadian rate was significantly lower than that in the United States, which was 24.1% in 1979. As shown in Table 9, the child poverty rates reflect a variety of years, the most recent of which is 1981. It is, understandably, often difficult to obtain international data, particularly data which have been standardized across countries to reflect differences among them in definitions, data collection methods, and so on.<sup>48</sup>

As determined earlier, health and education expenditures are important for optimal child development. In 1987, Canada spent 8.6% of its Gross Domestic Product (GDP) on health, as shown in Table 10. Although this expenditure exceeded that in the United Kingdom (6.1%), Japan (6.8%), Finland (7.4%), and Switzerland (7.7%), it fell short of the expenditures of Sweden (9.0%) and the United States (11.2%). Canada ranked much better in terms of education expenditures as a percentage of GDP. Among these countries, the 7.2% of GDP spent by Canada in 1986 was surpassed only by Sweden (7.5%). Expenditures by the remaining countries varied from 5.0% of GDP in the United Kingdom to 6.8% in the United States.

In terms of public expenditures on health and education as a percentage of total public expenditures, Canada again performs well among the countries mentioned. At 30.2% over the 1986-88 period, Canada was surpassed only by Switzerland (33.8%). Total health and education expenditures in other countries ranged from 23.3% of total public expenditures in the United Kingdom to 28.5% in Japan.

As shown in Table 10, over the 1980-1987 period, the income share of the lowest 40% of households was 17.5%, indicating some degree of income inequality. While this figure is relatively similar to that of the United Kingdom (17.3%) and Denmark (17.4%), and exceeds that in Australia (15.5%), the United States (15.7%), New Zealand (15.9%) and Switzerland (16.9%), Canada's distribution of income is more unequal than that in Hungary (26.2%), Japan (21.9%) and France (18.4%).

Canada also does not compare favourably in terms of female wages as a percent of male wages. As shown in Table 10 in 1986, female wages were 63% of male wages in Canada. Among the countries surveyed, Canada's record is only better than that of Japan (52%), the United States (59%) and Ireland (62%). Certainly, such countries as Iceland (90%), Australia (87%), Denmark (84%), Sweden (81%) and Italy (80%) perform more favourably in this regard than does Canada.

While Canada performs relatively well internationally in terms of health and education expenditures as a percentage of GDP and of total public expenditures, improvements could be made in such areas as the degree of income inequality, female wages relative to those of males, the rate of child poverty and the rate of infant mortality which, although higher than the rate in some other countries, continues to decline in Canada as shown in Chart 4.

<sup>48</sup> The child poverty rates in Table 9 date from 1979 to 1981.

## CHAPTER TWO

# Child Benefits under the Federal Tax/Transfer System

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(T)he biggest reason a child feels he is poor is because he has nothing. So they think of themselves as nothing and do not think they deserve or should have an education. But school is obviously a way out. If you get an education you can get a better job and you can pull yourself out of the situation. We have to teach poor children that school is a way out and that they are something, so that they do not have to suffer any more. (Ross, a teenager growing up in poverty) <sup>49</sup>

The current income security system for Canadian families has evolved from a series of individual pieces of legislation adopted over time to meet specific categories of need. The effects of the Depression of the 1930s and the Second World War, and the continuing impact of industrialization and urbanization, accelerated demands for national policies to ensure a basic minimum standard of living. The development of national policies, however, was complicated by the constitutional division of powers. Thus, Parliament has legislated to assist the provinces and territories in the development of income security measures, thereby acknowledging, in some measure, the state's responsibility for the welfare of its citizens.

Federal expenditures on child benefits represent a significant proportion of all child benefit expenditures. Currently, except for the cost-shared Canada Assistance Plan, federal child-related benefits are delivered primarily through the tax and transfer system, as described below. As additional assistance, provincial governments have programs which provide benefits. Some provinces operate cash benefit programs for families with dependent children, some of which are targeted to low-income families, others to the needs of families caring for a disabled child. Quebec operates its own provincial Family Allowances program. As well, various provinces offer programs that assist low-income families and individuals in meeting the cost of property and/or school taxes, rental costs and the general cost of living.

### A. THE CANADA ASSISTANCE PLAN

In the 1965 Speech from the Throne, the Canada Assistance Plan (CAP) was one of five elements in a program designed to abolish poverty in Canada. The Plan was intended to give the provinces and territories an incentive to integrate diverse programs, including those for unemployment assistance, blind persons and disabled persons, into a single, comprehensive system for social assistance.

<sup>49</sup> Proceedings, Issue 13, p. 36.

Under the CAP, the federal government enters into agreements with the provinces and territories to share equally the costs incurred by them in providing:

- assistance to needy persons;
- welfare services to needy persons and persons likely to be in need unless such services are provided; and
- work activity projects designed to improve the employability of persons with unusual difficulty in finding or retaining jobs, or in undertaking job training.

Although the federal government specifies the terms for cost sharing, the design and administration of a particular plan or program is the responsibility of the province or territory, and its municipalities. The CAP's flexibility, as well as regional diversity across Canada, have essentially resulted in a unique welfare system in each of the 12 provincial and territorial jurisdictions, with essentially no national standard. As well, Nova Scotia, Manitoba and Ontario have two-tier welfare systems, whereby the provincial government assumes responsibility for certain recipients, generally those considered to be unemployable, and municipal governments are responsible for other categories of recipients, generally those considered to be employable.

Essentially, the federal government influences program design choices via the *Canada Assistance Plan Act* and Regulations, which exclude from cost-sharing all educational, correctional and recreational services, and services such as health care that other federal programs, such as Established Program Financing, are required to cover.

Provinces are eligible for assistance under the Plan or:

- the basic requirements of food, shelter, clothing, fuel, utilities, household supplies and personal requirements;
- items incidental to carrying on a trade or other employment, such as permits and tools, and items necessary for the safety, well-being or rehabilitation of a needy person, such as essential repairs or alterations to property, and items required by disabled persons;
- certain welfare services purchased by, or at the request of, a provincially-approved agency, such as day care;
- care in homes for special care, such as child care facilities, hostels for battered women and children, nursing homes and homes for the aged;
- certain health care costs not covered under universal provincial health care programs or under the *Canada Health Act*, such as drugs and dental care; and
- the cost of maintaining children in foster homes.

Welfare services, which attempt to lessen, remove or prevent the causes and effects of poverty, child neglect or dependence on public assistance, include:

- day care services for children;
- homemaker, home support and similar services as support in emergency situations or as an aid to independent community living for the aged and the disabled;
- casework, counselling, assessment and referral services;
- adoption services;

- rehabilitation services, including services to the chronically unemployed and to meet the special needs of persons at risk of being socially isolated, particularly the aged, and the physically and mentally disabled;
- community development services to encourage and assist members of deprived communities to improve their community's social and economic conditions;
- consulting, research and evaluation services with regard to welfare programs; and
- administrative services with regard to the delivery of assistance and welfare services programs.

These services may be extended to low-income persons, in addition to welfare recipients.

Finally, other cost-shared projects are designed to improve motivation and capacity to work, and to prepare project participants for entry or re-entry to employment. Participants acquire work experience and may receive counselling or treatment for behavioural problems.

To be eligible for cost-sharing assistance, the provinces and territories must:

- base eligibility for assistance on need alone, irrespective of its cause;
- use a needs test when calculating eligibility and payments;
- not require a period of residence in the province or in Canada as a condition of eligibility for assistance; and
- operate an appeals procedure for decisions made with respect to social assistance, and inform recipients of their right to appeal.

Although in determining eligibility for assistance all provinces and territories employ a "needs test," which compares a household's income and fixed and liquid assets with its budgetary requirements, the jurisdictions differ in the maximum allowable fixed and liquid asset levels that are exempt, and the treatment of fixed assets. Nevertheless, in order to qualify for cost-sharing under the CAP, allowable liquid asset levels cannot exceed those established by the federal government. In fact, the levels permitted by most provinces and territories are below the federal maximum levels and are highly variable from jurisdiction to jurisdiction, as shown in Table 11 for December 1990. Nevertheless, in that month Ontario and Newfoundland had liquid asset levels which matched those of the federal government for applicants for long-term assistance, and Nova Scotia and Alberta permitted the maximum levels for those with disabilities.<sup>50</sup> In establishing these levels, a distinction is often made between unemployable and employable recipients, and between a single person and a family.

Further, while the majority of provinces and territories do not consider Family Allowance, Child Tax Credit and Sales Tax Credit benefits as available for the support of the applicant, Saskatchewan does not exempt the value of Family Allowance benefits. Quebec exempts government transfer payments in its calculation of benefits, but takes them into account when determining rates of assistance.<sup>51</sup>

Each province and territory uses a different method of calculating basic social assistance. Extra assistance may be available to applicants who have special needs, including a requirement for medication, prosthetic devices, technical aids and equipment, special clothing, and dental

<sup>50</sup> National Council of Welfare, *Welfare Incomes* 1990, Autumn 1991, p. 3.

<sup>51</sup> *Ibid.*, p. 7.

care. In some instances, only a portion of an item's cost is covered. There is no requirement that all provinces and territories provide extra assistance for the same special needs, and Ontario's municipalities may, but are not required to, make special assistance available for designated special needs. Further, across Canada assistance for special needs is granted at the discretion of welfare workers. Finally, with the two-tier welfare systems, municipalities in Nova Scotia and Manitoba determine their own levels of assistance, while Ontario municipalities must conform to standard provincial rates for basic welfare assistance, but they are given wide latitude with regard to the provision of special assistance.<sup>52</sup>

Finally, each province and territory permits welfare recipients to retain a certain amount of earned income without any reduction in the value of their welfare benefits. These allowable earnings exemptions vary by family size and, in some instances, by employability. Some provinces recognize certain work-related expenses in their calculation of allowable earnings, as shown in Table 12 for December 1990. The provinces and territories are expected to fall within federal guidelines with regard to earnings exemption levels.<sup>53</sup> Earned income that exceeds the exemption level is subject to "taxback or reduction rates." In 1985, the federal government made special provision for cost-sharing in programs with enhanced earnings exemption levels. It is hoped that this measure leads to greater labour force participation by employable welfare recipients.

These, and other factors, indicate variable treatment of social assistance recipients across and within provinces and territories, and over time. While this variability does allow the provinces and territories flexibility to meet their unique requirements and to provide for extenuating circumstances and special situations, it permits dramatic variation in the standard of living and services available to welfare recipients across Canada. Annual basic and special assistance, as a proportion of 1986-based low-income cut-offs, for a couple with two children, ranged from 34.5% in New Brunswick to 62.0% in Prince Edward Island in 1990, as shown in Table 13.

The 20 February 1990 federal budget proposed a two-year limit on the rate of growth in CAP transfers to those provinces not receiving fiscal equalization payments – currently, Ontario, British Columbia and Alberta. This 5% annual growth limit was predicted to lead to federal savings of \$75 million in 1990-91 and \$80 million in 1991-92, although these figures were revised in May 1990 to \$147 million and \$154 million respectively. Despite these federal estimates, it has been forecast that the cost for Ontario for 1990-91 is \$310 million, and \$510 million is forecast for 1991-92. Alberta, while expecting no loss in 1990-91, has predicted a significant loss in 1991-92. Finally, while British Columbia expected a \$45 million loss in 1990-91, it had not forecast its loss for 1991-92.<sup>54</sup>

Following the budget announcement, British Columbia, with the support of Ontario, Alberta, Saskatchewan, Manitoba, the Native Council of Canada, and the United Native Nations of British Columbia, challenged the right of the federal government to change the CAP agreements unilaterally, without provincial consent. In a 15 June 1990 decision, the British Columbia Court of Appeal ruled unanimously that the federal government does not have the right to limit its obligation to contribute 50% of the cost of the CAP. On 18 June 1990 the federal government announced that it was appealing this decision to the Supreme Court of Canada. The Court heard arguments on 11-12 December 1990 and ruled on 15 August 1991. In overturning the decision of the British Columbia Court of Appeal, Supreme Court Justice John Sopinka said that "a government is not bound by the undertakings of its predecessor" and rejected the argument that the federal government had acted illegally in moving to amend the Plan without provincial consent.

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<sup>52</sup> *Ibid.*, p. 9, 11.

<sup>53</sup> *Ibid.*, p. 41, 42.

<sup>54</sup> National Council of Welfare, *The Canada Assistance Plan: No Time for Cuts*, Winter 1991, p. 18.



This restraint on the rate of growth of CAP transfers to the provinces not receiving fiscal equalization payments was extended on 26 February 1991 when the federal Budget indicated that the limits would continue for an additional three years to the end of the 1994-95 fiscal year. With estimated savings in 1992-93 of \$365 million, the federal government has predicted that the savings resulting from the five years of restraint will total in excess of \$2.1 billion.

The 1991-92 Estimates (Part III Expenditure Plan) for Health and Welfare Canada indicates that, in the 1989-1990 fiscal year, federal government transfers to the provinces and territories under the Canada Assistance Plan totalled almost \$4.89 billion, of which \$126.9 million, or 2.6%, was allocated to child welfare.

## B. THE FAMILY ALLOWANCE PROGRAM

Although the subject of family allowances was investigated by a federal Parliamentary Committee in 1929, conflicting evidence was presented to the Committee. In view of that evidence and in the absence of any broad public support, the Committee decided that the matter required further study and that the question of federal-provincial jurisdiction would have to be settled before any action could be taken. Despite some continued interest in the early 1930s, the subject was not discussed extensively again until the World War II era. In particular, the labour movement and some social workers were opposed to the family allowance concept because they thought that such allowances might be used to depress wages. Nevertheless, the *Family Allowances Act* was passed in 1944. In part, the program was intended as a means to stimulate consumer spending following World War II.

The main objective of the Family Allowances program, first implemented in July 1945, is to provide parents of dependent children with financial assistance to help them meet child-rearing costs. The program also includes a Special Allowance paid on behalf of children who are maintained by a welfare agency, a government department or an institution. When first implemented, the universal payment was made for all children up to 16 years of age who attended school and met certain residency requirements; the value of the benefit varied from \$5 to \$8 per child per month, depending on the age of the child. Reduced benefits were paid for the fifth and succeeding children, although this provision was removed in 1949. In 1964, a Youth Allowance was introduced to provide payments for children aged 16 to 17 years who were in full-time attendance at an educational institution. The allowance had a monthly value of \$10 per child.

In 1970, the federal government proposed an income-related program that would help low-income families by providing larger benefits for them but eliminating benefits completely for all families with annual incomes in excess of \$10,000. It sought to transform the Family Allowance program into an income-tested Family Income Security Plan. The plan did not pass the House of Commons prior to the 1972 election, and was not re-introduced.

Significant changes to the program did occur with the passage of a new *Family Allowances Act* in December 1973, which became effective 1 January 1974 and subsumed the previous Act governing Family and Youth Allowances. The age of eligibility was raised to 18 years, and the amount of the monthly benefit increased to \$20 per month per child, up from a monthly benefit of \$12 per child in October 1973. Payments became indexed annually, and became taxable income for income tax purposes.

In 1974, provinces were permitted to vary the amount of the Family Allowance payment to families according to the age of the child(ren), as is currently done in Alberta, the number of children, or both the age and the number of children, as is the case in Quebec. This flexibility is permitted subject to a requirement that, over a four-year period, the average total payments in the province must be the same as if the federal rate had been in effect, and that the smallest monthly payment must be at least 60% of the federal rate per child. The provinces are not, however, permitted to vary the amount of the Special Allowance payment.

Except for 1976 and 1979, the Family Allowance rates were generally increased annually over the 1974 to 1982 period to reflect any increase in the cost of living. In 1976, the indexation of Family Allowance benefits was suspended for one year, while in 1979 the monthly benefit was reduced from \$25.68 to \$20 when the refundable Child Tax Credit was introduced, with the \$20 indexed to determine the amount of the benefit for 1980. The Special Allowance rate was not affected by this reduction and is now higher than the Family Allowance rate, although they were the same in 1979. In accordance with the federal government's restraint program, indexation of Family Allowance benefits was limited to 6% in 1983 and 5% in 1984; the Special Allowance rate, however, continued to rise based on the full increase in the cost of living. Although normal indexation was resumed in 1985, for 1986 and subsequent years the benefit rates have been indexed to the increase in the cost of living in excess of 3%.

In the April 1989 budget, the federal government stated its intention to recover Family Allowance payments from higher-income individuals. Such persons would repay benefits at a rate of 15% of individual net income exceeding \$50,000. At that time, it was indicated that the measure would be phased in over a three-year period, with actual repayments in 1989 equal to one-third of the amount repayable, with increases to two-thirds in 1990 and to the full amount in 1991. For 1990 and subsequent taxation years, the \$50,000 threshold is indexed to increases in the cost of living exceeding 3%. The government has indicated that the level of the threshold will be reviewed periodically and adjusted as appropriate.

In 1991, the monthly value of the Family Allowance benefit is \$33.93 per child, while the Special Allowance totals \$50.61 per month. Given the recovery of payments from higher-income parents, and assuming a \$50,000 threshold for 1991, families with two children will lose all Family Allowance benefits once the higher-income parent's income exceeds \$55,428.80. In 1990, nearly 6.7 million children in just over 3.7 million families received Family Allowance benefits.

Table 14 presents the evolution of the value of benefits under the Family Allowance program from its inception to 1991. Over the 1945 to 1949 period, the amount of the benefit was related to both the age of the child and the number of children; beginning in April 1949, it became related to age. In October 1973, when the allowance became a flat-rate amount, each eligible child received \$12.00 per month.

In 1974, the annual Family Allowance payment per child represented 1.6% of average family income. In 1989, the payment represented 0.8% of average family income.

### **C. THE REFUNDABLE CHILD TAX CREDIT**

Through amendments to the *Family Allowances Act* and the *Income Tax Act*, the refundable Child Tax Credit program became effective in 1979, for the 1978 taxation year. As mentioned earlier, this program was accompanied by a reduction in the monthly benefits paid under the Family Allowance program. Designed to provide additional assistance to low- and middle-income

families to meet the costs of raising families, in that year such families received an income tax refund of up to \$200 per child, with the full benefit for each child reduced by \$0.05 for every \$1 of net family income above a threshold of \$18,000.

The income threshold increased over time, reflecting changes in the cost of living, until it reached a value of \$26,330 in 1982. It remained frozen at this level until 1986, when it was reduced to \$23,500 before beginning to rise again. Currently, it is indexed to increases in the cost of living in excess of 3%. Over this period, the maximum credit also increased, except in 1983, when it remained at the 1982 level. The credit payable for the 1982 taxation year was increased by \$50 above the normal cost-of-living increase in order to protect low- and middle-income families from any losses due to inflation above the 6% and 5% levels for 1983 and 1984, respectively, imposed under the federal government's restraint program. This increase brought the maximum credit to \$343, and although the increase was to have been a "one-time-only" rise, the maximum credit and income threshold remained the same for the 1983 taxation year. Legislation effective 1 January 1986 increased the maximum credit by \$140 per child over a three-year period.

To further assist low- and middle-income families, and to recognize the contribution of parents who care for their child(ren) at home, effective at the beginning of the 1988 taxation year, a supplement became payable for each child aged 6 years and younger at the end of that year; the supplement for each eligible child is reduced by 25% of the Child Care Expense Deduction claimed for that child in that year. The supplement, with a maximum value of \$100 in 1988, was increased to \$200 in 1989. Beginning with the 1990 taxation year, this supplement and the credit are indexed to increases in the cost of living in excess of 3%.

Beginning in 1986, an annual prepayment of the credit has been payable to eligible families in November. Since the 1988 taxation year, the amount of the prepayment, and the prepayment income threshold, have been set at approximately two-thirds of the credit, or the credit plus supplement, to which the family is entitled. The balance of the credit is obtained by filing an income tax return for the current year.

Further, the February 1990 budget, noting the lack of a provision for larger families, proposed that families with at least three children be entitled to the prepayment, provided that their incomes do not exceed the income threshold for the year.

For families with taxable income, the credit reduces the taxes payable. For families whose taxes are less than the value of the credit, a non-taxable lump-sum payment is made.

In 1991, the value of the refundable Child Tax Credit, per child, is \$585; the supplement has a value of \$207 per child. Families with two children, both of whom are aged 7 years or older, will lose all of the refundable Child Tax Credit once net family income exceeds \$48,615, given an income threshold of \$25,215 for 1991.

Table 15 presents the change in the value of the refundable Child Tax Credit from its implementation for the 1978 taxation year to the present.

In 1978, the maximum value of the refundable Child Tax Credit per child represented 0.9% of average family income. In 1989, the maximum value of the credit, excluding the supplement for young children, represented 1.1% of average family income.

## **D. THE NON-REFUNDABLE CREDITS**

### **1. The Non-Refundable Child Tax Credit (Dependent Child Credit)**

Deductions from taxable income for dependent children were permitted in Canada as early as 1918. The original purpose of the provision was to provide fairness, through the tax system, for taxpayers with and without children. Child Tax Exemptions, originally valued at \$200 for each child under the age of 16, increased in value in 1927 to \$500 per child, and the exemption was extended to all children under the age of 21; the value of the exemption was, however, reduced to \$400 in 1933. Exemptions were abandoned over the 1942 to 1946 period in favour of a non-refundable tax credit of \$80 per child; however, they were re-introduced in 1947, with a value of \$100 for children who qualified for Family Allowance benefits, and of \$300 for children who did not, most of whom were children aged 16 and 17 years.

In addition to these changes in the value of the exemption, indexation was introduced in 1974 as part of the indexing of the personal income tax. As with many other benefits, increases in the value of the exemption were limited to 6% in 1983 and 5% in 1984, as part of the federal government's restraint program. Further, in 1984 the value of the exemption became frozen at \$710 for each child under age 18; the 1985 Budget announced a phased decrease in the credit to \$560 for the 1987 taxation year, \$470 for 1988 and an amount equal to the Family Allowance benefit for 1989 and onward. Coincident with this decline was an increase in the value of the refundable Child Tax Credit.

In 1988, however, as part of tax reform the Child Tax Exemption was replaced by the non-refundable Child Tax Credit. Families who do not owe income taxes do not receive any benefit from this credit. (dependent child credit) The credit is indexed annually by the amount of inflation in excess of 3%. In 1988, the effective federal value of the credit was almost \$66 for each of the first two children, and approximately \$132 for the third and subsequent children. These amounts were increased in 1989 to about \$67 and \$133 respectively. In 1990, the credit had an effective federal value of about \$68 for the first and second child, and \$136 for the third and each subsequent child. These figures compare with an effective federal value for 1990 of about \$1,049 for the personal credit, \$874 for the married/equivalent-to-married credit, \$566 for the age credit and \$257 for the credit for dependents who are infirm.

Table 16 provides the evolution of the value of this credit, as well as other non-refundable credits, over the 1963-1990 period.

In 1961, at the average family income level, the value of the benefit was 0.63% of family income; in 1989, the value of the benefit was 0.13% of average family income.

### **2. The Non-Refundable Married or Equivalent-to-Married Credit**

The Equivalent-to-Married Exemption, along with the Married Exemption and the Child Tax Exemption, was introduced in 1918. As part of tax reform, the Married/Equivalent-to-Married Exemption became a credit in 1988. This credit is of value to families with a dependent spouse, and is of particular benefit to single parents, who can claim an equivalent credit in respect of one child; other child(ren) are covered under the lower-valued non-refundable Child Tax Credit, formerly the Child Tax Exemption. In essence, the Equivalent-to-Married Credit provides an above-normal child credit for single-parents. In particular, it is of benefit to single mothers, since most single-parent families are female-led.

In 1987, the exemption had a value of \$3,700. With tax reform, the credit had a value of \$850 in 1988. In 1990, the credit's value was \$877. Like other benefits, the credit's value is partially de-indexed, increasing by the cost of living in excess of 3%. As this is a non-refundable credit, families who do not owe income taxes do not receive any benefit from this credit.

In 1961, at the average family income level, the value of the benefit was 2.5% of family income; in 1989, the value of the benefit was 1.7% of average family income.

## **E. THE CHILD CARE EXPENSE DEDUCTION**

Through the Child Care Expense Deduction, first introduced in December 1971, a lone parent or the spouse with the lower income can claim receipted child care expenses incurred while the spouse or parent is earning an income or undertaking training. Although the deduction was originally designed only for lone-parent families, as more mothers entered the labour force it came to be considered as an employment expense deduction to enable both parents to be part of the labour force or a training program. It was designed to offset the extra costs of child care when no parent is available to stay home with the child(ren).

As shown in Table 17, from 1972 to 1975, the Child Care Expense Deduction had a value of \$500 per child, up to \$2,000 per family; increases for the 1976 to 1982 period doubled both the value of the deduction per child and the maximum per family, to \$1,000 and \$4,000 respectively. For the 1983 to 1987 period, a maximum deduction of \$2,000 per child was permitted, up to an \$8,000 family limit. For 1988 and subsequent tax years, up to \$4,000 can be deducted for each child under age 7 at year end, or for a child of any age who has a severe and prolonged mental or physical impairment; a maximum of \$2,000 can be deducted for children aged 7 to 14 years. The maximum limit of \$8,000 per family was removed to ensure that the costs paid by larger families are more adequately recognized.

The Child Care Expense Deduction is of the greatest benefit to those who are subject to the highest marginal tax rates; that is, to those with the highest levels of income.

In the 1988 taxation year, there were 578,870 claims made for 920,110 children. Allowable child care deductions in that year totalled just over \$1.2 billion.

In 1972, the reduction in the tax bill, for the lower-income earner of a couple at the average family income, represented 0.9% of family income; in 1989, the reduction in the tax bill represented almost 1.4% of average family income.

## **F. THE REFUNDABLE GOODS AND SERVICES TAX CREDIT**

In Canada, refundable Sales Tax Credits have existed since 1986. When first introduced, for 1986 and 1987 the credit had a value of \$50 per adult and \$25 per child, with the value of the credit reduced by \$5 for every \$100 of net income in excess of a \$15,000 threshold. Increases in 1988 through 1990 led to a maximum credit value of \$70 per adult, \$35 per child and a threshold of \$16,000 in 1988, \$100 per adult and \$50 per child with the income threshold unchanged in 1989, and \$140 per adult, \$70 per child and an income threshold of \$18,000 in 1990. It was paid annually.

In 1991, the federal Sales Tax Credit was replaced by the refundable Goods and Services Tax Credit aimed at alleviating the effect of consumption taxes on lower-income Canadians. Currently, the credit has a value of \$190 per adult and \$100 per child, reduced by \$5 for every \$100 of net

income in excess of a \$24,800 threshold. Unlike its predecessor, the credit is paid quarterly. However, like the federal Sales Tax Credit, the value of the credit and the income threshold are indexed to increases in the cost-of-living in excess of 3%.

Certain additional credits are available to single parents and single individuals. Single parents are able to claim the full adult credit for one dependent child in lieu of the child credit and, like single individuals, can claim an additional credit of up to \$100; it is payable at the rate of 2% of income in excess of \$6,169, up to this maximum. This credit is given in recognition of the economies of scale associated with maintaining a household, and the fact that single-member households incur proportionately higher costs than do larger households.

The income threshold and credit levels are to be reviewed periodically and adjusted as appropriate.

In 1986, the refundable Sales Tax Credit per child represented 0.06% of average family income; in 1989, the credit per child represented almost 0.10% of average family income. If average family income in 1991 is \$55,636, the refundable Goods and Services Tax Credit of \$100 per child will represent 0.18% of average family income.

## G. CONCLUSION

What child benefits under the federal tax/transfer system are claimed by families (Column 1) and what is their impact on net income (Column 2)? Assume that all families are dual earner, have two children aged 7 and 9, that child care expenses of \$4,000 are claimed and that the median family income for 1990 is \$49,390, with 60% of that income earned by the head of the family and 40% earned by the second earner in the family. The values in Column 1 represent the amount claimed on the income tax form; the values in Column 2 reflect both the federal and provincial tax impact, using Ontario as an example.

	COLUMN 1	COLUMN 2
<b>FAMILY 1:</b>		
Family Income of \$24,695 (One-half of the median family income)		
Family Allowance:	\$ 799.92	\$ 443.00
Non-refundable Child Tax Credit:	798.00 (x 0.17 = 135.66)	362.00
Refundable Child Tax Credit:	1,150.00	1,150.00
Refundable Federal Sales Tax Credit:	245.25	245.25
Child Care Expense Deduction:	4,000.00 (claimed)	697.00 (tax impact)
<b>TOTAL</b>		<b>\$ 2,652.00</b>
<b>FAMILY 2:</b>		
Family Income of \$49,390 (The median family income)		
Family Allowance:	\$ 799.92	\$ 439.00
Non-refundable Child Tax Credit:	798.00 (x 0.17 = 135.66)	217.00
Refundable Child Tax Credit:	78.95	78.95
Refundable Federal Sales Tax Credit:	0.00	0.00
Child Care Expense Deduction:	4,000.00 (claimed)	1,705.00 (tax impact)
<b>TOTAL</b>		<b>\$ 2,439.95</b>

COLUMN 1

COLUMN 2

**FAMILY 3:**

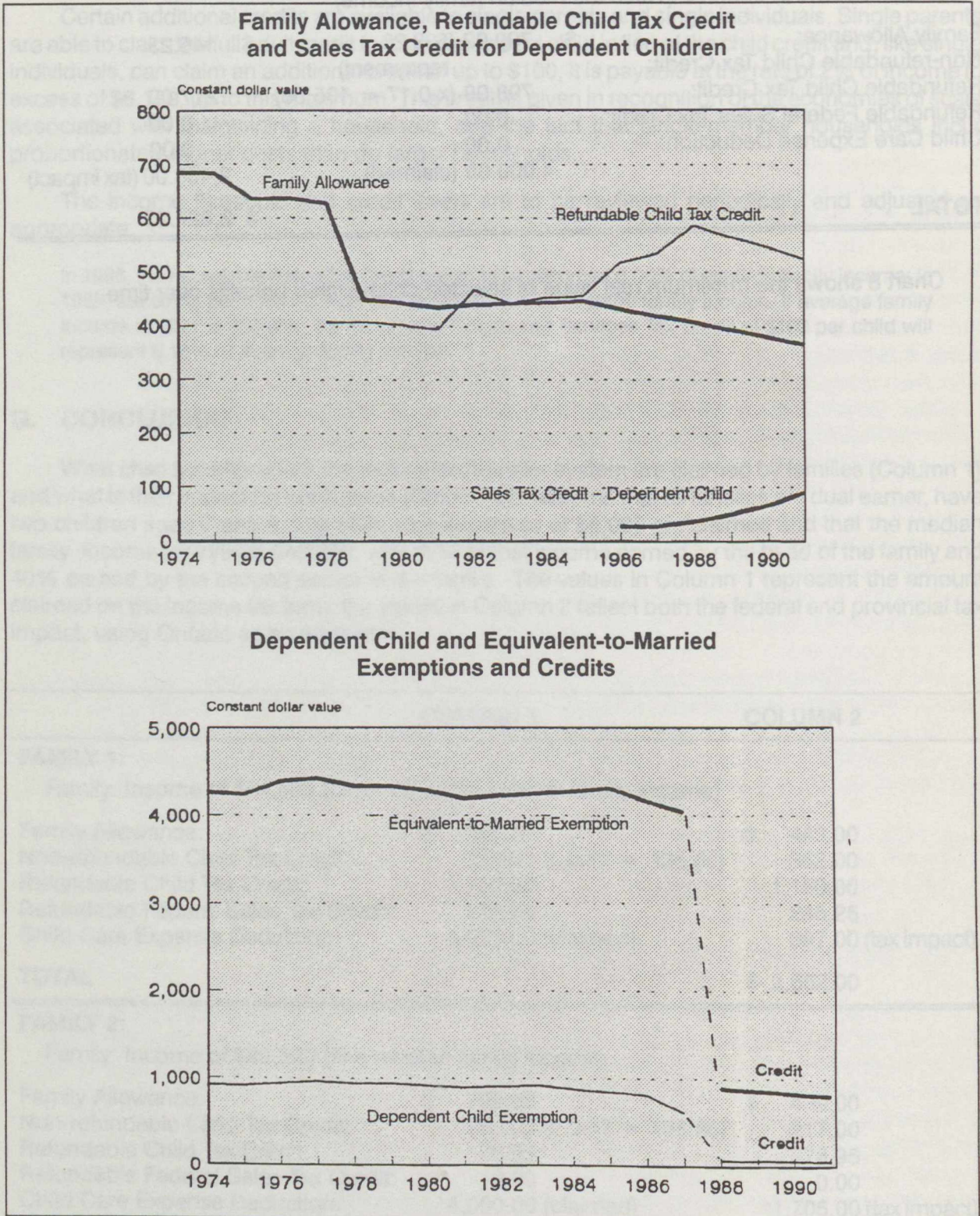
Family Income of \$98,779 (Twice the median family income)

Family Allowance:	\$ 799.92 (533.28	\$ 145.23
Non-refundable Child Tax Credit:	repayment)	
Refundable Child Tax Credit:	798.00 (x 0.17 = 135.66)	217.00
Refundable Federal Sales Tax Credit:	0.00	0.00
Child Care Expense Deduction:	0.00	0.00
	4,000.00 (claimed)	2,465.00 (tax impact)
<b>TOTAL</b>		<b>\$ 2,827.23</b>

Chart 8 shows the maximum real value of selected child-related benefits over time.

### CHART 8

## ANNUAL MAXIMUM VALUE OF FAMILY BENEFITS CONSTANT (1989) DOLLARS



Source: Statistics Canada, Library of Parliament and Health and Welfare Canada.



## CHAPTER THREE

### The Causes of Poverty

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*Until the age of 10 I was fairly comfortable. . . . I never really wanted for anything because money was never an issue with us. I usually had what I wanted. Things changed. My parents separated while we lived in Germany and my mother brought my brother and me back to Canada. . . . When I arrived back in Ottawa it was hard for me to adjust, and I could not believe what had happened because we now lived in a low-income project. My first impression was of the pollution. It was very dirty. The parks were littered. There was graffiti everywhere. I was not accustomed to that. (Liz, a teenager growing up in poverty)<sup>55</sup>*

Many of the witnesses appearing before the Sub-Committee felt that, over time, there has been an erosion of support for families. As evidence of this decline, the partial de-indexation of child benefit programs, the limit on the rate of increase of Canada Assistance Plan funding to provinces not receiving fiscal equalization payments, reduced social housing spending and the lack of a child care strategy were cited. Further, some witnesses felt that other factors are contributing to child poverty, including high rates of unemployment in some areas, minimum wage rates which yield an income below the poverty line and which are being eroded each year, social assistance rates which are too low and other problems associated with the social assistance system, pay and employment inequity, and inadequate training for employment.

#### A. INCOME INADEQUACY

Repeatedly, the Sub-Committee was told that child poverty is the result of "parent poverty," and that the latter exists, in large measure, due to inadequate income. One low-income mother, when speaking to the Sub-Committee about the importance of an adequate income in enabling parents to care for their children, said:

*When a child of a single parent goes to school, the first person he deals with is the child psychologist and then it is the social worker. If the parent is on welfare, or family benefits, then he deals with the worker for the parent. Children's Aid will step in and talk. Suddenly this child has all these workers. He is at no risk of having not enough authority. . . . This child from the time [he] is in day care, if [he] is lucky enough to get day care, has helping hands all the time and lots of helping hands [he] does not really need. . . . If the family had enough money, the mother usually would be quite well enough endowed to direct her child without all these workers. . . . Nine times out of ten the mother knows exactly what to do. If she has enough money and a decent house to live in, she will do the right thing. <sup>56</sup>*

Income inadequacy was thought to reflect several factors: the perceived lack of a full employment policy on the part of the federal government and inadequate job training, low minimum wage rates, social assistance rates which are too low, and pay and employment inequity.

<sup>55</sup> *Proceedings*, Issue 13, p. 36, 37.

<sup>56</sup> *Proceedings*, Issue 10, p. 102, 103, 104.

## 1. Full Employment

Many of the witnesses appearing before the Sub-Committee stressed the importance of a federal government policy of full employment if poverty among Canadian adults and children is to be alleviated. Quite apart from the impact of high levels of unemployment on social assistance programs, witnesses indicated that parents should be able to earn an income sufficient to permit them to finance the shelter, clothing, food, recreational and other needs of their children. Employment insecurity for parents and/or inadequate income may require labour market work by youth, who may either leave school to pursue full-time work or work while going to school full-time. A representative from the Canadian Teachers' Federation told the Sub-Committee that:

One of the things I found in my class a year ago was that a number of my children were working, and I am talking about grade 6 and 7 children. They were working at a McDonald's five to six hours after school . . . (A) 13-year-old boy . . . was actually dancing in a discothèque until 3 a.m., . . . I do not think that this is an isolated case. I trust it is not common, but it is not isolated.<sup>57</sup>

It was felt that job creation must occur, and that training and other job skill programs are required in order that the unemployed can take advantage of employment opportunities. The Social Planning Council of Edmonton told the Sub-Committee that:

employment income is the most critical source or potential source of support to poor families. Better access to better terms of employment, not just minimum-wage jobs, . . . should be the goal of all economic and social policy developed by the federal and provincial governments.<sup>58</sup>

## 2. Minimum Wage Rates

The unavailability of jobs was viewed, however, as only one part of the income inadequacy problem. Many witnesses gave testimony regarding the "working poor" who, even though employed, live in poverty, perhaps as a result of the low minimum wage rates in Canada. A low-income mother from British Columbia told the Sub-Committee that:

As hard as it is to live on welfare, it is even harder to work at minimum wage jobs. . . . Working outside the home full-time [means] I [can] no longer take advantage of things like the food bank. It [means] extra costs for work expenses and day care.<sup>59</sup>

Many witnesses recommended that the federal minimum wage be increased. Some groups, including the Ottawa Council for Low Income Support Services<sup>60</sup> and the Canadian Labour Congress,<sup>61</sup> suggested an hourly rate of \$6.00, while End Legislated Poverty suggested a rate of \$8.00 per hour;<sup>62</sup> the recommendations of other witnesses fell within this range. Finally, Professor Allan Moscovitch, of the School of Social Work at Carleton University, suggested to the Sub-Committee that the minimum wage be raised to a level that would yield an income equal to the relevant LICO.<sup>63</sup> An increased minimum wage was suggested both for those workers under federal jurisdiction and as a signal to the provinces.

<sup>57</sup> *Proceedings*, Issue 8, p. 9.

<sup>58</sup> *Proceedings*, Issue 13, p. 63.

<sup>59</sup> *Proceedings*, Issue 9, p. 65.

<sup>60</sup> Submission to the Sub-Committee.

<sup>61</sup> *Proceedings*, Issue 10, p. 70.

<sup>62</sup> *Proceedings*, Issue 9, p. 70.

<sup>63</sup> *Proceedings*, Issue 7, p. 9.

Several witnesses also made suggestions with regard to the adjustment of the minimum wage to changes in the Consumer Price Index. The Canadian Labour Congress indicated that the rate should be adjusted semi-annually.<sup>64</sup> Mr. David Ross and Mr. Richard Shillington, co-authors of *The Canadian Fact Book on Poverty 1989* prepared for the Canadian Council on Social Development, told the Sub-Committee that the minimum wage has failed to keep pace with inflation and that its real value has declined over the last decade. They indicated that in 1975, the income earned by working full-time, full-year at the minimum wage equalled 81% of the "poverty line." In 1986, however, a full-time, full-year job at the minimum wage yielded an income of 46% of the poverty line.<sup>65</sup> The Vanier Institute of the Family suggested that there has been a 26% decline in the real value of the minimum wage since 1975.<sup>66</sup>

### 3. Social Assistance

Several concerns were expressed by witnesses regarding the social assistance system. Many witnesses felt that social assistance rates are too low, that liquid asset and earned income amounts that may be retained while still being eligible for assistance are inadequate, and that the reduction rates associated with earned income are too high.

Professor Moscovitch told the Sub-Committee that the preamble to the Canada Assistance Plan states that benefits should be "adequate," but that adequacy is not explained in the regulations or guidelines to the Act. He recommends that "adequacy" be defined.<sup>67</sup>

Equal Justice for All, a group from Saskatchewan, told the Sub-Committee that a single employable person in Saskatchewan receives \$7 per day for shelter costs, \$1.50 per day for such utilities as heat, electricity, water, telephone and laundry, and \$4.06 per day for all other needs, including food, clothing, personal care, household supplies, medical supplies and services, transportation and emergencies. This \$4.06 per day may be reduced to \$3.08 if there has been an overpayment made to him or her. Further, the Sub-Committee was told that a family of eight receives \$2.08 per person per day for shelter, \$0.25 per person per day for utilities and \$4.13 per person per day for all other needs; an overpayment would lead to a reduction in the \$4.13 to \$3.78.<sup>68</sup>

Further, the Nova Scotia Nutrition Council indicated that social assistance food rates are inadequate to meet the nutritional needs of children. It has estimated that, based on social assistance food rates in that province, on average 63% of the nutritional needs of children are being met.<sup>69</sup> As a further illustration of the inadequacy of social assistance rates, the Canadian Association of Food Banks told the Sub-Committee that, on a national basis, 82% of the users of food bank services are on some form of government assistance.<sup>70</sup>

The Anti-Poverty Committee of the Coalition for Equality, a Newfoundland group, indicated to the Sub-Committee its belief that, in some instances, the social assistance system is designed in a manner that provides individuals with incentives to remain on social assistance rather than pursue

<sup>64</sup> *Proceedings*, Issue 10, p. 70.

<sup>65</sup> *Proceedings*, Issue 1, p. 19.

<sup>66</sup> Submission to the Sub-Committee.

<sup>67</sup> *Proceedings*, Issue 7, p. 7, 8.

<sup>68</sup> *Proceedings.*, Issue 13, p. 90.

<sup>69</sup> *Proceedings*, Issue 10, p. 79.

<sup>70</sup> *Proceedings*, Issue 11, p. 26.

market work. In some cases, such incentives are the result of social assistance reduction rates for earned income, while in others it reflects the fact that certain services which are available to social assistance recipients are not available to the "working poor." Further, in some jurisdictions the minimum wage is at a level where full-time market work at that wage, perhaps in conjunction with the loss of some services, leads to a lower standard of living for the working poor relative to that of social assistance recipients.<sup>71</sup> As a result, some witnesses suggested that the reduction rates on earned income should be lowered so that, for example, individuals on social assistance would be permitted to keep 50% of the income they earn.<sup>72</sup> Disincentives to entering the labour force should be removed through a comprehensive package of transitional benefits.<sup>73</sup>

Finally, in speaking of her life on social assistance, a British Columbia mother told the Sub-Committee:

I am trained as a fisheries technologist but my last paid employment was as an income tax preparer. At the present time I live on social assistance. We survive by using the food bank, the soup kitchen and the clothing exchange. I have a garden and I only buy products that are on sale. . . . We live close to the edge.<sup>74</sup>

#### 4. Pay and Employment Equity

Another key income issue which was brought to the attention of the Sub-Committee was pay and employment equity. The Toronto Chapter of the Child Poverty Action Group told the Sub-Committee that:

Another very important part of labour market policies is . . . employment equity and pay equity policies. We are not going to have greater equity unless these policies can come into place.<sup>75</sup>

Additional testimony was given by End Legislated Poverty, which suggested that legislation to "end wage discrimination against women"<sup>76</sup> is needed, and by the Canadian Labour Congress, which noted that "gaps in government policy," including "ineffective pay and employment equity legislation," are contributing to poverty.<sup>77</sup>

Finally, a low-income mother from British Columbia told the Sub-Committee that, although formerly employed in a profession characterized by "fairly equal" wages between men and women performing the same work, "(w)ithout pay equity, I cannot make enough money to support my child and myself."<sup>78</sup> She went on to suggest that while equal pay for performing the same work was not an issue in her former occupation, it was the case that:

there is [a] difference between the top and the bottom. The top people are the scientists and . . . in this [location] they are still exclusively men. The administrative people are still exclusively

<sup>71</sup> *Proceedings*, Issue 13, p. 50.

<sup>72</sup> *Ibid.*, p. 51.

<sup>73</sup> *Ibid.*, p. 63.

<sup>74</sup> *Proceedings*, Issue 9 p. 65.

<sup>75</sup> *Proceedings*, Issue 6, p. 38.

<sup>76</sup> *Proceedings*, Issue 9, p. 70.

<sup>77</sup> *Proceedings*, Issue 10, p. 68.

<sup>78</sup> *Proceedings*, Issue 9, p. 75.

women. . . . When the cutbacks came they got rid of just about all of the administration people and the technicians, which is where I was trained.<sup>79</sup>

## B. CHILD CARE

Child care was also a key concern of witnesses appearing before the Sub-Committee. A number of witnesses expressed disappointment with the lack of a national child care strategy, and stressed the importance of an adequate, flexible, affordable and high quality child care system in the prevention and alleviation of child poverty. In particular, the Social Planning and Research Council of British Columbia expressed to the Sub-Committee its belief that:

the lack of affordable licensed child care is one of the major barriers for parents' participation in the labour market.<sup>80</sup>

Some witnesses felt that women may remain at home due to the lack of child care, while others suggested that its high cost may make it economically unfeasible for women to work in the labour market, particularly at part-time and/or low-wage jobs.

The Private Home Day Care Association of Ontario indicated that a good infant child care program costs \$10,000 per infant per year, while a good preschool program costs \$6,000 to \$7,000 per child per year. It suggested that, like education and health care, child care is not an expense that people can afford out of their own pocket; we have to find ways of supporting them, at least for a short time.<sup>81</sup> The Ottawa-Carleton Day Care Association suggested to the Sub-Committee that some families spend food and shelter moneys on child care.<sup>82</sup> Further, the lack of adequate and affordable child care was seen as a particular problem for female lone-parents who may wish to work or to undertake training. In 1986, each elderly Canadian was supported by five active labour force participants; by the year 2026, this ratio will have fallen to just over two. Given demographic concerns about the Canadian labour force, it may be that, at some time, the labour services of parents who stay at home due to the lack of child care may be required.

## C. SOCIAL HOUSING

Just as adequate, affordable and accessible child care was seen by witnesses as essential to the alleviation of child poverty, so too was adequate and affordable housing. The Sub-Committee received testimony that some poor households spend up to 60% and 70% of their income on accommodation. A low-income mother in Ottawa shared her insights regarding housing costs when she told the Sub-Committee:

I know mom, until she got this home care arrangement, was spending all of her money on shelter and they have moved three times in the last year, sometimes in the dead of night.<sup>83</sup>

<sup>79</sup> *Ibid.*, p. 76.

<sup>80</sup> *Ibid.*, p. 30.

<sup>81</sup> *Proceedings*, Issue 10, p. 128.

<sup>82</sup> *Ibid.*, p. 8.

<sup>83</sup> *Ibid.*, p. 42.

Another said that:

It will help the child enormously if he lives in a nice house and has a roof over his head with heat and lights and the whole thing.<sup>84</sup>

Several witnesses noted a link between housing costs and the nutritional health of children, suggesting that high housing costs mean that there is often less money available for an adequate quality and quantity of food for children. The importance of adequate nutrition at every stage in a child's development was noted earlier. Further, the Sub-Committee heard the suggestion that high rental costs and the resulting inadequate food budget are contributing factors in the growth of food banks in Canada. As well, Professor Waller indicated to the Sub-Committee that crime levels are higher both in and around public housing projects.<sup>85</sup>

The problems associated with public housing were also noted by Dr. Maloney. He told the Sub-Committee:

(Y)ou know where the public housing is and you know where most of our cases come from. I just have to look on a map and I know where our cases are: they are in public housing. That is where the poor are housed, and just being there puts them seriously at risk. That is not the solution.<sup>86</sup>

The Children's Aid Society of Metropolitan Toronto told the Sub-Committee that in one year, more than 70 children were admitted to its care because of a lack of housing.<sup>87</sup> Further, the Sub-Committee learned that time spent in care is extended, on average, by six months due to the inability of families to access appropriate and affordable family housing.<sup>88</sup> The Society told the Sub-Committee that the cost of providing substitute care for one year for one child in foster care is approximately \$10,000; the figure for institutional care is \$34,000.<sup>89</sup>

#### D. THE EROSION OF CHILD BENEFITS

Most witnesses, in their appearance before the Sub-Committee, noted some manner in which they felt child benefits had been eroded by recent policies of the federal government. Most suggestions were related to tax changes. The loss of full inflation indexation for family benefits and the "clawback" of Family Allowance benefits were perhaps the two most frequently cited examples of this erosion. It was noted by several witnesses that, with the beginning of partial de-indexation in 1986, approximately \$3.5 billion will have been removed from the child benefit system over the 1986 to 1991 period. Further, the limit placed on the rate of increase of payments under the Canada Assistance Plan to those provinces not receiving fiscal equalization payments was also frequently cited by witnesses as evidence of the federal government's erosion of support. Repeatedly, witnesses recommended that the federal government reestablish its commitment to, and support for, families. It was felt that this commitment could be achieved through the restoration of full inflation indexation, the termination of the Family Allowance "clawback," an increase in the value of the refundable Child Tax Credit, and an end to the limit on the rate of increase of Canada Assistance Plan payments, among others.

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<sup>84</sup> *Ibid.*, p. 103.

<sup>85</sup> *Proceedings*, Issue 13, p. 25.

<sup>86</sup> *Proceedings*, Issue 9, p. 94.

<sup>87</sup> *Proceedings*, Issue 10, p. 32.

<sup>88</sup> Submission to the Sub-Committee.

<sup>89</sup> *Proceedings*, Issue 10, p. 32.

## E. THE CHALLENGES FOR REFUGEES

One witness appearing before the Sub-Committee made particular mention of the problems faced by refugee children and their families. The Focus-on-Future Schools Advisory Committee of the Ottawa Board of Education told the Sub-Committee that:

the refugee children in our schools . . . are in double jeopardy because they come with nothing. They are in poverty to begin with, but they have the problem of having to learn another language.<sup>90</sup>

Language differences and a lack of English-as-a-Second-Language teachers was not the only problem identified by the Committee. It also told the Sub-Committee that many of our refugees are from war-torn countries and refugee camps and may have spent little, if any, time in school in their home country. As a result, the learning process requires that these children be in small groups, where they can be assisted with basic skills, as well as language and adjustment to a new society. Further, their needs may go beyond these language and basic skills; many of the refugee children and their families have experienced traumatic situations, and the intervention of social workers and psychologists, and the use of special diagnosticians and special services, may be required.

Additional problems are often encountered in communications between refugee parents and school staff, due to a lack of translators. Communications to parents with respect to such matters as busing, staff changes, and health and safety matters does not occur. Further, communications from parents regarding their experiences as refugees and their culture, each of which is essential to the success of the child in school, is hindered.

Finally, the Committee noted that resources of time and money must be invested in refugee children and their families. It noted that:

(i) if we do not provide services so they can succeed in our country, in our society, they in essence will become burdens to our society as they reach adulthood.<sup>91</sup>

At the same time, given the demographic changes occurring in Canada, the Committee noted that:

(t) o continue the social programs we have had in Canada as [the population] bulge goes through, we are going to need the immigrants, the young children of today, to balance out our population, and we are going to need them to be skillful. We really need to develop these skills so that they will be able to take their part in the work force and support the rest of us as we age.<sup>92</sup>

<sup>90</sup> *Proceedings, Issue 9, p. 143.*

<sup>91</sup> *Ibid., p. 144.*

<sup>92</sup> *Ibid., p. 147.*

Additional challenges are posed by the fact that many refugees are from war-torn countries and refugee camps and they have spent most of their lives in their home country. As a result, the learning process requires that they be placed in a school where they can be assisted with the English, as well as English as a second language. Further, their needs may go beyond these language and basic skills, many of the refugee children and their families have experienced traumatic situations and the possibility of social and psychological problems. The use of special diagnostic and special services may be required.

Finally, the Committee noted that resources of time and money must be invested in refugee children and their families. It noted that:

(i) we do not provide services as they can be provided in our country in an attempt to provide them with the same level of education as they would receive in their home country.

The Committee also noted that the Government of Canada should continue to support the efforts of the provinces and territories to provide services to refugees. It noted that:



## CHAPTER FOUR

### New Directions

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*I began running away a lot and finally, when I was 14 years old, I went into care. . . . At 16, however, I felt ready to move on, face the world, and as a step towards independence I moved into a group home. . . . Things changed again. I moved from the group home after six or seven months and moved into a place of my own. Two and (a) half years later I am still there, struggling with trying to get it together. . . . To provide myself with the common luxury of a balanced diet, I have to cut the following out of my budget movies, dancing, museums and sports in short, all the fun social things I like to do. (Liz, a teenager growing up in poverty)<sup>93</sup>*

#### A. PRIMARY PREVENTION AND EARLY INTERVENTION PROGRAMS

Many witnesses expressed to the Sub-Committee, in various ways, the sentiment that “we can pay now or we can pay later.” The Canadian Teachers’ Federation, for example, said:

We will pay, one way or another. There is no question about it. We pay in illiteracy. We pay in drop-outs. We pay in corrections institutes and in the health system. We pay and pay and pay. I think a cogent and sellable argument . . . can be made for . . . prevention money, rather than mop-up money later on.<sup>94</sup>

The Sub-Committee agrees that prevention should be the goal, but that if prevention is not possible, early intervention should occur to alleviate the effects of child poverty.

##### 1. A “Healthy Babies” Strategy

The majority of Canadian children are born healthy, as their parents are supported by health, educational and medical services, and are able to benefit from improvements in prenatal and postnatal care. Nevertheless, some children do suffer poor health, with associated economic and social costs. Note also the significant variation in infant mortality rates across Canada, as well as the Canadian situation relative to that internationally, as discussed earlier and shown in Tables 7, 8 and 9. More must be done to ensure the health status of our children. There is scope for improvement, even among those provinces which currently have relatively low infant mortality rates.

In particular, the incidence of low birth weight must be addressed. Dr. Chance indicated to the Sub-Committee that, with a concerted socio-economic medical approach, the reduction in the rate of low birth weight in Canada to 4% is possible; in absolute terms, this reduction would mean 15,000 low birth weight infants, rather than 21,000. Further, a significant reduction in morbidity would be expected.<sup>95</sup>

<sup>93</sup> Proceedings, Issue 13, p. 37, 38.

<sup>94</sup> Proceedings, Issue 8, p. 15.

<sup>95</sup> Proceedings, Issue 12, p. 5.

The costs of caring for low birth weight infants is significant, as indicated earlier. While Dr. Chance told the Sub-Committee that the daily cost of a baby of 1500 grams birth weight going through a perinatal unit is \$1,500, and that the average length of stay for such an infant is 40 days, leading to a cost of \$60,000 per infant,<sup>96</sup> some estimates are higher. In his appearance before the House of Commons Standing Committee on National Health and Welfare in May 1988, Dr. Robin Walker, a neonatologist and then Vice-President of the Canadian Council on Children and Youth, told the Committee that the cost of caring for each surviving low birth weight infant is approximately \$100,000. Further, some of these infants require ongoing health and educational care, which could increase significantly the costs associated with low birth weight.<sup>97</sup> From an economic point of view, if no other, prevention of low birth weight is preferable to long-term intensive neonatal care after birth and ongoing health and educational care.

One means of attaining this reduction in low birth weight is through enhanced maternal nutrition during pregnancy. The Sub-Committee received evidence that the prenatal program offered through the Montreal Diet Dispensary, for example, led to a reduction in the rate of low birth weight from 9% to 4.5% for a group of very high-risk women, and a rate of 5.6% overall for all clients in the program; the cost per client was \$257. The program includes food supplements, home visits, agency referrals, and other support.<sup>98</sup> The Sub-Committee also heard of the benefits of breakfast and orange juice programs for pregnant and nursing women.

Maternal smoking is also a key contributor to low birth weight. Dr. Chance told the Sub-Committee that for each pack of cigarettes smoked per day by a pregnant mother, the infant's birth weight is reduced by 250 grams.<sup>99</sup>

Finally, child development can be hampered by poor nutrition following birth. Ms. Claudette Bradshaw, of the Moncton Headstart Program, told the Sub-Committee that:

One of [the Moncton Headstart Program] staff went to a house . . . where there was a two-month-old baby drinking cherry Kool-Aid. . . <sup>100</sup>

and

I have seen children come to [the Moncton Headstart Program] who did not know that you put a sauce on spaghetti. . . . If you give them a vegetable, they throw up and they are sick.<sup>101</sup>

Recognizing the importance of maternal health during pregnancy and its impact on the rate of low birth weight, and of education regarding health and nutrition, the Sub-Committee recommends that:

**A1 Health and Welfare Canada, in conjunction with Provincial and Territorial Governments and national agencies, develop a "Healthy Babies" Strategy and Provincial/Territorial Guidelines. The Strategy should include, as components,**

<sup>96</sup> *Ibid.*, p. 14. This estimate was supported by the Canadian Institute of Child Health, which told the Sub-Committee of a McMaster University study which estimated the average "cost" of a low birth weight baby to be about \$60,000, whereas a baby of average weight would be far less expensive. (Proceedings, Issue 9, p. 119).

<sup>97</sup> *Minutes and Proceedings of the House of Commons Standing Committee on National Health and Welfare*, Issue 45, p. 6.

<sup>98</sup> *Proceedings* Issue 12, p. 11.

<sup>99</sup> *Ibid.*, p. 6.

<sup>100</sup> *Proceedings*, Issue 10, p. 55.

<sup>101</sup> *Ibid.*

- a) an information campaign to instruct prospective parents about the importance of a woman's health both before and after conception, and its impact on unborn and nursing infants. This information campaign should be useful in educational and community forums, and for health agencies and medical personnel.
- b) a requirement for family studies programs in schools, with such programs providing instruction on infant care, nutrition and health, and hazards to unborn children, including information about the negative impact of drugs, smoking and alcohol.
- c) a Health and Welfare Canada requirement that all alcoholic beverage and tobacco products, medications and drugs contain a warning about the hazards of these products to unborn children.
- d) a requirement that public health departments and similar agencies develop and implement a concerted prenatal program, with objectives similar to those of the Montreal Diet Dispensary, in an effort to reduce the rate of low birth weight.
- e) a Special Nutritional Supplement Payment, in the amount of \$45.00 per month, funded by the Federal Government, indexed annually in accordance with the cost of living, and reviewed for adequacy after each three-year period. The Payment must begin upon diagnosis of the pregnancy and should be contingent upon ongoing participation by the pregnant woman in a prenatal program that meets the objectives of the "Healthy Babies" Strategy as defined by Health and Welfare Canada. The Payment could be delivered through the health care or the social assistance system.

The Sub-Committee recognizes that there will be a cost associated with these endeavors, but supports the belief of Dr. Chance, who told the Sub-Committee that "... there is no question that the evidence is very strong that if we can break this cycle of poverty/low birth weight, then we will save money. But in the process we will have to spend some."<sup>102</sup> The Sub-Committee has been informed that if a pregnant woman were to enter a prenatal program at the eighteenth week of gestation and remain in the program until delivery, and if she were to receive a nutritional supplement of 1 litre of milk and 1 egg per day, and vitamin and mineral supplements, the estimated monthly cost of the nutritional supplement would be approximately \$45.00. As noted earlier, the Canadian Council on Children and Youth told the Sub-Committee that \$1 invested in prenatal care can save \$3.38 in the cost of care for low birth weight infants.<sup>103</sup> The Sub-Committee believes that these initiatives should commence as soon as possible.

## 2. Child Care

In December 1987, the Minister of National Health and Welfare announced a national strategy for child care, consisting of three major elements: new measures to accelerate the creation of quality child care spaces; new tax assistance to families with preschool children and children with special needs; and, a fund to support innovative initiatives to meet child care needs. The strategy, over the first seven years, was to receive funding of \$6.4 billion.

<sup>102</sup> *Proceedings*, Issue 12, p. 15.

<sup>103</sup> *Proceedings*, Issue 9, p. 58.

Although the tax assistance measures and the Child Care Initiatives Fund were implemented, the 1989 Budget indicated that the government would not proceed with its proposal for the creation of child care spaces. However, the government indicated that, before the end of its term of office, it would act to meet its child care objectives. In the interim, it would continue to share the cost of child care services eligible for support under the Canada Assistance Plan. It was estimated that the savings from not proceeding with the creation of child care spaces at that time would be \$175 million in 1989-1990. To date, the government has not announced further plans with regard to the creation of child care spaces.

The Sub-Committee believes that child care is a critical issue, particularly because of the incidence of dual-earner and single-parent families. In August 1991, for example, the labour force participation rate of female lone-parents with pre-school age children was 50.6%; the rate for such women with children younger than 16 years was 62.5%. Further, the Sub-Committee feels that the prevalence of dual-earner families has been instrumental in maintaining family living standards during these recessionary times. Increasingly, the number of earners in a household is an important distinguishing characteristic between poor and non-poor households.

Several witnesses supported the Sub-Committee's view. Professor Martin Dooley, of the Department of Economics at McMaster University, told the Sub-Committee that:

(F)or . . . married couples what has been the major avenues whereby they have been able to raise their income and pull themselves out of poverty are transfers and . . . greater market work on the part of the wife, as rising real wages on the part of any member of the family. . . . Rising productivity, real wages, have simply had relatively little to do with declines in poverty. Rather, it has been greater transfers and simply greater hours of work devoted to the market on the part of the family.<sup>104</sup>

The Social Planning and Research Council of British Columbia commented that:

(T)he supposed increase in our well-being in Canada has occurred primarily because of two incomes in households rather than because of individuals' incomes going up.<sup>105</sup>

It has been estimated that in 1970, wives contributed approximately 15% of the total income of families with husbands under 65 years of age, and about 21.5% where husbands were over age 65; by 1985, these proportions had risen to 25% and 29.3% respectively. On average, the contribution of wives in all husband-wife families had increased from 15.1% in 1970 to 25.3% in 1985.<sup>106</sup> Further, for wives working full-time, full-year, their average contribution to total family income rose from 37% in 1970 to 40% in 1985; the comparable figures for wives working part-time were 20% in 1970 and 25% in 1985.<sup>107</sup> Their contribution is significant. Over the 1970 to 1985 period, average family income increased by 30.4%. It has been estimated that, in the absence of the higher labour force participation of wives, average family income would have increased by 22.8%.<sup>108</sup> As well, in 1986 it was estimated that nearly 65% of families avoided poverty by dependence on a woman's financial contribution.<sup>109</sup>

<sup>104</sup> *Ibid.*, p. 110.

<sup>105</sup> *Ibid.*, p. 29.

<sup>106</sup> Abdul Rashid, "Women's Earnings and Family Incomes", *Perspectives on Labour and Income*, Statistics Canada, Catalogue 75-001, Summer 1991, p. 27, 36.

<sup>107</sup> *Ibid.*, p. 33.

<sup>108</sup> *Ibid.*, p. 35.

<sup>109</sup> Child Welfare League of America/Canada, p. 25.

It is not only the link between child care and the opportunity for both parents to work in order to maintain their standard of living that is important to the Sub-Committee. Also critical is the link between child care and the size of the Canadian labour force. As noted earlier, some witnesses suggested that women may remain at home due to the lack of child care. Many analysts have noted the declining birth rate and aging of the population, and slowed labour force growth. The Economic Council of Canada has suggested that "(a)s Canada's work force continues to grow more slowly, the contribution of older workers to the economy will become more critical."<sup>110</sup> The Sub-Committee feels that another source of labour force growth is enhanced labour force participation by women, although their current high levels of participation mean that this source of growth is limited. Nevertheless, the Sub-Committee believes that the provision of adequate, affordable child care could prompt some women either to enter the labour market or to increase their market work. Such care is essential to the equal participation of women in the labour force. As shown in Table 18, in a comparison of two families, both with the same household income of \$49,390 and with two children, the first with a single earner and a stay-at-home parent and the second a dual-earner family with annual child care costs of \$6,000, the dual-earner family would have a net income, after taxes and transfers, of \$34,319, while the single-earner family would have a net income of \$36,042. More support must be given to families who incur child care costs.

The Sub-Committee is aware that child care is available in a variety of arrangements—licensed and unlicensed, centre- and home-based, during the day and before- and after-school. In 1990, there were more than 3 million children in need of alternate child care because their mother was in the labour force, up from 2.6 million in 1985 and 1.4 million in 1971; of these 3 million children, just over 43% were less than six years of age and almost 57% were between six and 12 years.<sup>111</sup>

Most parents use informal, privately-arranged care rather than formal day care centres; in the absence of subsidization, the former type of care is thought to be relatively less expensive. For most families, the Child Care Expense Deduction is the only federal tax/transfer measure available to help defray child care costs. The National Child Care Survey found that sitter care is the type of non-parental care for the largest number of children; sitter care was defined to include care by a relative, neighbour, friend or other adult, and to include nannies and trained family day care providers operating licensed home day care facilities. In 1988, about 1,814,000 children under the age of 13, representing almost 68% of the total number of children in care in that year, were left in sitter care. This figure compares with 578,000 children in kindergarten or nursery school, 202,000 in a day care centre, and 83,000 in before- and/or after-school programs.<sup>112</sup>

In examining parental expenditures on care, the Survey concluded that sitter care is a relatively affordable option, with weekly expenses per child of less than \$50 for nearly 85% of the children in such care; care was free for 32%, 32% paid \$1 to \$25 weekly and 21% paid \$26 to \$50 per week. Less than 6% of children in sitter care cost their parents more than \$75 per week.<sup>113</sup> Expenditures on sitter care were found to be related to family income. Lower-income families were much more likely to receive low-cost sitter care, with almost 50% of children in the \$1 to \$20,000 family income group and 39% of those in the \$20,001 to \$30,000 group cared for without charge;

<sup>110</sup> Economic Council of Canada, *Good Jobs, Bad Jobs: Employment in the Service Economy*, Ottawa, 1990, p. 23.

<sup>111</sup> Mary Anne Burke, Susan Crampton, Alison Jones and Katherine Kessner, "Caring for Children," *Canadian Social Trends*, Statistics Canada, Catalogue 11-008, Autumn 1991, p. 12.

<sup>112</sup> Susan Crampton, "Who's Looking After the Kids? Child Care Arrangements of Working Mothers," *Perspectives on Labour and Income*, Statistics Canada, Catalogue 75-001, Summer 1991, p. 70.

<sup>113</sup> Susan Crampton, p. 71 and Mary Anne Burke, et. al., p. 14.

further, almost 24% of children from families whose incomes were greater than \$50,000 also received free sitter care. Higher-income families were more likely to pay rates at the upper end of the cost scale. The average out-of-pocket expenditure, per hour per child, was \$1.27 for those children whose mothers paid for sitter care.<sup>114</sup>

As noted earlier, the Survey found that in 1988 there were about 202,000 children cared for in day care centres, representing just over 7.5% of the total number of children in care in that year. The vast majority of such children were very young. The Survey concluded that the average hourly payment per child, for those parents being charged, was \$1.59.<sup>115</sup> In 1988, 6% of children in day care cost their families more than \$100 per week, while 5% cost their families nothing at all, largely due to subsidization. Day care payments for about 50% of the remaining 89% of children were between \$1 and \$50 per week, and between \$51 and \$100 per week for the other 50%. As mentioned, subsidization is a key factor in limiting day care expenditures. Day care for 21% of children is subsidized, to some extent, by the government, with subsidization largely restricted to lower income families. It was found that, in 1988, 31% of children from families in the \$1 to \$50,000 family income range received subsidies, with 49% of those from families with family income of no more than \$30,000 having some financial assistance; these figures were felt to be slightly underestimated.<sup>116</sup>

Finally, the Survey found that about 47% of children in day care were in privately-run centres in 1988, with a further 24% in facilities operated by community or day care agencies. In that year, more than 13% of children were in municipal government-sponsored programs and 11% participated in school- or church- operated facilities. Lower-income families made relatively greater use of centres operated by municipal governments or by a community or day care agency, rather than a privately-run centre.<sup>117</sup>

Finally, the Sub-Committee notes that child care costs are related to the age of the child. Care for children under 3 years is relatively high-cost and labour-intensive, and may cost up to 33% more than the cost for an older child.<sup>118</sup>

The Sub-Committee is convinced that adequate, affordable and accessible child care is an important measure in the prevention and alleviation of child poverty. Ensuring that families have access to flexible, affordable, high-quality child care would permit both parents in a two-parent family to engage in the labour market work that may be necessary to ensure both an income above the relevant low-income cut-off and the labour force needed to safeguard Canada's competitiveness.

Given the Sub-Committee's view of the importance of child care as a poverty prevention measure and the urgent need expressed by many witnesses for a national child care system that is flexible, accessible, affordable and of a high quality, the Sub-Committee recommends that, as funds are identified:

**A2 the Federal Government remove the 5% limit on the growth of Canada Assistance Plan funding for child care in those provinces not receiving fiscal equalization payments.**

<sup>114</sup> Susan Crampton, p. 71, and Mary Anne Burke, *et. al.*, p. 14.

<sup>115</sup> Susan Crampton, p. 73.

<sup>116</sup> *Ibid.*, p. 73.

<sup>117</sup> *Ibid.*, p. 74.

<sup>118</sup> Mary Anne Burke *et al.*, p. 13.

- A3 the Federal Government provide funds representing 50% of the cost of an expanded program of geared-to-income, subsidized licensed child care.
- A4 a Federal/Provincial/Territorial Task Force be established to develop national standards for licensed child care. These standards should conform to levels advocated by experts in the field of child development and should be adequately monitored and enforced.
- A5 the Federal, Provincial and Territorial Governments establish a national child care system that is
- a) universally accessible, regardless of income level, region, or work status;
  - b) comprehensive, providing a range of child care options to recognize the different needs of families, children and communities; and
  - c) high quality, meeting the standards advocated by child development experts.
- A6 businesses, through such measures as tax write-offs for operating costs, be encouraged to provide space, and capital renovation costs, for workplace child care for preschool children, with priority given to the children of employees. These incentives should be available in a maximum amount per space created, up to a ceiling.
- A7 places of worship recognized as a tax-exempt registered charity under the *Income Tax Act*, through capital renovation grants from the Federal, Provincial and Territorial Governments, be encouraged to provide space and assistance for licensed child care centres, particularly those serving infants and preschool children.
- A8 Provincial and Territorial Governments encourage Boards of Education to develop community-run, non-profit co-operative child care centres in schools. Boards of Education should be provided with a variety of incentives, including capital renovation funding, developmental grants, and the absorption of utility and maintenance costs within existing school budgets.
- A9 Provincial and Territorial Ministries of Education be encouraged to provide both junior and senior kindergarten.

In view of the urgent situation, the Sub-Committee feels that the federal government should implement immediately those recommendations that can be easily implemented, and that the remaining initiatives should be implemented as soon as possible, but in any case by the year 2000.

### 3. Intervention in the Schools and Community Support

Many witnesses stressed the problems encountered by poor children in school—poor concentration resulting from hunger, stigmatization due to wearing the “wrong” clothes or being left behind on class outings, and high drop-out rates. It was felt that the school outcome of many of these children could be improved through a variety of programs.

The importance for children of early and positive experiences with learning should be recognized. Some poor families do not provide an environment that is conducive to learning, language and motor development, and other forms of learning. The Ottawa-Carleton Headstart Association for PreSchools cited studies which have concluded that children who lack a well-developed language base by the time they reach kindergarten and grade one will be lagging behind their peers for the rest of their schooling. It also suggested that many of these poor children suffer from low-grade illnesses, primarily caused through poor nutrition. Such illnesses are compounded by a lack of outdoor play. As well, the Association noted that because of their illnesses the children receive many prescription drugs; in some instances, the result is addiction to these drugs by the time the child reaches age three or four. Finally, the Ottawa-Carleton Day Care Association indicated that infant and toddler programs are one area that needs to be targeted.<sup>119</sup>

Witnesses cited both Canadian and American studies which have shown that early and sustained interventions with children yield economic and social returns. It was suggested that parents should be involved in such initiatives, and that the focus of such programs should be child development, nutrition, education and parental support. One program often cited was the Perry Preschool Program in the United States. Professor Waller told the SubCommittee that the program led to a 20% reduction in each of the illiteracy rate, the school drop-out rate, the arrest rate, and the numbers of people on welfare. He feels that almost the only way of influencing crime levels in communities is intervention in the early childhood and primary school years.<sup>120</sup> The Canadian Council on Children and Youth told the Sub-Committee that the Program resulted in a doubling of rates of employment and participation in college, and a 50% reduction in the rate of teenage pregnancy and the percentage of years spent in special education courses.<sup>121</sup>

As further evidence of the benefits of early intervention, the Canadian Council on Children and Youth told the Sub-Committee of studies which have concluded that \$1 invested in quality preschool programs can save \$4.75 through lowered special education, public assistance and crime costs. Finally, the Council indicated that an investment of \$500 for a year of compensatory education can save \$3,000 in the case of repeating a grade.<sup>122</sup>

The Sub-Committee recognizes that such projects entail some costs. However, it is confident that, like measures designed to reduce the incidence of low birth weight, in the longer term the benefits of such programs exceed their cost.

Further, many witnesses indicated support for breakfast and lunch programs delivered in the school to alleviate the hunger experienced by some children. Many educators feel that the alleviation of hunger leads to enhanced learning. The delivery of such a program to all children is not stigmatizing, and therefore is preferable to one which targets only the children of poor families.

The Sub-Committee feels that the federal government's role is to provide child benefits and economic opportunities enabling families to adequately care for their children. Moreover, the Sub-Committee shares the view expressed by the Canadian Teachers' Federation, which stated that while it "...see(s) the value of using the school as a way of getting food to children (t)his does not mean (it) see(s) the school board or the school itself responsible for setting it up, delivering it, paying for it or politically managing such a project. ... (It does) have a mixed reaction to the

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<sup>119</sup> *Proceedings*, Issue 10, p. 5, 6, 8.

<sup>120</sup> *Proceedings*, Issue 13, p. 23, 26.

<sup>121</sup> *Proceedings*, Issue 9, p. 57.

<sup>122</sup> *Ibid.*, p. 58 and Submission to the Sub-Committee.



suggestion of using schools to provide food to children and their families. . . .(I)t perhaps begs the question of giving families the money to provide food for their own children."<sup>123</sup> Further, the Minister of National Health and Welfare indicated that a school food program would be a program that would come under provincial jurisdiction, since the provision of education and the delivery of social services into the community are the responsibility of the provinces.<sup>124</sup>

The Sub-Committee commends the food banks across Canada, which are instrumental in improving the life situation of poor families and children. As pointed out to the Sub-Committee by the Canadian Association of Food Banks, "(t)here are more food bank outlets today in Canada than any restaurant or grocery supermarket chain in the country."<sup>125</sup> It is the Association's belief that the largest single social group at risk of needing assistance are children under the age of 18, and that food bank users would go hungry without the services provided by food banks. Further, the Sub-Committee commends corporate, private and other contributors to food banks for their generosity.

The Canadian Association of Food Banks spoke to the Sub-Committee about the origins of food banks. It said that:

every food bank opened up on a temporary basis, in most respects, except for the recovery of food and that was being channelled — 60% to 70% went to the battered women's shelters and so on. It was not going to [meet] emergency [needs]. . . .We want to replace the need for food banks . . .<sup>126</sup>

The Association went on to note that:

I think you will not see food banks providing emergency services one minute longer than they are needed, . . . What you might see is an ecologically based thing that has been going on for ten years, where food will be put in the hands of social agencies to use in preventive ways. . . . You would probably have to get rid of the food bank name. Very few people have that aspiration. Most people just simply agree that it is silly to throw out that resource, because it is considerable and it is a social good in and of itself, even if it is not adequate for meeting peoples' food needs.<sup>127</sup>

The Sub-Committee does not believe that food banks should become institutionalized. Rather, the Sub-Committee feels that their role should change from the alleviation of hunger to the recovery of surplus foods for redistribution, a change which would represent a return to their original role. The Sub-Committee believes that the federal government has a role to play in providing an economic, training and job creation environment that will provide families with sufficient income to enable them to feed their children.

The Sub-Committee believes that the eradication of child poverty will require the efforts of all levels of government, as well as the community. An emphasis on community and local government was suggested by several witnesses. The Conseil des affaires sociales du Québec told the Sub-Committee that:

if we want all our citizens to be active and help create wealth in this country and keep it among the richest nations in the OECD, we are going to have to take a different approach. What we are talking

<sup>123</sup> *Proceedings*, Issue 8, p. 11.

<sup>124</sup> *Ibid.*, p. 30.

<sup>125</sup> *Proceedings*, Issue 11, p. 24.

<sup>126</sup> *Ibid.*, p. 42.

<sup>127</sup> *Ibid.*, p. 48.

about here is a new reform. We are going to have to invert the pyramid whereby the state provides, and have a system whereby benefits flow from locally elected officials.<sup>128</sup>

Community involvement was also supported by the Focus-on-Futures Schools Advisory Committee of the Ottawa Board of Education, which suggested to the Sub-Committee that:

funds be made directly available to community organizations linked to schools to provide breakfast programs to children in low-income communities.<sup>129</sup>

Finally, co-operation between various levels of government and sectors was also seen as important. The Conseil régional de la santé et des services sociaux de l'Outaouais told the Sub-Committee that:

decisions must not be made by a single level of government but must involve the various sectors. . . . We require a more comprehensive policy involving the various areas of government activity. . . . We do not approach the issue by trying to determine what comes under the federal government and what comes under the provincial government. The effects are all pervasive.<sup>130</sup>

Ms. Zanana Akande, the then Minister of Community and Social Services for Ontario, suggested that:

The federal and provincial governments must work together to address child poverty. Addressing child poverty will require a full partnership and co-operative efforts involving the federal and provincial governments.<sup>131</sup>

In speaking to the Sub-Committee about the Senate report entitled *Child Poverty and Adult Social Problems*, Senator Lorna Marsden noted the significant social, human and economic costs associated with child poverty, and the importance of ameliorating child poverty through programs at an early stage. She noted that:

(i) in the long run, the costs associated with adult social problems are likely to exact a much higher price in both human and economic terms than those costs associated with effective programs to reduce child poverty.<sup>132</sup>

The Sub-Committee also recognizes the merits of primary prevention, early intervention and similar programs, and the efforts of food banks and other community supports. The Sub-Committee recommends that:

**A10 the Federal, Provincial and Territorial Governments target funds for preschool nursery programs serving high-risk communities. These programs could be similar to the Perry Preschool Program or other models in which the educational and health status of children would be enhanced, and parental support and capability improved.**

**A11 the Federal Government urge Provincial and Territorial Governments, through Boards of Education and in conjunction with community volunteers, to promote nutritionally-balanced breakfast, lunch and snack programs in schools throughout Canada.**

<sup>128</sup> *Proceedings*, Issue 10, p. 23.

<sup>129</sup> *Proceedings*, Issue 9, p. 148.

<sup>130</sup> *Ibid.*, p. 23.

<sup>131</sup> *Ibid.*, p. 79.

<sup>132</sup> *Proceedings*, Issue 5, p. 5.

**A12 food banks return to their original role of food recovery agencies, and that these agencies be encouraged to focus on the redistribution of surplus foods to hostels, breakfast, lunch and snack programs within schools, and agencies serving the poor. Further, organizations interested in alleviating hunger and other organizations such as public health departments should be encouraged, where expertise exists and there are willing volunteers, to provide programs encouraging good nutrition, thrifty shopping, and co-operative shopping and cooking.**

**A13 the Federal Government develop a national volunteer recognition program to recognize the role of the sector in providing community support to children. This program should incorporate an awards component for outstanding volunteers in each province and an information component for the dissemination of the key elements of effective programs. Further the Sub-Committee recommends that, in other appropriate volunteer programs, the contribution of volunteers in the social services sector be recognized.**

The Sub-Committee believes that initiatives such as these should be funded through the Child Care Special Initiatives Fund.

#### **4. Social Housing**

The government's objective with respect to social housing is to assist households which are unable to obtain affordable, suitable and adequate shelter in the private market. This aid is delivered through joint federal-provincial agreements with regard to the funding of social housing programs.

In 1986, a re-orientation of social housing programs was undertaken, and assistance became targeted exclusively to those most in need. The provinces have been given the primary role for program delivery, in exchange for increased funding equivalent to at least 25% of the total cost, and for adherence to federal objectives for the housing of low-income Canadians. According to the 1990 *Annual Report* of the Canada Mortgage and Housing Corporation (CMHC), the major programs include:

1. the Non-Profit Housing Program, which provides subsidized rental housing projects for needy households on a rent-to-income basis;
2. the Rent Supplement Program, which provides subsidy assistance for units owned by private landlords or co-operatives for social housing purposes, with rental reductions based on a rent-to-income scale;
3. the Urban Native Non-Profit Housing Program, through which subsidized rental housing is provided to needy Native households by assisting Native-sponsored non-profit housing organizations to operate rental housing projects;
4. the On-Reserve Non-Profit Housing Program, through which loans are made to Indians living on reserve to offset a portion of amortization and operating costs incurred for non-profit projects on reserves;
5. the Rural and Native Housing Program, whereby homeownership, lease-to-purchase and rental housing assistance are provided to rural and Native people in rural areas with populations under 2,500, with subsidies ultimately established on a payment-to-income scale;

6. the Residential Rehabilitation Assistance Program, through which loans are made to homeowners, Natives on reserve, and the disabled to aid in the repair of substandard housing and to assist in the modification of homes to suit the needs of the disabled;
7. the Emergency Repair Program, which provides rural households with assistance to make emergency repairs for the continued safe occupancy of their dwellings; and
8. Project Haven, a program that complements other government initiatives against family violence and provides funding for shelters for battered women and children.

The 1990 Budget indicated that funding for new commitments under CMHC social housing programs would be 15% less than planned. This initiative was reinforced in the 1991 Budget when it was announced that the reduction will be continued through to 1995-96. At that time, it was also announced that initiatives designed to improve the management of social housing, and produce further savings, would be introduced. These initiatives include financing social housing projects through bulk tenders, and amortizing the cost of capital improvements.

The then Minister of State (Housing), the Honourable Alan Redway, in his appearance before the Sub-Committee, indicated his belief that the poverty cycle can only be broken if the children living in poverty have decent shelter and a healthy environment in which to live. Nevertheless, he noted that almost 400,000 poor families with children remain in need of decent affordable housing, either because their current accommodations are overcrowded or are substandard, or because housing expenditures represent too significant a portion of their household income.<sup>133</sup> While housing is an important element in attempts to alleviate poverty, he noted that poverty is a product of many forces, and that education, skills training, counselling, social supports and opportunities will also be needed.<sup>134</sup>

Mr. Redway noted that the government's efforts are targeted toward assisting those determined to be in core housing need. The approximately 1.3 million households in core need include lone- and two-parent families, unattached individuals, senior citizens, disabled persons and Aboriginal peoples who spend in excess of 30% of their income on decent, affordable shelter.<sup>135</sup> In 1988, female-led lone-parent families represented 14.8% of those in core housing need, and surveys cited by Mr. Redway indicate that almost 25% of households in public housing is headed by a lone parent. Further, in the portfolio of social housing, 340,000 children under the age of 15, and an additional 190,000 youths between the ages of 15 and 24, are being assisted.<sup>136</sup> He also indicated that just over 10% of public housing projects are high-rise buildings, and that the government's emphasis is on smaller projects which are integrated into the community.<sup>137</sup>

Currently, \$1.7 billion annually in government subsidies is used to help meet the shelter needs of low-income Canadians; public housing, non-profit and co-operative housing, and programs targeted to Aboriginal peoples represent a stock of more than 637,000 subsidized dwellings. The majority of annual expenditures is used to continue the subsidization of these existing dwellings, which may subsidize shelter costs to as low as 25% of their income; this cost increases every year. Moneys in excess of those required to assist those in the existing housing stock is used to: build

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<sup>133</sup> *Proceedings*, Issue 3, p. 4.

<sup>134</sup> *Ibid.*, p. 8.

<sup>135</sup> *Ibid.*, p. 15.

<sup>136</sup> *Ibid.*, p. 5.

<sup>137</sup> *Ibid.*

and subsidize new housing units; provide rent supplement programs where the government buys into existing dwellings to subsidize apartments; and, provide repair assistance on homes under the Residential Rehabilitation Assistance Program, and also under all of the Native housing programs. Between 1986 and 1989, the government assisted more than 200,000 additional core-need households through programs to upgrade substandard dwellings, provide rent-geared-to-income assistance, and create new social housing units. Mr. Redway indicated that while the budget cuts will not affect the moneys for the subsidization of existing dwellings, there will be limitations in terms of new housing units, rent supplements, and residential rehabilitation. Mr. Robert Lajoie, of the Canada Mortgage and Housing Corporation, indicated that approximately 36,000 new families would be assisted in 1990.<sup>138</sup>

Mr. Redway made particular mention of the housing problems of Aboriginal Canadians, noting that the government is addressing their needs through programs delivered on reserve, in urban areas, in rural and remote areas, and through the provision of emergency repair assistance. It was noted that since 1986, the federal government has provided assistance to almost 23,000 households under these programs, including about 8,200 dwellings under the Rural and Native Housing Program, of which 50% are targeted to Natives.<sup>139</sup> Nevertheless, the Assembly of First Nations told the Sub-Committee of the housing needs of the Indian community when it stated:

In 1990 [the Assembly of First Nations] estimated that in order to provide for the housing needs in the Indian community, government would have to set aside \$333 million in that year if it wanted to make sure each family had a home. We have 20,000 units of housing shortfall at the present time, and if government does not increase the housing contribution to the Indian communities, at least 46,000 housing units will be behind in terms of construction in our communities by the year 2000.<sup>140</sup>

The Assembly also said that:

(h)opefully, at some point in time, we will have running water and sewer systems in most Indian homes.<sup>141</sup>

Despite Canada's social housing policy, many needy Canadians are paying in excess of 30% of their income on shelter. Among those who have shelter, the Sub-Committee learned that some housing is of low quality. The Sub-Committee also received testimony regarding the merits of co-operative housing. A representative from End Legislated Poverty told the Sub-Committee:

I got into a housing co-op . . . and that was a big step for me. It gave me a lot more leeway with my budget. Before that we were paying 60% or 70% or more of what was coming in for rent.<sup>142</sup>

As noted earlier, Dr. Maloney spoke to the Sub-Committee about public housing being a risk factor.<sup>143</sup> The Children's Aid Society of Ottawa-Carleton also identified living in "ghettoized", low-income housing as one of the primary risk factors associated with children and families coming into contact with social services and health agencies.<sup>144</sup> As noted in the *Ontario Child Health Study*, children living in subsidized housing have higher rates of psychiatric disorders, with 30.4% of such

<sup>138</sup> *Ibid.*, p. 5, 7, 10, 16.

<sup>139</sup> *Ibid.*, p. 7.

<sup>140</sup> *Proceedings*, Issue 11, p. 20.

<sup>141</sup> *Ibid.*

<sup>142</sup> *Proceedings*, Issue 9, p. 76.

<sup>143</sup> *Ibid.*, p. 94.

<sup>144</sup> *Proceedings*, Issue 13, p. 34.

children affected, a figure which is more than twice the 14.2% rate of such disorders in non-subsidized housing. The Study also indicated that more than 40% of older children living in such housing perform poorly in school, and that more than one-third of young children living in subsidized housing are perceived as needing professional help for emotional and behavioural problems. <sup>145</sup>

The Sub-Committee shares the views of witnesses regarding the importance of high-quality and secure shelter in child development, and recommends that:

**A14 the Federal Government continue its policy of targeting its social housing moneys to those in core need, but that it pay particular attention to the housing needs of Aboriginal Canadians.**

**A15 the Federal, Provincial and Territorial Governments ensure that subsidized housing is integrated into the community, and that adequate recreational and support services are available. Further, it is urged that existing public housing developments be upgraded, in co-operation with tenants, to ensure a secure, healthy, high-quality and crime-free environment, and that all new developments be of a high quality.**

**A16 the Federal, Provincial and Territorial Governments encourage the development of co-operative housing ventures.**

**A17 the Canada Mortgage and Housing Corporation organize and jointly sponsor Provincial/Territorial conferences on social housing issues and options.**

**A18 the Canada Mortgage and Housing Corporation establish Advisory Committees, co-ordinated through regional and provincial offices, to provide ongoing information transfer and consultation between government agencies, the private and non-profit housing and service sectors, and those who reside in social housing.**

**A19 as funds become available, the Federal Government take action to eliminate the waiting lists for subsidized housing and to create co-operative housing units.**

The Sub-Committee considers the provision of adequate, affordable, high-quality housing for all Canadians in core need to be a priority.

## **B. INCOME ADEQUACY AND EMPLOYMENT CREATION**

Canadians receive income in a variety of ways—through the social assistance system, through market work, and through the federal tax and transfer system, among others. Many witnesses suggested to the Sub-Committee that income from these various sources is inadequate for some Canadians.

The Sub-Committee too feels that there are certain problems with the social assistance system as it is currently structured, that more education and training is needed to ensure our international competitiveness and thus job opportunities for all Canadians, and that existing family-benefit moneys could be delivered in a more effective manner.

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<sup>145</sup> Dr. Dan Offord, et al., *Ontario Child Health Study: Children at Risk*, Queen's Printer, Toronto, 1990, p. 1, 12.

## 1. The Social Assistance System

As noted earlier, social assistance rates vary greatly across Canada, with no national standard, and many witnesses told the Sub-Committee that these rates are too low. Recall, for example, the testimony received from Equal Justice for All, which indicated that in Saskatchewan a family of eight receives, per person per day, \$2.08 for shelter, \$0.25 for utilities and \$4.13 for all other needs,<sup>146</sup> and from the Nova Scotia Nutrition Council regarding the 63% of the nutritional needs of children which would be met based on that province's social assistance food rates.<sup>147</sup> Although not directed specifically to the situation of families on social assistance, Family Service Canada told the Sub-Committee that:

(T)he [poor] family is faced with constant decisions. Do we go to the medical clinic or do we not, because that requires a bus fare? Do I keep my child at home this week because he is going on a school outing and it requires \$3 to pay for a small snack at the museum? Do I keep my child at home when there are other outings and activities because there is a \$2 requirement for juice and other nutritious kinds of snacks? <sup>148</sup>

Equal Justice for All told the Sub-Committee of situations where the rights of social assistance recipients have allegedly been violated. It shared the following story with the Sub-Committee:

(A)n individual . . . came to [Equal Justice for All] for help. He was forced into a work activity project. The man was a nursing assistant and he was a pianist. When he objected to being forced to (do) construction work while he sought his own employment, he was cut off assistance for three months. He became extremely depressed and we believe suicidal.<sup>149</sup>

While the Canada Assistance Plan requires an appeals procedure in order that social assistance recipients can appeal the decisions made with respect to their case, it is not clear to the Sub-Committee that these appeals procedures are serving the purpose for which they were envisioned.

Further, Equal Justice for All told the Sub-Committee that in Saskatchewan:

[one] thing that is very punitive is that the federal (F)amily (A)llowance is deducted from people on welfare, so people on welfare in Saskatchewan do not even get that transfer payment.<sup>150</sup>

The Sub-Committee recommends that:

**B1 a Federal/Provincial/Territorial Task Force be established to develop Provincial/Territorial standards for basic social assistance and supplementary benefits that would ensure that the basic needs of adults and children are met.**

**B2 in order to ensure that families have adequate discretionary income to provide for the educational, recreational and cultural needs of their children, the value of federal child-related benefits not be deducted from social assistance income.**

<sup>146</sup> *Proceedings*, Issue 13, p. 90.

<sup>147</sup> *Proceedings*, Issue 10, p. 79.

<sup>148</sup> *Proceedings*, Issue 13, p. 77.

<sup>149</sup> *Ibid.*, p. 96.

<sup>150</sup> *Ibid.*, p. 90.

**B3** the Federal Government enter into negotiations with the Provincial/Territorial Governments to ensure a social assistance scheme that will ensure that basic needs are met and that will not reduce social assistance income by the amount of any federal child-related benefits.

**B4** the Federal Government ensure that all Provincial and Territorial Governments fulfill the requirements of the Canada Assistance Plan with respect to the appeals procedure, and that the Minister of National Health and Welfare consider legislation that would provide a more effective appeals procedure and an enforcement mechanism.

## 2. The Minimum Wage

In his appearance before the Sub-Committee, Mr. Beatty indicated that, at the federal level, about 1.5% of Canadians fall into the category of being at the federal minimum wage level. Based on an estimate of 930,000 employees subject to labour standards in the federal jurisdiction, provided by a Labour Canada official and Mr. Beatty's estimate, there would be approximately 13,950 employees earning the federal minimum wage. He also noted that one of the problems associated with simply raising the minimum wage is that businesses may become uncompetitive in Canada and that, as a consequence, they may close their Canadian operations and relocate in some other country where there is a lower wage rate. The result of such action might be that the weakest and most vulnerable Canadians who are being paid low wages might be the ones that would lose their jobs.<sup>151</sup> Among the witnesses, the Children's Aid Society of Metropolitan Toronto was one of the few who acknowledged that a high minimum wage could result in some economic downsizing.<sup>152</sup>

Having a job is no guarantee that one will not be poor. The Sub-Committee recalls the testimony of such groups as the Coalition for Equality, which told the Sub-Committee that some minimum wages are at a level that, even with full-year, full-time work, would leave an individual worse off than if he or she were to receive social assistance.<sup>153</sup> As noted earlier by a poor mother from British Columbia, some benefits which are received by social assistance recipients are lost once they engage in market work, and there are work-related expenses which must be met.<sup>154</sup> Ms. Bradshaw told the Sub-Committee that:

[the working poor] are really trying, but there is nothing in the system for them. . . . I think it is unfortunate that in this country if you are a child abuser, an abuser of drugs, an abuser of alcohol the system seems to be there for you, but it is not there for the ones who are trying to help themselves.<sup>155</sup>

The Social Planning Council of Edmonton indicated its belief that:

minimum wage legislation should be co-ordinated with other child-related benefits. If social assistance programs are retained . . . disincentives to entering the labour force must be removed through a comprehensive package of transitional benefits . . . [which] would include health care, child care, and so on.<sup>156</sup>

<sup>151</sup> *Proceedings*, Issue 8, p. 25, 26.

<sup>152</sup> *Proceedings*, Issue 10, p. 36.

<sup>153</sup> *Proceedings*, Issue 13, p. 49, 50.

<sup>154</sup> *Proceedings*, Issue 9, p. 65.

<sup>155</sup> *Proceedings*, Issue 10, p. 54.

<sup>156</sup> *Proceedings*, Issue 13, p. 63.



The Sub-Committee recognizes that the federal minimum wage rate, at \$4.00 per hour, is the lowest in Canada, as shown in Table 19. At that wage rate, a person working 40 hours per week, for 52 weeks per year, would earn an income less than the low income cut-off for one person anywhere in Canada, and on the basis of either the 1978-based or the 1986-based LICOs.

The Sub-Committee recommends that:

**B5** the Minister of Labour undertake a study of the financial impact of raising the federal minimum wage rate to a level which would ensure that the annual income earned by an individual working full-time, full-year would equal the Statistics Canada Low Income Cut-off for a single person residing in the largest urban area.

**B6** a Federal/Provincial/Territorial Task Force be established to study the feasibility of a Guaranteed Earned Income Supplement that would ensure that the income received from employment would be greater than that received by employable social assistance recipients. Further incentives to engage in market work should be provided through the extension of select social assistance benefits, including free prescription drugs, eyeglasses, dental care, etc., to those engaging in market work but earning an income below the relevant low income cut-off. These benefits should be available until earned income from labour market activity reaches the relevant cut-off.

### 3. Employment Creation and Job Training

In his appearance before the Sub-Committee, Mr. Beatty indicated that "(t)he government's approach has been to recognize the need for a healthy, well-managed economy that will provide opportunities for families to support themselves, as well as new programs which provide for people in need."<sup>157</sup> He indicated that the government has worked to develop a climate in which job creation can prosper, and that Canadians have benefitted from new programs which will better prepare them for participation in the labour force. Further, he indicated that although the goal is certainly to achieve full employment, the issue is how best to achieve that whether through government spending on make-work programs, which are essentially temporary in nature, or whether through a broader approach, which is to ensure an economic climate in which the economy can flourish and in which Canadians themselves can create jobs.<sup>158</sup>

The Sub-Committee supports the government's efforts toward the attainment of lower rates of unemployment. As shown in Chart 9, the relationship between the unemployment rate and the poverty rate is clear; efforts to reduce the rate of unemployment must continue. The Sub-Committee is particularly concerned about the potential impact of the current recession and levels of unemployment on the rate of poverty among families and children.

The Sub-Committee believes that one of the fundamental challenges facing Canada in the 1990s and beyond is competitiveness – the ability to compete effectively in the global marketplace. The Sub-Committee agrees with the definition of competitiveness reached by business and labour leaders at a consultative forum on competitiveness sponsored by the Public Policy Forum in Vancouver in June 1991. They defined competitiveness as "creating an economy and a society

<sup>157</sup> Proceedings, Issue 8, p. 21, 24.

<sup>158</sup> Ibid.

able to sell goods and services in the world market in such a way that business makes a profit, pays fair wages, provides secure jobs and good working conditions, and respects the environment." It is the ability to compete internationally that will ensure employment security and a rising standard of living for all Canadians. In order to compete, Canada must increase the skills of its work force and enhance its productivity. Canadians must add more value to what is produced, both to the raw materials and through the industries that serve the resource and goods sectors.

Recently, Canada's competitiveness has been eroded. Between 1981 and 1988, unit labour cost growth in Canadian manufacturing exceeded that in the United States, due to larger unit labour cost increases that were only partly offset by depreciation of the Canadian dollar. Over the period, the cost competitiveness of Canadian manufacturing also deteriorated against the United Kingdom, although it remained virtually unchanged against France and improved against Japan, West Germany and Italy. Further, over the period, output per hour in Canadian manufacturing increased by 2.3% per year, the lowest rate of increase among the seven major OECD countries.<sup>159</sup>

It is not only with regard to competitiveness that Canada appears to be lagging. In 1985, among the seven major OECD countries, Canada had the second lowest ratio of research and development expenditures to GDP, second only to Italy. Canada's performance also lagged that of Switzerland, the Netherlands, Norway and Finland.<sup>160</sup>

What is needed is a national commitment to competitiveness, with human resource development, modern technology and infrastructure, and research and development. Canadian workers must engage in ongoing education and training, not only in basic literacy and numeracy skills which can be transferred from job to job, but also in specialized skills. Workers who lack basic skills cannot function effectively in the workplace and adjust to its changes and the introduction of new technology. While the average level of formal education attainment of the Canadian labour force has risen over time, many unskilled jobs have been eliminated by technological change, and new employment opportunities are concentrated in more highly-skilled occupations. Employment and Immigration Canada has estimated that 64% of all jobs created between 1986 and the year 2000 will require more than 12 years of education and training, and that nearly 50% will require more than 17 years.<sup>161</sup>

Education and training are widely recognized as critical to Canada's competitiveness, but the question is: who should finance such initiatives? the employer? the employee? the government? The Economic Council of Canada has suggested that, to the greatest extent possible, human resource development and labour adjustment should be achieved through the actions of employers, unions and employees, responding to market forces. The Council feels that the government has a role to play in ensuring that public policies work with market forces to strengthen the commitment to human resources and the economic security of Canadian workers. It believes that our human resource development strategy must include both a broadly-based education system for the development of literacy and numeracy skills and an industry-based training system for the development of specific vocational skills. The Council has noted that 72% of Canadian 17-year-olds participate in a formal education or training program, compared with 87% of

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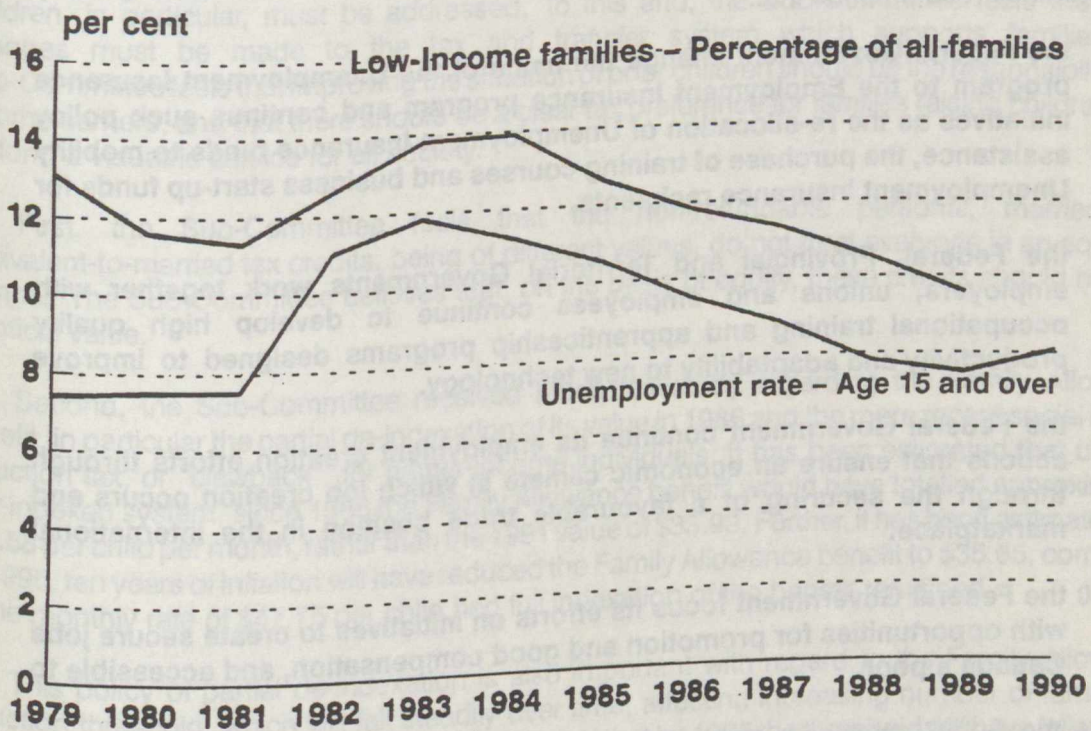
<sup>159</sup> Dr. Andrew Sharpe, "Measuring Canada's International Competitiveness," *Perspectives on Labour and Income*, Statistics Canada, Catalogue 75-001, Summer 1990, p. 9, 10, 16. The seven major OECD countries include: Canada, the United States, West Germany, Japan, the United Kingdom, France and Italy.

<sup>160</sup> *Ibid.*, p. 13, 14.

<sup>161</sup> Dr. Andrew Sharpe, "Training the Work Force: A Challenge Facing Canada in the '90s", *Perspectives on Labour and Income*, Statistics Canada, Catalogue 75-001, Winter 1990, p. 21, 22.

Americans and 94% of Japanese.<sup>162</sup> Further, according to some international standards, the quality of our "high-skill" work force is "mediocre". The Council has noted that, according to the 1989 World Competitiveness Scoreboard, Canada ranked in the middle group in terms of managerial talent, research and development personnel and skilled labour.<sup>163</sup>

**CHART 9**  
**UNEMPLOYMENT RATES AND LOW-INCOME RATES**  
**CANADA, 1979-1990**



Source: Statistics Canada.

Rapidly changing technology will require employees to upgrade existing skills and learn new skills on an on-going basis. Canadians must realize that, as global competition continues, such high-cost countries as Canada will have to rely increasingly on the excellence of their work force to provide a comparative advantage in the marketplace.

Human resource development, like the eradication of child poverty, is an investment in our future. As slowed labour force growth continues, all labour force participants must be highly-skilled and capable of adapting to fundamental changes in the Canadian economy prompted by technology and the internationalization of business activity.

<sup>162</sup> Economic Council of Canada, p. 19, 20.

<sup>163</sup> *Ibid.*, p. 20.

The Sub-Committee also recognizes that in the 1980s, virtually all net jobs created were in the service sector; by 1988, 71% of all workers were employed in the service sector. This growth in employment has been characterized by the creation of either highly-skilled jobs which are well-compensated and secure, or are unstable and relatively poorly paid, with low skill requirements and few opportunities for advancement. If Canadian families are to prosper, it is the secure and well-compensated jobs on which employment creation efforts must focus. The Sub-Committee notes that these jobs will require highly-skilled workers, and believes that an increased emphasis on basic education, and occupational training programs, will yield workers with the necessary level and type of skills required.

Recognizing the importance of employment income for a family's financial security, and training efforts to ensure that Canadians have the skills needed to compete globally, the Sub-Committee recommends that:

- B7 the Federal Government change the name of the Unemployment Insurance program to the Employment Insurance program and continue such policy initiatives as the re-allocation of Unemployment Insurance funds to mobility assistance, the purchase of training courses and business start-up funds for Unemployment Insurance recipients.**
- B8 the Federal, Provincial and Territorial Governments work together with employers, unions and employees continue to develop high quality occupational training and apprenticeship programs designed to improve productivity and adaptability to new technology.**
- B9 the Federal Government continue its employment creation efforts through actions that ensure an economic climate in which job creation occurs and through the securing of a favourable trade position in the international marketplace.**
- B10 the Federal Government focus its efforts on initiatives to create secure jobs with opportunities for promotion and good compensation, and accessible to Canada's poor.**

It is the Sub-Committee's belief that enhanced competitiveness will lead to increased employment opportunities. In conjunction with education and training efforts, these opportunities should enable some Canadians to leave social assistance. Such a change could be advantageous for a variety of reasons. For example, the school performance of children could improve. The *Ontario Child Health Study* found that girls whose families were on social assistance had 3.9 times the rate of poor school performance relative to that of girls not on social assistance; the comparable rate for boys was 1.4 times.<sup>164</sup> Further, among children in families on social assistance, the prevalence of psychiatric disorder, at 31.2%, was more than twice the 13.8% rate for families not on social assistance, although the Study did note that 68.8% of children in families on social assistance were free of psychiatric disorder.<sup>165</sup> However, much of the strength of the relationship between psychiatric disorder and social assistance is accounted for by family dysfunction and, in particular, low income.<sup>166</sup>

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<sup>164</sup> Dr. Dan Offord, *et al.*, p. 1.

<sup>165</sup> *Ibid.*

<sup>166</sup> *Ibid.*

Enhanced competitiveness, and its associated employment opportunities, should benefit Canada generally and enable families receiving social assistance and "working poor" families to leave poverty and achieve a higher standard of living. The Sub-Committee believes that full-time, well-paid employment opportunities are critical in the alleviation of child poverty.

#### 4. The Tax and Transfer System

The Sub-Committee is of the opinion that poverty among Canada's children is unacceptable and must end. The Sub-Committee also feels that the federal government, through the tax and transfer system, must give greater recognition to the importance of our children. While all Canadian children are important and deserve recognition, the Sub-Committee feels that the situation of poor children, in particular, must be addressed. To this end, the Sub-Committee feels that some changes must be made to the tax and transfer system which supports families. The Sub-Committee feels that improving the situation of poor children should be the responsibility of all income earners, and that there should be a clear tax preference for families raising children, who perform a valuable service for all society.

First, the Sub-Committee feels that the non-refundable personal, married and equivalent-to-married tax credits, being of different values, do not treat everyone in an equitable manner. The Sub-Committee believes that, on the basis of equity, these credits should have an identical value.

Second, the Sub-Committee received much testimony regarding the Family Allowance benefit, in particular the partial de-indexation of its value in 1986 and the more recent social benefit reduction tax, or "clawback", for higher-income individuals. It has been estimated that under a fully-indexed system, since 1986 the Family Allowance benefit would have totalled approximately \$38.58 per child per month, rather than the 1991 value of \$33.93. Further, it has been estimated that by 1995, ten years of inflation will have reduced the Family Allowance benefit to \$35.65, compared to the monthly rate of \$47.75 per child had full indexation of the benefit remained.

This policy of partial de-indexation is also important with regard to the Family Allowance reduction threshold, which will fall steadily over time, affecting increasing number of families at lower and lower income levels. It has been predicted that by 1995 the threshold will have fallen to an estimated \$41,886 in constant 1990 dollars. The Sub-Committee recognizes the erosion in the value of the benefit over time and the manner in which the falling value of the threshold will affect increasing numbers of Canadian households. The Sub-Committee feels that while the Family Allowance benefit cheque is mailed to all eligible families, the treatment of the benefit as taxable income and the implementation of the social benefit reduction tax necessarily mean that the benefit is not, in fact, universal. The Sub-Committee believes that it would be preferable to deliver these moneys through an alternative measure, such as the refundable Child Tax Credit. The Sub-Committee recognizes that the Family Allowance program is redistributive, delivering greater benefits per child to poorer families, but feels that the moneys should be more highly targetted and suggests that an enhancement of the refundable Child Tax Credit is an appropriate mechanism.

Third, several witnesses expressed dissatisfaction with the Child Care Expense Deduction which, as noted earlier, is the only assistance available to most families in defraying child care costs. They feel that the Deduction is a regressive measure giving the greatest tax savings to high-income tax filers, and that it should be replaced with a more progressive measure, such as a tax credit.

The Sub-Committee recommends that:

**B11** the Federal Government, in conjunction with the Provincial and Territorial Governments, develop a program by the year 2000 which would:

- a) recognize adult Canadians equally through personal, married and equivalent-to-married non-refundable tax credits which would have an identical value of \$5,500 (1991); increase the value of the age credit by the amount of the decrease in the personal tax credit; and, re-allocate all tax revenues generated through these changes to increase the value of the refundable Child Tax Credit;
- b) increase the value of the refundable Child Tax Credit through the re-allocation of existing Family Allowance funds to this credit;
- c) increase the value of the refundable Child Tax Credit through the removal of the supplement for young children under the credit and the re-allocation of the tax revenues generated by this measure to the credit;
- d) increase the value of the refundable Child Tax Credit through the removal of the non-refundable child tax credit and the re-allocation of the tax revenues generated by this measure to the credit.
- e) the Sub-Committee forwards three simulations (Table 20) for the consideration of the Minister of National Health and Welfare;
- f) convert the existing Child Care Expense Deduction to a refundable Child Care Expense Tax Credit, for families not in receipt of subsidized child care, of 50% of child care expenses, to a maximum of \$3,000 for children aged up to 7 years or of any age if infirm, and \$1,500 for children aged 7 to 14 years; families with a net income less than or equal to the income threshold for the refundable Child Tax Credit and the Goods and Services Tax Credit, would receive the full value of the credit while those families with net income in excess of the threshold would have the credit's value reduced by \$0.10 for every \$1.00 of net family income above this threshold. A system for advance payment of the credit should be established.

**B12** the enhanced refundable Child Tax Credit be delivered monthly, at mid-month, and universally, as is currently the case with the Family Allowance benefit. A system for advance payment of the credit should be established. Refundable Child Tax Credit benefits could be recovered from higher-income individuals in a manner similar to the current social benefit reduction tax.

**B13** the value of the enhanced refundable Child Tax Credit be increased annually in accordance with the rate of increase in average family income.

The Sub-Committee notes that these proposed changes would result in greater tax revenues for the provincial/territorial governments as some Canadian households would have their tax burden increased. The Sub-Committee believes that the federal government should meet with the provincial/territorial governments to negotiate a means of returning the additional provincial/territorial tax revenues to Canadian families.

The Sub-Committee believes that this enhanced child value benefit, in conjunction with enhanced employment opportunities and the other initiatives that the Sub-Committee has recommended, will ensure that Canadian children do not live in poverty.

### **C. ABORIGINAL PEOPLES**

The Assembly of First Nations indicated to the Sub-Committee that it would like to be recognized as warranting special attention, given the special nature of the social and economic needs that must be addressed if Aboriginal Canadians are to be less dependent on government. The Assembly would prefer to provide employment and economic development opportunities to Aboriginal communities, on or off reserve; it sees the solution to Aboriginal poverty not as more social assistance, but instead as direct measures that provide employment opportunities, education and training opportunities, and a stronger traditional economy. Such initiatives, while not totally eliminating the need for social assistance, would certainly reduce it to a significant extent. What is needed is the promotion of self-reliance.<sup>167</sup>

Although the focus of the Sub-Committee's study was directed to the more general phenomenon of child poverty in Canadian society, the Sub-Committee was struck by the harshness of conditions on reserves, in Aboriginal communities and in our cities. The Sub-Committee encourages the federal government to enhance its efforts to deal with these problems on several fronts.

The Sub-Committee recognizes the housing, educational, health and employment deficits being experienced by Aboriginal Canadians, and recommends that:

- C1 the Federal Government recognize that political self-government is of primary importance for eradicating child poverty among Aboriginal children, and that it consider negotiating appropriate financial and other arrangements with the Aboriginal communities.**

### **D. A COMPREHENSIVE PLAN OF ACTION**

The Sub-Committee believes that what it has recommended is a comprehensive plan of action that will lead to the eradication of child poverty by the year 2000. It involves both service and income measures, and initiatives that are both short-term and long-term in nature. As well, it involves, as plan participants, the various levels of government, community and church groups, business, unions, and individuals themselves. To the greatest extent possible, families and children should be involved in the development of programs and services.

Implementation of the plan will require co-ordination, and the Sub-Committee believes that the Children's Bureau within Health and Welfare Canada is the appropriate co-ordinating agency, given the Bureau's mandate.

The Sub-Committee recommends that:

- D1 the Children's Bureau within Health and Welfare Canada be responsible for the co-ordination and implementation of the Sub-Committee's plan of action for the eradication of child poverty by the year 2000.**

<sup>167</sup> Proceedings, Issue 11, p. 7, 14, 19, 23.

- D2** the Minister of Health and Welfare, on behalf of the Children's Bureau within Health and Welfare Canada, be required to table in both Houses of Parliament an annual report on progress made toward the elimination of child poverty. This report should examine and assess child programs and services to ensure that they are effective, economical and continuing to meet their intended objectives.
- D3** the Children's Bureau within Health and Welfare Canada prepare a "Charter for Children" as a means of ensuring that all Canadian children have the opportunity to develop and realize their fullest potential. This "Charter for Children" should follow the United Nations Convention on the Rights of the Child.

Children are our future and Canadians must be prepared to commit immediately the time and other resources necessary to ensure that all children have the opportunity to develop fully their potential and to have productive and fulfilling lives. Children and youth must be our first priority, for the sake of children and of all Canadians. The children of today are the adults of tomorrow, and are our most valuable resource. Canadians must undertake the necessary investment. Echoing the sentiment of many witnesses, Professor Waller told the Sub-Committee that:

if you do not invest in children now, you are going to increase the deficit substantially in the future, because not only are you going to have these immediate effects of what you have to do to pay for people who are illiterate, who drop out of school or who are on welfare, but you are also going to have the ripple effects.<sup>168</sup>

In its appearance before the Sub-Committee, the Dalhousie Health and Community Services Centre of Ottawa asked the following question: "Is there the political will to make [addressing child poverty] happen? I think that is the issue of the day."<sup>169</sup> The Sub-Committee's response is, without doubt, "yes". Our children are our future. The time for action is now.

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<sup>168</sup> *Proceedings*, Issue 13, p. 23.

<sup>169</sup> *Proceedings*, Issue 10, p. 48.



# APPENDIX A

**TABLE 1**  
**STATISTICS CANADA LOW-INCOME CUT-OFFS, 1989**

Size of family unit	Size of areas of residence				
	Urban areas				
	500,000 and over	100,000 499,999	30,000 99,999	Less than 30,000 <sup>a</sup>	Rural areas
	dollars				
	1978 base				
1 person	12,148	11,537	10,823	10,006	8,983
2 persons	16,027	15,212	14,193	13,168	11,741
3 persons	21,440	20,317	18,988	17,663	15,722
4 persons	24,706	23,481	21,950	20,418	18,175
5 persons	28,790	27,260	25,421	23,685	21,135
6 persons	31,444	29,709	27,770	25,829	23,073
7 or more persons	34,610	32,772	30,628	28,483	25,421
	1986 base				
1 person	13,511	11,867	11,593	10,568	9,198
2 persons	18,314	16,087	15,715	14,325	12,469
3 persons	23,279	20,446	19,974	18,208	15,849
4 persons	26,803	23,540	22,997	20,964	18,247
5 persons	29,284	25,720	25,126	22,905	19,936
6 persons	31,787	27,917	27,273	24,862	21,640
7 or more persons	34,188	30,028	29,335	26,742	23,275

<sup>a</sup> Includes cities with a population between 15,000 and 30,000 and small urban areas (under 15,000).

Source : Statistique Canada, *Income Distribution by Size in Canada 1989*, Catalogue, 13-207 Annual Report

**TABLE 2**  
**MEASURES OF "POVERTY" — 1989**

Household Size	CCSD Lines of Incomes Equality	Senate Committee Poverty Lines
1 person	\$11 828	\$11 900
2 persons	\$19 712	\$19 830
3 persons	\$23 655	\$23 790
4 persons	\$27 597	\$27 760
5 persons	\$31 549	\$31 730
6 persons	\$35 483	\$35 690
7 persons	\$39 426	\$40 050

Type of Household	Metropolitan Toronto Social Planning Council Budget Guides	Montreal Diet Dispensary Budget Guidelines for Basic Needs
Single employable	\$16 398	\$7 836
Mother, two childrens	\$21 694	\$12 704
Couple, two childrens	\$30 204	\$15 891

Source : — Ross, D. et R. Shillington, *The Canadian Fact Book on Poverty 1989*, Canadian Council on Social Development, 1989, p. 9, 12 and The Office of Senator D. Croll, The Senate.

**TABLE 3**

**UNEMPLOYMENT RATE AND CHILD POVERTY TRENDS,  
ALL CHILDREN UNDER 16, 1980-1989**

YEAR	NUMBER POOR	POVERTY RATE	UNEMPLOYMENT RATE
1980	851,000	14.8%	7.5%
1981	885,000	15.6	7.5
1982	1,037,000	18.3	11.0
1983	1,090,00	19.2	11.8
1984	1,134,000	20.1	11.2
1985	1,047,000	18.6	10.5
1986	954,000	17.0	9.5
1987	955,000	16.9	8.8
1988	875,000	15.4	7.8
1989	837,000	12.2	7.5

Note: Figures were calculated using 1978-based LICO's; using the 1986-based LICO's, the figures for 1986 through 1989, as presented by the National Council of Welfare in its brief to the Sub-Committee on April 1990, p. 45, and in unpublished data, would be:

1986	983,000	17.5%
1987	975,000	17.3
1988	913,000	16.1
1989	863,000	15.0

Source : Statistics Canada, *Income Distributions by Size in Canada Catalogue 13-207 Annual* and Statistics Canada, *The Labour force*, catalogue 71-001 Monthly.

**TABLE 4**  
**CHILD POVERTY BY PROVINCE, ALL FAMILIES, 1989**

	CHILDREN UNDER 16		
	number poor	number all	poverty rate
Nfld	26,000	144,000	17.9
PEI	4,000	31,000	13.9
NS	31,000	189,000	16.3
NB	27,000	163,000	16.7
Que	236,000	1,409,600	16.5
Ont	236,000	2,039,700	11.4
Man	53,000	235,000	22.5
Sask	50,000	241,900	20.7
Alta	106,000	587,600	17.7
BC	97,000	634,000	14.4
Canada	863,000	5,670,800	15.0

Note: Figures were calculated using 1986-based LICOS.

Source: "Fighting Child Poverty", Submission to the Sub-Committee by the National Council of Welfare, April 1990, p. 42 and unpublished data.

TABLE 5

**1985 INCOME STATISTICS BY FEDERAL ELECTORAL  
DISTRICT (1987 REPRESENTATION)**

	All economic families Incidence of low income %	Riding rank by Incidence of low income	Persons in low income family units	Average household income \$	Riding rank by average household income
Laurier - Sainte-Marie	36.6	1	34,565	21,477	294
Winnipeg North Centre (Nord-Centre)	36.0	2	32,470	20,749	295
Saint-Denis	33.3	3	34,715	21,938	292
Vancouver East (Est)	31.9	4	37,890	22,464	290
Papineau - Saint-Michel	30.1	5	29,895	23,278	288
Langelier	29.2	6	32,255	24,415	285
Hochelaga - Maisonneuve	28.3	7	27,515	23,386	287
Verdun - Saint-Paul	27.8	8	27,475	25,941	273
Rosemont	27.6	9	31,610	21,849	293
Burin - St. George's (Saint-George)	26.8	10	23,315	24,905	283
Bonavista - Trinity - Conception	25.5	11	24,615	22,865	289
Bourassa	25.5	12	24,890	27,062	252
Gander - Grand Falls	24.5	13	22,550	26,318	265
Edmonton East (Est)	24.0	14	25,960	28,204	235
Matapédia - Matane	23.8	15	17,060	23,891	286
Gaspé	23.7	16	15,085	25,909	274
Saint-Henri - Westmount	23.6	17	23,625	36,881	75
Outremont	23.4	18	27,010	32,810	145
Rosedale	22.4	19	28,060	39,359	56
Hamilton West (Ouest)	22.3	20	24,245	27,043	254
Longueuil	22.0	21	25,875	29,468	211
Trois-Rivières	21.7	22	18,300	28,705	227
Cape Breton (Cap-Breton) - East Richmond	21.5	23	14,110	27,049	253
Miramichi	21.2	24	12,600	25,589	276
Davenport	21.2	25	22,460	30,646	191
Dauphin-Swan River	21.1	26	16,580	22,416	291
Saint John	21.0	27	18,270	28,016	241
Edmonton Northwest (Nord-Ouest)	21.0	28	21,675	28,155	237
Sherbrooke	20.8	29	21,885	27,810	248
Madawaska - Victoria	20.5	30	13,550	25,312	278
Hamilton East (Est)	20.5	31	19,610	28,204	234
Gloucester	20.1	32	15,395	26,814	259
Pontiac-Gatineau-Labelle	20.1	33	17,090	26,058	271
Prince Albert (Prince-Albert)	20.0	34	14,845	28,924	222
Surrey North (Nord)	19.8	35	23,305	31,954	165
Restigouche	19.7	36	11,120	27,374	249

	All economic families Incidence of low income %	Riding rank by Incidence of low income	Persons in low income family units	Average household income \$	Riding rank by average household income
Saint-Laurent	19.5	37	19,885	34,029	118
Saint-Maurice	19.5	38	16,175	26,072	270
Mercier	19.4	39	21,865	30,118	201
York West (Ouest)	19.4	40	21,005	34,266	113
Notre-Dame-de-Grâce	19.3	41	19,295	32,369	158
Chicoutimi	19.2	42	16,905	31,679	174
The Battlefords – Meadow Lake	19.2	43	13,595	26,153	268
Yorkton – Melville	19.2	44	15,100	24,607	284
York South (Sud) – Weston	19.1	45	20,415	31,504	177
Humber – St. Barbe (Sainte-Barbe)	19.0	46	16,585	28,087	239
Lac-Saint-Jean	18.9	47	13,725	28,228	233
LaSalle – Émard	18.9	48	20,380	29,612	208
Jonquière	18.8	49	13,050	32,348	159
Trinity-Spadina	18.8	50	22,575	33,323	137
Champlain	18.6	51	16,695	27,867	244
Mégantic – Compton – Stanstead	18.6	52	15,545	25,211	281
Calgary Centre	18.6	53	25,670	30,779	187
Cape Breton (Cap-Breton) – The Sydneys	18.5	54	13,360	27,199	251
Saint-Léonard	18.5	55	18,380	30,682	189
St. John's East (Est)	18.4	56	21,270	34,990	106
Québec-Est	18.4	57	18,930	30,793	186
Roberval	18.3	58	13,815	28,957	221
Charlevoix	18.2	59	15,425	30,889	184
Bonaventure – Îles-de- la-Madeleine	18.1	60	9,905	26,761	261
Hull – Aylmer	18.1	61	17,790	33,617	129
Saint-Hubert	18.1	62	20,360	33,035	141
Mackenzie	18.1	63	13,495	25,229	280
Carleton – Charlotte	17.9	64	13,150	24,961	282
Argenteuil – Papineau	17.9	65	14,765	26,891	257
Rimouski – Témiscouata	17.9	66	14,640	28,816	225
Broadview – Greenwood	17.9	67	19,485	33,823	125
St. John's West (Ouest)	17.8	68	17,930	32,684	150
Laurentides	17.7	69	19,515	27,865	245
Drummond	17.6	70	16,005	26,279	267
Mont-Royal (Mount Royal)	17.6	71	19,620	43,863	29
Laval-des-Rapides	17.5	72	18,115	33,352	135
Manicouagan	17.4	73	9,755	31,923	168
New Westminster – Burnaby	17.4	74	22,900	30,543	193
Kamouraska – Rivière-du-Loup	17.3	75	13,775	26,107	269
Windsor West (Ouest)	17.3	76	18,750	32,715	146
Témiscamingue	17.2	77	15,140	27,964	242

	All economic families Incidence of low income %	Riding rank by incidence of low income	Persons in low income family units	Average household income \$	Riding rank by average household income
Sudbury	17.1	78	15,270	30,983	181
Richelieu	16.9	79	14,810	28,872	224
London East (Est)	16.9	80	20,505	30,647	190
Regina – Qu'Appelle	16.8	81	12,440	30,126	200
Okanagan – Shuswap	16.8	82	14,625	27,028	255
Ahuntsic	16.7	83	19,015	31,369	179
Bellechasse	16.7	84	15,125	25,540	277
Nanaimo (Nanaïmo) – Cowichan	16.6	85	19,115	29,145	216
Vancouver Quadra	16.6	86	20,850	41,051	44
Berthier – Montcalm	16.5	87	17,120	25,772	275
Saskatoon – Clark's Crossing	16.5	88	16,325	33,164	138
Saskatoon – Dundurn	16.5	89	15,800	33,740	126
Richmond – Wolfe	16.4	90	13,715	28,448	230
Edmonton North (Nord)	16.4	91	19,035	36,763	77
Cariboo – Chilcotin	16.4	92	12,025	30,419	194
Beauce	16.3	93	16,845	26,789	260
Frontenac	16.3	94	11,420	27,002	256
Montmorency – Orléans	16.2	95	15,640	32,370	157
Timiskaming	16.2	96	10,525	28,096	238
Lisgar – Marquette	16.2	97	13,320	25,260	279
Cape Breton (Cap-Breton) Highlands	16.1	98	11,440	27,849	246
Abitibi	16.1	99	14,005	30,407	195
Lotbinière	16.1	100	16,725	26,729	263
Beauhamois – Salaberry	16.0	101	15,780	28,531	229
Shefford	16.0	102	15,360	28,157	236
Winnipeg North (Nord)	16.0	103	15,575	31,878	169
Halifax	15.9	104	17,655	33,713	127
Ottawa – Vanier	15.8	105	17,505	36,361	83
Blainville – Deux-Montagnes	15.6	106	19,455	36,159	90
Calgary Northeast (Nord-Est)	15.5	107	18,175	38,121	63
Vancouver Centre	15.5	108	24,555	29,881	205
Scarborough West (Ouest)	15.4	109	16,480	34,181	116
Stormont – Dundas	15.4	110	13,735	30,860	185
Anjou – Rivière-des-Prairies	15.3	111	17,095	35,093	103
Nipissing	15.3	112	12,410	30,636	192
Parkdale – High Park	15.3	113	18,555	33,867	124
Cumberland – Colchester	15.2	114	13,685	26,753	262
Brandon – Souris	15.2	115	13,685	28,570	228
Moose Jaw – Lake Centre	15.2	116	12,455	29,171	215
Peace River	15.2	117	17,310	32,866	144
Egmont	15.1	118	5,810	26,817	258
Chapleau	15.1	119	17,815	35,633	96

	All economic families Incidence of low income %	Riding rank by Incidence of low income	Persons in low income family units	Average household income \$	Riding rank by average household income
Swift Current – Maple Creek	15.1	120	12,130	29,291	212
Okanagan – Similkameen	15.1	121	13,695	26,437	264
Brome – Missisquoi	15.0	122	13,120	27,269	250
Beaver River	15.0	123	11,290	32,550	152
Comox – Alberni	15.0	124	15,475	29,569	209
Eglinton – Lawrence	14.8	125	17,415	37,622	69
Prince George – Bulkley Valley	14.7	126	13,270	35,426	100
Fundy – Royal	14.6	127	13,475	30,703	188
Joliette	14.6	128	15,360	29,930	204
Fraser Valley West (Ouest)	14.6	129	16,375	31,934	167
Prince George – Peace River	14.6	130	14,090	34,188	115
Vancouver South (Sud)	14.6	131	18,630	39,705	50
Saint-Jean	14.5	132	13,280	29,283	213
Regina-Lumsden	14.5	133	12,080	34,702	110
South West Nova	14.4	134	11,980	25,983	272
Welland – St. Catharines – Thorold	14.4	135	13,660	33,942	121
Victoria	14.4	136			
Moncton	14.3	137	20,520	28,325	232
Calgary Southeast (Sud-Est)	14.3	138	14,220	32,600	151
Kamloops	14.3	139	17,335	43,187	32
Churchill	14.2	140	13,225	32,495	154
Burnaby – Kingsway	14.2	141	7,280	32,262	162
Labrador	14.1	142	19,345	35,472	97
Lévis	14.1	143	4,385	34,827	109
Saint-Hyacinthe – Bagot	14.1	144	16,105	33,475	132
Lethbridge	14.1	145	13,760	29,091	218
Vegreville (Végréville).	14.1	146	14,645	32,142	163
Esquimalt – Juan de Fuca	14.1	147	11,430	32,298	161
Fraser Valley East (Est)	14.0	148	13,645	30,406	196
Saskatoon – Humboldt	13.9	149	12,980	30,220	198
Medicine Hat	13.9	150	11,485	31,395	178
Beauséjour	13.8	151	14,215	31,870	170
St. Catharines	13.8	152	10,195	27,869	243
Crowfoot	13.8	153	15,145	33,034	142
Okanagan Centre	13.8	154	10,700	30,004	203
Beaches – Woodbine	13.7	155	14,665	29,471	210
Ottawa Centre	13.7	156	16,445	34,861	108
Sault Ste. Marie	13.7	157	15,800	36,479	80
Winnipeg Transcona	13.7	158	11,565	33,965	119
Edmonton Southeast (Sud-Est)	13.7	159	13,160	32,328	160
Red Deer	13.7	160	15,845	38,077	65
Port Moody – Coquitlam	13.7	161	14,400	34,195	114
			14,175	39,204	57



	All economic families Incidence of low income %	Riding rank by Incidence of low income	Persons in low income family units	Average household income \$	Riding rank by average household income
Central Nova	13.6	162	11,075	28,981	220
Athabaska	13.6	163	11,610	40,636	49
Portneuf	13.5	164	11,385	29,726	206
North Island - Powell River	13.5	165	12,190	31,772	172
Timmins - Chapleau	13.4	166	9,390	33,418	134
Calgary-West (Ouest)	13.4	167	15,955	41,310	41
Charlesbourg	13.2	168	14,880	36,150	91
York Centre	13.2	169	14,705	37,135	71
Edmonton Southwest (Sud-Ouest)	13.2	170	15,750	45,727	17
Cardigan	13.1	171	4,640	26,287	266
Portage - Interlake	13.1	172	10,105	28,389	231
Annapolis Valley - Hants	13.0	173	13,025	29,044	219
Don Valley-East (Est)	13.0	174	14,195	38,141	62
Souris - Moose Mountain	13.0	175	10,940	30,164	199
Kootenay West (Ouest) - Revelstoke	13.0	176	10,315	29,694	207
Hastings - Frontenac - Lennox	12.9	177	11,740	30,060	202
Dartmouth	12.8	178	13,405	36,975	74
Ottawa West (Ouest)	12.8	179	12,960	37,645	68
Southshore	12.6	180	11,035	27,833	247
Edmonton - Strathcona	12.6	181	16,245	36,683	79
Yellowhead	12.6	182	11,345	34,304	112
Scarborough East (Est)	12.5	183	12,810	42,575	37
Provencher	12.5	184	10,770	29,130	217
Winnipeg South Centre (Sud-Centre)	12.5	185	14,105	32,515	153
Mission - Coquitlam	12.5	186	13,330	34,961	107
Niagara Falls	12.4	187	12,640	33,659	128
Kindersley - Lloydminster	12.4	188	9,840	31,581	176
Wetaskiwin	12.4	189	10,910	32,704	148
Laval	12.3	190	12,715	39,601	51
Parry Sound - Muskoka	12.3	191	10,140	28,054	240
Duvernay	12.2	192	12,410	39,529	53
Algoma	12.2	193	8,020	33,051	140
Hillsborough	12.1	194	4,830	31,179	180
Elgin	12.1	195	11,160	31,602	175
Nickel Belt	12.1	196	9,420	35,432	99
Windsor - St. Clair (Lac Saint Clair)	12.1	197	12,470	36,347	84
MacLeod	12.1	198	105	36,774	76
North Vancouver	12.1	199	12,950	39,048	59
Terrebonne	12.0	200	15,725	37,817	67
London - Middlesex	12.0	201	12,230	36,333	85

	All economic families Incidence of low income %	Riding rank by Incidence of low income	Persons in low income family units	Average household income \$	Riding rank by average household income
St. Boniface (Saint-Boniface)	12.0	202	11,410	35,391	102
Brant	11.9	203	12,740	31,951	166
Ottawa South (Sud)	11.9	204	13,690	42,821	34
Bruce—Grey	11.8	205	12,465	28,728	226
Glengarry—Prescott—Russell	11.8	206	10,895	34,167	117
Hamilton Mountain	11.8	207	12,460	35,855	94
Kingston and the Islands (et les îles)	11.7	208	13,315	34,577	111
Erie	11.6	209	9,800	33,617	130
Simcoe North (Nord)	11.6	210	11,780	30,940	182
Wild Rose	11.6	211	9,990	36,719	78
Skeena	11.6	212	8,385	37,067	73
Fredericton	11.5	213	11,480	33,342	136
Lachine—Lac-Saint-Louis	11.3	214	13,220	41,139	43
Cambridge	11.3	215	13,610	35,071	104
Oshawa	11.3	216	12,500	37,133	72
Kootenay East (Est)	11.3	217	9,215	32,929	143
Surrey—White Rock	11.3	218	14,545	36,233	87
Huron—Bruce	11.2	219	11,835	30,933	183
Victoria—Haliburton	11.2	220	10,725	29,213	214
Kitchener	11.1	221	13,850	33,888	123
Richmond	11.1	222	13,990	41,486	40
Scarborough—Agincourt	11.0	223	12,540	43,195	31
Regina—Wascana	11.0	224	11,315	39,139	58
Calgary North (Nord)	11.0	225	14,955	44,046	25
Lambton—Middlesex	10.9	226	9,065	33,451	133
Renfrew	10.9	227	11,105	30,269	197
Châteauguay	10.8	228	10,255	36,021	92
Kent	10.8	229	9,895	33,100	139
Selkirk	10.8	230	9,715	35,470	98
Peterborough	10.7	231	12,590	32,399	156
Prince Edward—Hastings	10.7	232	11,055	32,415	155
Etobicoke North (Nord)	10.6	233	12,820	42,791	35
Northumberland	10.6	234	10,205	31,688	173
Scarborough Centre	10.6	235	10,630	39,409	55
Thunder Bay—Atikokan	10.5	236	8,680	35,850	95
Don Valley North (Nord)	10.4	237	10,400	47,866	14
Etobicoke—Lakeshore	10.3	238	12,995	36,226	88
Haldimand—Norfolk	10.3	239	9,510	31,972	164
Lincoln	10.3	240	10,905	38,650	60
Vaudreuil	10.2	241	10,370	39,474	54
Louis-Hébert	10.1	242	12,270	41,036	45
Cochrane—Superior (Supérieur)	10.1	243	6,645	36,170	89

	All economic families Incidence of low income %	Riding rank by Incidence of low income	Persons in low income family units	Average household income \$	Riding rank by average household income
Pierrefonds – Dollard	10.0	244	11,050	42,602	36
Thunder Bay – Nipigon	9.9	245	8,690	36,429	82
Winnipeg South (Sud)	9.9	246	10,175	45,112	21
Malpeque (Malpèque)	9.8	247	3,740	28,888	223
Wellington – Grey – Dufferin – Simcoe	9.8	248	11,025	32,688	149
Saanich – Gulf Islands	9.8	249	12,365	36,265	86
Delta	9.7	250	8,720	43,656	30
Perth – Wellington – Waterloo	9.6	251	10,690	33,498	131
Winnipeg – St. James	9.6	252	9,175	35,963	93
La Prairie	9.5	253	10,145	45,692	18
Samia – Lambton	9.5	254	9,625	38,074	66
Oxford	9.4	255	9,880	32,704	147
Scarborough – Rouge River	9.4	256	12,115	45,808	16
London West (Ouest)	9.3	257	13,505	38,091	64
Waterloo	9.3	258	12,720	38,296	61
Verchères	9.1	259	8,110	41,529	39
Halifax West (Ouest)	8.9	260	9,420	39,561	52
Essex – Kent	8.9	261	7,795	35,393	101
Leeds – Grenville	8.8	262	8,920	33,944	120
Kenora – Rainy River	8.7	263	6,370	33,897	122
Essex – Windsor	8.6	264	8,310	40,761	48
Simcoe Centre	8.6	265	9,950	35,035	105
Mississauga East (Est)	8.4	266	10,835	43,086	33
Willowdale	8.4	267	10,810	44,014	27
Chambly	8.3	268	8,570	40,851	47
Brampton – Malton	8.1	269	8,740	44,087	24
Guelph – Wellington	8.1	270	11,110	37,338	70
Calgary Southwest (Sud-Ouest)	8.1	271	10,715	49,304	12
St. Albert (St-Albert)	8.0	272	7,205	44,340	23
Mississauga South (Sud)	7.5	273	8,500	51,372	8
Elk Island	7.4	274	6,485	45,148	20
Hamilton – Wentworth	7.3	275	8,165	44,002	28
St. Paul's	7.2	276	11,290	55,624	3
York Simcoe	7.0	277	8,585	40,864	46
Burlington	6.7	278	7,625	44,824	22
Etobicoke Centre	6.6	279	6,950	55,847	2
Capilano – Howe Sound	6.5	280	6,450	52,494	6
Mississauga West (Ouest)	6.3	281	9,435	47,922	13
Brampton	6.2	282	8,740	45,269	19
Durham	6.0	283	6,530	42,045	38
Lanark – Carleton	6.0	284	7,250	41,140	42
Ontario	5.9	285	8,745	47,291	15

	All economic families Incidence of low income %	Riding rank by Incidence of low income	Persons in low income family units	Average household income \$	Riding rank by average household income
Don Valley West (Ouest)	5.7	286	7,980	54,563	4
York North (Nord)	5.6	287	9,770	52,715	5
Nepean	5.5	288	6,725	50,561	10
Oakville—Milton	4.7	289	6,595	51,306	9
Carleton—Gloucester	4.6	290	5,590	51,637	7
Markham	4.4	291	6,985	50,817	1
Halton—Peel	4.0	292	4,405	50,059	11
Yukon	0.0	293	0	36,452	81
Nunatsiq	0.0	294	0	31,812	171
Western Arctic	0.0	295	0	44,044	26

Source: Statistics Canada, CANSIM Division and Finn Poschmann, Research Branch, Library of Parliament

**TABLE 6**

**INFANT MORTALITY RATES PER 1,000 LIVE BIRTHS,  
CANADA, 1931-1989**

Year	Number of Infant Deaths
1931	86.0
1936	67.7
1941	61.1
1946	47.8
1951	38.5
1956	31.9
1961	27.2
1966	23.1
1971	17.5
1972	17.1
1973	15.5
1974	15.0
1975 <sup>1</sup>	14.3
1976 <sup>1</sup>	13.5
1977	12.4
1978	12.0
1979	10.9
1980	10.4
1981	9.6
1982	9.1
1983	8.5
1984	8.1
1985	8.0
1986	7.9
1987	7.3
1988	7.2
1989	7.1

<sup>1</sup> estimate

Source : Statistics Canada, *Health Reports: Deaths 1989*, Supplement No. 15, 1991, Vol. 3, No. 1, Catalogue 82-003S15, Table 15.

**TABLE 7**  
**INFANT MORTALITY RATES PER 1,000 LIVE BIRTHS,**  
**BY PROVINCE, 1988-1989**

Province	1988	1989
Newfoundland	9.3	8.2
Prince Edward Island	7.1	6.2
Nova Scotia	6.5	5.8
New Brunswick	7.2	7.1
Quebec	6.5	6.8
Ontario	6.6	6.8
Manitoba	7.8	6.6
Saskatchewan	8.4	8.0
Alberta	8.3	7.5
British Columbia	8.4	8.2
Yukon	5.8	4.2
Northwest Territories	10.3	16.2

Source : Statistics Canada, *Health Reports: Deaths 1989*, Supplement No. 15, 1991, vol. 3, No. 1, Catalogue 82-003515.

TABLE 8

**INFANT MORTALITY RATES AS PERCENT OF LIVE BIRTHS,  
SELECTED COUNTRIES, 1989**

Country	Rate
Japan	0.46
Iceland	0.53
Sweden	0.58
Finland <sup>1</sup>	0.61
Netherlands	0.68
Canada	0.71
Switzerland	0.73
France	0.75
Denmark	0.75
Federal Republic of Germany	0.75
Ireland	0.76
Spain	0.78
Australia	0.79
Norway <sup>1</sup>	0.83
Austria	0.83
United Kingdom	0.84
Belgium	0.86
Italy	0.89
United States	0.97
Greece	0.99
Luxembourg	0.99
New Zealand <sup>1</sup>	1.08
Portugal	1.22
Turkey	6.50

<sup>1</sup> for 1988

Source : Organization for Economic Co-operation and Development, *OECD IN FIGURES : Statistics on the Member Countries*, 1991, p. 46, 47.

**TABLE 9**

**RATES OF CHILD POVERTY, SELECT COUNTRIES,  
VARIOUS YEARS**

Country	Year	Rate
Canada	1981	16.8%
Israel	1979	18.6
Norway	1979	5.6
Sweden	1981	5.2
U.K.	1979	10.4
U.S.A.	1979	24.1

Note : Children are under 17 years of age. The definition of poverty is standardized across countries and represents one-half of the median household income, which approximates the Statistics Canada measure. The reference years differ for country, but are all between 1979 and 1981.

Source : Stein Ringen, *Differences and Similarity: Two Studies in Comparative Income Distribution*, Stockholm : The Swedish Institute for Social Research, 1986.



TABLE 10

HEALTH AND EDUCATION EXPENDITURES, INCOME INEQUALITY AND FEMALE WAGES SELECTED COUNTRIES, VARIOUS YEARS

	Total education expenditure (as % of GDP) 1986	Total health expenditure (as % of GDP) 1987	Public expenditure on education and on health combined (as % of total public expenditure) 1986-88	Income share lowest 40% of households (%) 1980-87	Female wages (as % of male wages) 1986
Japan	6.5	6.8	28.5	21.9	52
Canada	7.2	8.6	30.2	17.5	63
Iceland	3.7 <sup>b</sup>	7.8	32.3	—	90
Sweden	7.5 <sup>b</sup>	9.0	25.7	21.2	81
Switzerland	5.2	7.7	33.8	16.9	68
Norway	6.7	7.5	28.0	19.0	75
USA	6.8	11.2	26.4	15.7	59
Netherlands	6.8	8.5	22.7	20.1	77
Australia	5.7	7.1	28.0	15.5	87
France	6.6	8.6	24.2	18.4	75
United Kingdom	5.0 <sup>b</sup>	6.1	23.3	17.3	66
Denmark	7.3	6.0	21.4	17.4	84
Finland	5.7	7.4	28.0	18.4	76
Germany	4.5 <sup>a</sup>	8.2 <sup>a</sup>	23.0 <sup>a</sup>	19.5 <sup>a</sup>	—
New Zealand	4.9 <sup>b</sup>	6.9	22.7	15.9	77
Belgium	5.4 <sup>b</sup>	7.2	20.9	21.6	75
Austria	6.0 <sup>b</sup>	8.4	22.8	—	78
Italy	3.9 <sup>b</sup>	6.9	18.2	18.8	80
Luxembourg	2.8 <sup>b</sup>	7.5	24.2	—	64
Spain	3.2 <sup>b</sup>	6.0	23.6	19.4	—
Israel	—	2.1 <sup>b</sup>	—	18.1	—
Ireland	6.2	7.4	22.8	—	62
Greece	3.1	5.3	15.4	—	65
Czechoslovakia	—	4.2 <sup>b</sup>	—	—	68
Malta	3.6 <sup>b</sup>	—	—	—	—
Hungary	—	3.2 <sup>b</sup>	—	26.2	—
USSR	—	3.2 <sup>b</sup>	—	—	—
Bulgaria	—	3.2 <sup>b</sup>	—	—	—
Yugoslavia	3.6 <sup>b</sup>	4.3 <sup>b</sup>	—	17.1	—
Portugal	4.1 <sup>b</sup>	6.4	18.4	—	76
Poland	3.6 <sup>b</sup>	4.0 <sup>b</sup>	—	23.9	—
Albania	—	—	—	—	—
Romania	2.7	1.9 <sup>b</sup>	—	—	—

a) data for former German Democratic Republic not included.

Source: United Nations, *Human Development Report 1991*, Oxford: Oxford University Press, 1991, p. 175, 1986.

TABLE 11

## LIQUID ASSET EXEMPTION LEVELS AS OF DECEMBER 1990

Country	Unemployable			Employable	
	Single Person	Single Parent One Dependent	Single Disabled	Single Person	Family
Newfoundland	\$2,500	\$5,000	\$3,000	\$40	\$100
Prince Edward Island	200	1,200	900	50 <sup>1</sup>	50 <sup>1</sup>
Nova Scotia	1,500	2,500	3,000	Municipalities generally require liquid assets to be expended to meet basic needs.	
New Brunswick	500	1,000	1,000	500	1,000
Quebec	**2	**2	2,500 <sup>2</sup>	1,500	2,500
Ontario	2,500 <sup>3</sup>	5,000 <sup>3</sup>	3,000 <sup>3</sup>	Municipal welfare administrators determine the level of liquid assets a person may have and still be eligible for assistance.  For a single person, assets equal to 1-2 weeks' assistance may be exempted (or up to 1-3 months' assistance in the case of a temporarily unemployable person).  For a family, assets equal to 1-3 months' assistance.  Maximum exemptions (\$2,500 for a single person and \$5,000 for a couple plus \$500 per dependent) may apply to households to be transferred to long-term assistance.	
Manitoba <sup>4</sup>	400	2,000	400	Municipalities generally require liquid assets to be expended to meet basic needs.	
Saskatchewan	1,500	3,000	1,500	1,500	3,000
Alberta	1,500	2,500	3,000 <sup>5</sup>	For a single person, \$50 cash plus the equivalent of \$1,450 in cash assets. For a family, \$250 cash plus the equivalent of \$2,250 in cash assets.	
British Columbia	500 <sup>6</sup>	1,500	2,500	160	1,500
Northwest Territories	The value of any assets that should not be converted into cash for sound social or economic reasons (in the director's opinion) is exempt from inclusion as a personal resource.				
Yukon	500	1,800	1,500	100 <sup>7</sup>	200 <sup>7</sup>

## NOTES TO TABLE 11

1. This level applies to unemployed applicants who require assistance for less than four months. Liquid asset exemption levels for persons on assistance for four months or more are higher.
2. Under the new system of income security in Quebec, applicants would not be considered unemployable unless they were disabled. Families that qualify under the Financial Support Program get a \$5,000 exemption.
3. The director may permit households in receipt of Family Benefits to exceed the maximum exemption level by no more than ten percent. This exception applies only to current beneficiaries and not to applicants.
4. Manitoba has a distinct set of rules pertaining to persons owning or operating farms.
5. This level applies to persons who are severely and permanently disabled as defined under the Assured Income for the Severely Handicapped (AISH) program.
6. This applies to recipient under age 55. The asset exemption for recipients between the ages of 55 and 59 is \$1,500.
7. This asset exemption level applies to persons on assistance for less than 90 days. Higher levels are permitted for those on assistance for more than 90 days.
8. The federal maximums on liquid assets are:
  - a) \$2,500 for a single person and \$3,000 when an individual is aged or disabled.
  - b) \$5,000 for a person with one dependent (spouse or child) and \$5,500 when the applicant or spouse is aged or disabled.
  - c) an extra \$500 for the second and each additional dependent.
  - d) an additional amount where this has been placed in a special fund or trust for purposes that the province considers to be socially important — for example, the education of a child or the purchase of equipment to overcome a disabling condition.

National Council of Welfare, *Welfare Incomes 1990*, Autumn 1991, p. 4-6.

TABLE 12

MONTHLY EARNINGS EXEMPTION LEVELS AS OF DECEMBER 1990

	Unemployable	Employable
Newfoundland	For adults on social assistance for reasons other than unemployment (excluding disability), \$30 + 50 percent of allowable income over \$30 and up to \$80 a month (maximum monthly exemption of \$55)	For adults who are unemployed, 50 percent of allowable income up to \$80 a month; (maximum monthly exemption of \$40)
	For families on social assistance for reasons other than unemployment, first \$30 + 50 percent of allowable income over \$30 a month and up to \$200 a month (maximum monthly exemption of \$115)	For unemployed families, 50 percent of allowable income up to \$200 a month, (maximum monthly exemption of \$100)
	For a disabled adult, up to \$95 a month	
	For a family with disabled member(s), up to \$190 a month	
Prince Edward Island <sup>1</sup>	\$50 for a single person and \$100 for a family, plus ten percent of the balance of net earnings	Same
Nova Scotia	For a single person, \$100 + 25 percent of gross wages <sup>2</sup>	\$50 single person <sup>3</sup>
	For families, \$200 + 25 percent of gross wages	\$100 family <sup>3</sup>
New Brunswick	\$150 single person \$200 family	\$150 single person \$200 family
		Where a recipient has been designated as having high employment potential, exemptions are increased for one person by an additional monthly amount of \$250 for two months. Exemptions for a family are increased by an additional monthly amount of \$200 for two months and \$100 for the third month. Two-parent employable families are eligible for the \$200 exemption for six months with possible extensions.
Quebec <sup>4</sup>	\$100 for a single family person or family	\$84 for a single person or single parent; \$53 for a two-parent family <sup>5</sup>
Ontario <sup>6</sup>	\$160 + 20 percent over \$160 of net earnings for a single disabled person	\$75 + 20 percent over \$75 of net earnings for a single person
	\$185 + 20 percent over \$185 of net earnings for a family with at least one disabled person	\$150 + 20 percent over \$150 of net earnings for a two-parent family
	\$175 + 20 percent over \$175 of net earnings for a single-parent family	\$175 + 20 percent over \$175 of net earnings for a single-parent family

	Unemployable	Employable
Manitoba	The greater of \$50 a month, 70 cents for each hour worked or 30 percent of gross monthly earnings; \$50 a month up to \$600 a year for newly enrolled applicants, students and self-employed persons	\$120 a month; \$225 for those enrolled in Wage Supplementation Program
Saskatchewan <sup>7,8</sup>	First \$100 of monthly earned income + 20 percent of excess (maximum exemption \$150) for a single disabled person	First \$25 of monthly earned income + 20 percent of excess (maximum exemption \$75) for a one-person household considered non-disabled
	First \$125 of monthly earned income + 20 percent of excess (maximum exemption \$225) for a two-person family classified as disabled	First \$50 of monthly earned income + 20 percent of excess (maximum exemption of \$150) for a two-person family considered non-disabled
Alberta	100 percent of earnings up to \$115; 50 percent of earnings between \$116 and \$200; 25 percent of earnings between \$201 and \$300; ten percent exemption on earnings over \$300 <sup>9</sup>	Same
British-Columbia <sup>10</sup>	For an unemployable person, \$50 a month; \$100 for a single disabled person + 25 percent of net earnings in excess of \$100	For a single employable person, a monthly exemption of \$50 + 25 percent of net earnings exceeding this amount
		For households with a recipient and one or more dependents, none of whom is disabled and at least one of whom is employable, monthly exemption of \$100 + 25 percent of net earnings
Northwest Territories	\$50 (no dependents)	Same
	\$100 (no dependents)	
Yukon	No exemption on net income from full-time employment (more than 20 hours a week); earnings exemption on part-time employment is the greater of 50 percent of net earnings but not exceeding 25 percent of the total of items of basic requirements necessary to maintain an applicant and dependents or \$5 a month for a single person, \$10 a month for a family of two and \$15 a month for a family of three or more <sup>11</sup>	Same
	For permanent exclusions from the labour market, \$25 for a single person; \$50 for a married couple from sale of handicrafts or hobby materials	

## NOTES TO TABLE 12

1. The earnings exemptions for welfare recipients also apply to applicants for welfare.
2. There is a total exemption of earned income for the first month of full-time employment. As of July 1990, training allowances for a full-time participant were also exempt during the first month.
3. These are the earnings exemptions for the City of Halifax.
4. The exemptions indicated here were introduced with the new income security legislation in Quebec. The exemption for unemployable recipients was calculated under the Financial Support Program while exemptions for employable recipients were calculated under the Work and Employment Incentives Program. A person who has received welfare benefits from either program for three consecutive months and then gets a job or enters a training program can have all of his or her earnings or training allowances exempted for one month. This enhanced benefit can be claimed only once in any six-month period.
5. These are the earnings exemptions for recipients classified as "participants" within the Work and Employment Incentives Program. Different levels of earnings exemptions apply to persons classified as "available," "non-available" or "non-participating".
6. These earnings exemptions were introduced as part of the Supports to Employment Program (STEP) announced by Ontario in October 1989. The exemptions are more generous than they were prior to the reform; both the flat-rate amount and the percentage component have been changed. In addition, earnings are now calculated on the basis of net income and not gross income.
7. The earnings exemptions indicated here apply to fully employable individuals only after they have been in receipt of social assistance for at least the preceding three consecutive months. Recipients in the disabled category, by contrast, are entitled to the earnings exemption from the time they receive income from salaried employment.
8. Earnings exemption levels vary by family size. Only one-person and two-person households are indicated here.
9. People who qualify for the Assured Income for the Severely Handicapped (AISH) program instead of welfare have higher earnings exemptions. Single people get an exemption of \$165 a month plus 25 percent of additional earnings.
10. The enhanced exemption may be claimed no more than 18 times in a three-year period. However, disabled persons are eligible indefinitely for the enhanced exemption.
11. In lieu of an earnings exemption, full-time workers get additional payments of \$50 a month: \$25 for clothing and \$25 for transportation.

National Council of Welfare, *Welfare Incomes 1990*, Autumn 1991, p. 43-49.

TABLE 13

**ANNUAL SOCIAL ASSISTANCE INCOMES AS A PERCENTAGE  
OF THE LOW-INCOME CUT-OFF,  
COUPLE WITH TWO CHILDREN, 1990<sup>1</sup>**

	Basic Social Assistance	Additional Benefits	Low-Income Cut-Off (1978-Base)	Total Welfare Income as % of Low-Income Cut-Off (1978-Base)	Low-Income Cut-Off (1986-Base)	Total Welfare Income as % of Low-Income Cut-Off (1986-Base)
Nfld.	\$11,480	\$0	\$24,601	46,7%	\$24,662	46,5%
P.E.I. <sup>2</sup>	14,769	175 <sup>3</sup>	22,997	65,0	24,094	62,0
N.S. <sup>4</sup>	11,950	40 <sup>5</sup>	24,601	48,7	24,662	48,6
N.B. <sup>6</sup>	8,500	0	24,601	34,6	24,662	34,5
Que. <sup>7</sup>	13,188	787 <sup>8</sup>	25,884	54,0	28,031	49,9
Ont.	16,548	366 <sup>9</sup>	25,884	65,3	28,031	60,3
Man. <sup>10</sup>	14,383	37 <sup>11</sup>	25,884	55,7	28,031	51,4
Sask. <sup>12</sup>	13,860	160 <sup>13</sup>	24,601	57,0	24,662	56,8
Alta. <sup>14</sup>	13,269	0	25,884	51,3	28,031	47,3
B.C.	12,743	155 <sup>15</sup>	25,884	49,8	28,031	46,0

<sup>1</sup> Figures represent estimated welfare incomes for 1990. It is assumed that the household went on welfare on 1 January 1990 and remained on welfare for the entire calendar year. In calculating the basic social assistance rates, the rates for the largest municipal area in the province were used, it was assumed that both parents were employable, and recipients were assumed to be renters rather than home owners and that there was no sharing of accommodation. Special assistance has been indicated only when it is "automatically" provided to certain recipients. The Territories are not included because they are specifically excluded from the surveys used to generate the low income cut-offs. For Newfoundland, rate changes which took effect 1 May 1990 were incorporated in the figures. For Prince Edward Island, rate changes which took effect 1 April and 1 July 1990 were incorporated in the figures. For New Brunswick, rate changes which took effect on 1 September 1990 were incorporated in the figures. For Ontario, the figures were based on rate changes which took effect on 1 January 1990 for both the Family Benefits Program and the General Welfare Assistance. For Saskatchewan, rate effective 1 June 1990 and increase to shelter and utility rates effective 1 July 1990 were incorporated in the figures. For Alberta, the new welfare system took effect in 1991; the rates here are based on the former system and rates that were revised in May 1988. For British Columbia rate changes which took effect in August 1990 were included in the figures.

<sup>2</sup> The only difference between short-term and long-term rates used to be a monthly clothing allowance of \$20. Effective 1 April 1990, the short-term rate was eliminated and everyone paid at a rate that includes a clothing allowance. Figures represent 3 months at the old short-term rate and 9 months at the new rate that includes a clothing allowance.

<sup>3</sup> This school allowance is granted once a year. It was increased on 1 August 1989 to \$75 for children between the ages of 6 and 11 and to \$100 for children aged 12 and over.

<sup>4</sup> Rates of assistance are for Halifax for 1988. Increases to the food allowance that took effect December 1990 are included. Municipal recipients in Halifax often receive an additional \$40 per month for work-related transportation, but the allowance is not automatic in all cases.

<sup>5</sup> In Halifax, an annual amount of \$20 per child is granted for the purchase of school supplies.

<sup>6</sup> The family was classified in the Upgrading, Training and Placement Program.

**TABLE 13 (cont'd)**

- 7 This family was classified in the "participating" category of the Work and Employment Incentives Program. Rates for the Work and Employment Incentives Program are based on changes which took effect 1 January 1990. Rates of assistance for recipients of the Work and Employment Incentives Program include adjustments that were made as a result of harmonizing the welfare system with the tax system in that province.
- 8 This is the school expense allowance of \$46 for each dependent attending primary school and \$93 for each dependent in secondary school. The maximum monthly shelter subsidy of \$54 for a family of 4 is also included.
- 9 This is the combined amount of the dependent child allowance and the winter clothing allowance paid in November on behalf of the dependent children of General Welfare Assistance recipients.
- 10 These are the rates for Winnipeg and include increases which took effect 1 October 1990, as well as increases in food allowances which took effect 20 April 1990. The clothing allowance for employable recipients is not provided until the fifth week on assistance.
- 11 Winnipeg provided a Christmas allowance of \$13.05 per single person or family head and \$7.90 for each other family member.
- 12 The rates of assistance have been reduced by the amount of the federal Family Allowance. Saskatchewan is the only province which explicitly deducts the value of the federal Family Allowance from welfare rates. Low-income families are eligible for supplements from the Family Income Plan. The benefits have been incorporated within the welfare rates indicated.
- 13 This represents an amount for education-related expenses of \$100 for children aged 14 and over and \$60 for children between the ages of six and 13.
- 14 Employable individuals are not eligible for a clothing or household allowance, except as a special need, until they have been in receipt of assistance for at least three consecutive months.
- 15 This figure represents the combined amounts of the Christmas allowance and the school start-up fees.
- 16 Total welfare income includes the sum of Basic Social Assistance and Additional Benefits. It should be noted that the National Council of Welfare defines total welfare income to include Family Allowance benefits, the refundable Child Tax Credit, provincial Child-Related Benefits, the federal Sales Tax Credit, and provincial tax credits in addition to Basic Social Assistance and Additional Benefits.

Source : Adapted from Tables 2 and 3 in the National Council of Welfare, *Welfare Incomes 1990*, Autumn 1991, p. 18-25, 29-30.



**TABLE 14**

**EVOLUTION OF BENEFITS UNDER THE FAMILY ALLOWANCE PROGRAM<sup>(1)</sup>**

A. 1945-1973		Number of Children			
		1-4	5	6-7	8+
July 1945	0-5 years	\$5.00	\$4.00	\$3.00	\$2.00
	6-9 years	6.00	5.00	4.00	3.00
	10-12 years	7.00	6.00	5.00	4.00
	13-14 years	8.00	7.00	6.00	5.00
April 1949	0-5 years	\$5.00	\$5.00	\$5.00	\$5.00
	6-9 years	6.00	6.00	6.00	6.00
	10-12 years	7.00	7.00	7.00	7.00
	13-14 years	8.00	8.00	8.00	8.00
September 1957	0-9 years	\$6.00	\$6.00	\$6.00	\$6.00
	10-15 years	8.00	8.00	8.00	8.00
September 1964	Youth Allowance	\$10.00			
October 1973	Family Allowance	\$12.00			
	Youth Allowance	\$12.00			

	Average Family Income		Family Allowance per child		Special Allowance per child
	(constant 1989 \$)	(current \$)	monthly	annually	
1974	\$42,420	\$14,833	\$20.00	\$240.00	\$20.00
1975	42,881	16,613	22.08	264.96	22.08
1976	45,636	19,010	22.08	264.96	22.08
1977	44,702	20,101	23.89	286.68	23.89
1978	45,764	22,353	25.68	308.16	25.68
1979	46,104	24,640	20.00	240.00	27.99
1980	47,575	28,009	21.80	261.60	30.51
1981	46,769	30,973	23.96	287.52	33.53
1982	45,617	33,473	26.91	322.92	37.65
1983	44,915	34,861	28.52	342.24	41.87
1984	44,923	36,385	29.95	359.40	44.68
1985	46,036	38,780	31.27	375.24	46.65
1986	47,033	41,240	31.58	378.96	47.12
1987	47,642	43,603	31.93	383.16	47.64
1988	48,498	46,186	32.38	388.56	48.31
1989 <sup>2</sup>	50,083	50,083	32.74	392.88	48.84
1990 <sup>2</sup>	—	—	33.33	399.96	49.72
1991 <sup>2</sup>	—	—	33.93	407.16	50.61

<sup>1</sup> Note that this table refers to federal Family Allowance rates, as distinct from those which may exist in Quebec and Alberta.

<sup>2</sup> Family Allowance payments are recovered from higher-income individuals at a rate of 15% of individual net income exceeding \$50,000. Repayments in 1989 equalled one-third of the amount repayable, in 1990 two-thirds, and in 1991 the total amount. For 1990 and subsequent tax years, this \$50,000 threshold is indexed to increases in the cost of living exceeding 3%.

Source : Adapted from table prepared by Data Development and Analysis, Income Security Programs Branch, Health and Welfare Canada.

TABLE 15

**EVOLUTION OF THE VALUE OF THE REFUNDABLE CHILD TAX CREDIT<sup>1</sup>  
INCOME CUT-OFF POINTS<sup>2</sup>**

	Average Family Income (Current \$)	Rate \$	Income Reduc- tion Point \$	1 Child \$	2 Chil- dren \$	3 Children \$	4 Children \$	5 Children \$
1978	\$22,353	200	18,000	22,000	26,000	30,000	34,000	38,000
1979	24,640	218	19,620	23,980	28,340	32,700	37,060	41,420
1980	28,009	238	21,380	26,140	30,900	35,660	40,420	45,180
1981	30,973	261	23,470	28,690	33,910	39,130	44,350	49,570
1982	33,473	343	26,330	33,190	40,050	46,910	53,770	60,630
1983	34,861	343	26,330	33,190	40,050	46,910	53,770	60,630
1984	36,385	367	26,330	33,670	41,010	48,350	55,690	63,030
1985	38,780	384	26,330	34,010	41,690	49,370	57,050	64,730
1986	41,240	454	23,500	32,580	41,660	50,740	59,820	68,900
1987	43,603	489	23,760	33,540	43,320	53,100	62,880	72,660
1988	46,186	559 659	24,090 -	35,270 37,270	46,450 50,450	57,630 63,630	68,810 76,810	79,990 89,990
1989	50,083	565 765 <sup>3</sup>	24,355 -	35,655 39,655	46,955 54,955	58,255 70,255	69,555 85,555	80,855 100,855
1990	-	575 778 <sup>3</sup>	24,769 -	36,269 40,329	47,769 55,889	59,269 71,449	70,769 87,009	82,269 102,569

1 The rate given for 1978 applies to the 1978 taxation year, as so on for each year.

2 Income cut-off points show the net family income level, by child, at which the value of the benefits is reduced to 0. Also, note that for 1988 through 1990, the top line, for two or more children, refers to a family with only children 7 years of age or older, while the bottom line refers to a family with only children 6 years of age or younger; the income cut-off points will differ if the family has two or more children, at least one of whom is age 6 or younger and at least one of whom is 7 years of age or older. Also note that the cut-off points in the bottom line assume that no Child Care Expense Deduction is claimed.

3 Value of refundable Child Tax Credit including the supplement for children aged 6 years and younger; note that the value of the supplement for each eligible child is reduced by 25% of the Child Care Expense Deduction claimed for that child in that year.

Source : Adapted from table prepared by Data Development and Analysis, Income Security Programs Branch, Health and Welfare Canada.

TABLE 16

**EVOLUTION OF THE VALUE OF THE NON-REFUNDABLE PERSONAL,  
MARRIED, EQUIVALENT-TO-MARRIED, AGE, DISABILITY,  
CHILD AND INFIRM TAX CREDITS**

Taxation Year	Personal	Equivalent - To-married/ Married	Age <sup>3</sup>	Dependent Child <sup>1</sup>	Other Dependent <sup>2</sup>	Disabled
1963-71	\$1,000	\$1,000	\$500	\$300	\$550	\$500
1972	1,500	1,350	1,000	300	550	1,000
1973	1,600	1,400	1,000	300	550	1,000
1974	1,706	1,492	1,066	320	586	1,066
1975	1,878	1,644	1,174	352	646	1,174
1976	2,090	1,830	1,310	390	720	1,300
1977	2,270	1,990	1,420	430	780	1,420
1978	2,430	2,130	1,520	460	840	1,520
1979	2,650	2,320	1,660	500	910	1,660
1980	2,890	2,530	1,810	540	990	1,810
1981	3,170	2,780	1,980	590	1,090	1,980
1982	3,560	3,110	2,220	670	1,220	2,220
1983	3,770	3,300	2,360	710	1,300	2,360
1984	3,960	3,470	2,480	710	1,360	2,480
1985	4,140	3,630	2,590	710	1,420	2,590
1986	4,180	3,660	2,610	710	1,440	2,860
1987	4,220	3,770	2,640	560	1,450	2,890
1988 <sup>4</sup>	6,000	5,000	3,236	388/776 <sup>5</sup>	1,471	3,236
1989 <sup>4</sup>	6,066	5,055	3,272	392/784 <sup>5</sup>	1,487	3,272
1990 <sup>4</sup>	6,169	5,141	3,327	399/798 <sup>5</sup>	1,512	3,327

1 Under age 18

2 for dependents 18 or older and infirm

3 for 1970 and 1971, for age 70 years and over

4 prior to 1988, exemptions; after 1987, non-refundable credits; non-refundable credits are multiplied by 17%

5 the lower amount is for each of the first two children under 18, the higher for each additional child under 18

Source : Adapted from: Taxation Statistics, Annual (1963-1982 editions) and General Tax Guide and Return (1981 and 1982), Revenue Canada - Taxation as prepared by Data Development and Analysis, Income Security Programs Branch, Health and Welfare Canada.

**TABLE 17**

**EVOLUTION OF VALUE OF CHILD CARE EXPENSE DEDUCTION**

Taxation Year	Minimum	Maximum Per Family
1972-1975	500 \$	2 000 \$
1976-1982	1 000	4 000
1983-1987	2 000	8 000
1988-1990	2 000/4 000 <sup>1</sup>	—

1 \$2,000 for children aged 7 to 14 years, \$4,000 for each child under age 7

Source : Taxation Statistics (annual) 1963-1982 and General Tax Guide and Return (1981 and 1982), Revenue Canada - Taxation as prepared by Data Development and Analysis, Income Security Programs Branch, Health and Welfare Canada.

**TABLE 18**

**NET INCOME: DUAL-EARNER VERSUS SINGLE-EARNER FAMILIES**

What child benefits under the federal tax/transfer system would be claimed by single-earner and dual-earner families, and what would the net income of these families be? The values in Column 1 represent the amount claimed by these two family types, while the values in Column 2 represent the impact of these benefits on net income and reflect both the federal and provincial tax impact, using Ontario as an example. Assume that both families have the same household income of \$43,390 and have two children aged 7 and 9. Also assume that one family has a single earner and a stay-at-home parent, while the other family has two earners and has annual child care costs of \$6,000. In the case of the dual-earner family, assume that 60% of household income is earned by the head of the household, and 40% by the second earner.

	COLUMN 1	COLUMN 2
<b>SINGLE-EARNER</b>		
FAMILY - NET INCOME: \$36,042		
Family Allowance	\$ 799.92	\$ 439.00
Personal Tax Credit	6,169.00 (x 0.17 = 1,048.73)	1,677.00
Married Tax Credit	5,141.00 (x 0.17 = 873.97)	1,397.00
Non-refundable Child Tax Credit	798.00 (x 0.17 = 135.66)	217.00
Total Non-Refundable Tax Credits	2,283.27	
Net Federal Tax	8,631.73	
Ontario Tax	4,357.10	
Total Tax Payable	12,988.83	
<b>DUAL-EARNER</b>		
FAMILY - NET INCOME: \$34,319		
Family Allowance	\$ 799.92	\$ 439.00
Personal Tax Credit (head of family)	6,169.00 (x 0.17 = 1,048.73)	1,677.00
Personal Tax Credit (second earner)	6,169.00 (x 0.17 = 1,048.73)	1,677.00
Non-refundable Child Tax Credit	798.00 (x 0.17 = 135.66)	217.00
Total Non-Refundable Tax Credits	2,597.01	
Child Care Expense Deduction	4,000.00 (claimed)	1,705.00
Refundable Child Tax Credit	78.95	78.95
Net Federal Tax (head)	4,157.70	
Net Federal Tax (second earner)	1,565.29	
Ontario Tax (head)	2,098.30	
Ontario Tax (second earner)	790.20	
Total Tax Payable (head)	6,256.00	
Total Tax Payable (second earner)	2,355.49	
Total Tax Payable (family)	8,611.49	

Note: Total Non-refundable Tax Credits includes the value for Canada Pension Plan and Unemployment Insurance premium contributions

**TABLE 19**

**MINIMUM WAGE INCOME, AS AT 1 NOVEMBER 1991**

Jurisdiction	Hourly minimum rate	Effective date	Annual Minimum Wage Income - One Earner	Annual Minimum Wage Income - Two Earners
Federal	\$4.00	26 May 1986	\$ 8,320	\$16,640
Alberta	4.50	1 September 1988	9,360	18,720
British Columbia	5.00	1 April 1990	10,400	20,800
Manitoba	5.00	1 March 1991	10,400	20,800
New Brunswick	5.00	1 October 1991	10,400	20,800
Newfoundland	4.75	1 April 1991	9,880	19,760
Nova Scotia	4.75	1 October 1991	9,880	19,760
Ontario	6.00	1 November 1991	12,480	24,960
Prince Edward Island	4.75	1 April 1991	9,880	19,760
Quebec	5.55	1 October 1991	11,544	23,088
Saskatchewan	5.00	1 July 1990	10,400	20,800
Northwest Territories	6.50	1 April 1991	13,520	27,040
Yukon	6.24	1 April 1991	12,979	25,958

Note : Minimum wage income is based on a 40-hour work week, and 52 weeks of work per year. The hourly minimum wage refers to the rate applicable to employees 18 years of age and over, except in the federal and Newfoundland jurisdictions, where the applicable age is 17 years and 16 years respectively. The hourly minimum wage rate in Nova Scotia will rise to \$5.00 effective 1 January 1992. The hourly minimum wage rate in the Northwest Territories is applicable to those who live along the N.W.T. Highway System; the minimum wage rate is \$7.00 per hour for employees elsewhere in the Northwest Territories.

**TABLE 20**

**PROPOSED SIMULATIONS**

**SIMULATION A:**

1. re-allocate federal Family Allowance funds to the refundable Child Tax Credit;
2. re-allocate non-refundable Child Tax Credit funds to the refundable Child Tax Credit;
3. re-allocate funds for the young child supplement under the refundable Child Tax Credit to the refundable Child Tax Credit;
4. change the values of the non-refundable basic personal, married, equivalent-to-married and age credits so that:
  - a) the basic personal credit has a value of \$5,500;
  - b) the married and equivalent-to-married credits have a value of \$5,500;
  - c) the age credit is increased in value by the amount of the decrease in the value of the basic personal credit.

re-allocate all tax revenues generated through these changes to increase the value of the refundable Child Tax Credit.

Assuming that the deductibility of child care expenses is eliminated, the Sub-Committee has estimated that the value of the refundable Child Tax Credit would rise to \$1,467. If the income reduction point were to remain unchanged, the Sub-Committee notes that the benefit would be available to families, depending on family size, in the following manner:

Rate	Income Reduc- tion Point	Income Cut-off Points				
		1 child	2 children	3 children	4 children	5 children
\$1,467	\$25,215	\$54,555	\$83,895	\$113,235	\$142,575	\$171,915

**SIMULATION B:**

1. re-allocate federal Family Allowance funds to the refundable Child Tax Credit;
2. re-allocate non-refundable Child Tax Credit funds to the refundable Child Tax Credit;
3. re-allocate funds for the young child supplement under the refundable Child Tax Credit to the refundable Child Tax Credit;
4. change the values of the non-refundable basic personal, married equivalent-to-married and age credits so that:
  - a) the basic personal credit has a value of \$5,500;
  - b) the married and equivalent-to-married credits have a value of \$5,500;
  - c) the age credit is increased in value by the amount of the decrease in the value of the basic personal tax credit.

re-allocate all tax revenues generated through these changes to increase the value of the refundable Child Tax Credit.

- change the income reduction rate under the refundable Child Tax Credit to 10%.

Assuming that the deductibility of child care expenses is eliminated, the Subcommittee has estimated that the value of the refundable Child Tax Credit would rise to \$1,854. If the income reduction point were to remain unchanged, the Sub-Committee notes that the benefit would be available to families, depending on family size, in the following manner:

Rate	Income Reduction Point	Income Cut-off Points				
		1 child	2 children	3 children	4 children	5 children
\$1,854	\$25,215	\$43,755	\$62,295	\$80,835	\$99,375	\$117,915

### **SIMULATION C:**

- re-allocate federal Family Allowance funds to the refundable Child Tax Credit;
- re-allocate non-refundable Child Tax Credit funds to the refundable Child Tax Credit;
- re-allocate funds for the young child supplement under the refundable Child Tax Credit to the refundable Child Tax Credit;
- change the values of the non-refundable basic personal and age credits so that:
  - the basic personal tax credit has the same value as the married and equivalent-to-married tax credits;
  - the age credit is increased in value by the amount of the decrease in the value of the basic personal credit.

re-allocate all tax revenues generated through these changes to increase the value of the refundable Child Tax Credit.

Assuming that the deductibility of child care expenses is eliminated, the Subcommittee has estimated that the value of the refundable Child Tax Credit would rise to \$1,544. If the income reduction point were to remain unchanged, the Sub-Committee notes that the benefit would be available to families, depending on family size, in the following manner:

Rate	Income Reduction Point	Income Cut-off Points				
		1 child	2 children	3 children	4 children	5 children
\$1,544	\$25,215	\$56,095	\$86,975	\$117,855	\$148,735	\$179,615

The Sub-Committee also notes that, with regard to its proposal for a refundable Child Care Expense Tax Credit, if the income reduction point were to be the same as that under the refundable Child Tax Credit and the Goods and Services Tax Credit, the benefit would be available to families claiming the maximum allowable receipted child care expenses, depending on family size, in the following manner:

Rate	Income Reduction Point	Income Cut-off Points				
		1 child	2 children	3 children	4 children	5 children
\$3,000	\$25,215	\$55,215	\$85,215	\$115,215	\$145,215	\$175,215
\$1,500	\$25,215	\$40,215	\$55,215	\$ 70,215	\$ 85,215	\$100,215

**Note:** This analysis is based on Statistic Canada's Social Policy Simulation Database and Model (SPSD/M) Version 4.1. The assumptions and calculations underlying the simulation results were prepared by Finn Poschmann of the Research Branch, Library of Parliament, at the instruction of the Sub-Committee, and the responsibility for the use and interpretation of these data is entirely that of the authors.



## APPENDIX B

### List of Witnesses

	ISSUE No.	DATE
<b>Anti-Poverty Committee of the Coalition for Equality (St. John's, Nfld.)</b> Debbie Redfern, Member Karen Youden, Member Ian Penney, Member	13	March 20, 1991
<b>Assembly of First Nations</b> Ovide Mercredi, Regional Chief	11	February 27, 1991
<b>Canada Mortgage and Housing Corporation</b> Robert Lajoie, Policy and Corporate Relations	3	March 7, 1990
<b>Canadian Association of Food Banks</b> David Northcott, Chairperson, Board of Directors Gerard Kennedy, National Spokesperson Nadya Larouche, Quebec Regional Representative	11	February 27, 1991
<b>Canadian Coalition for the Prevention of Developmental Disabilities</b> Dr. Graham W. Chance, Chairman	12	March 6, 1991
<b>Canadian Council on Children and Youth</b> Landon Pearson, Chairperson Marion Dewar, Executive Director Dr. Robin Walker, Queen's University Cathy Knox, Department of Justice of Newfoundland	9	February 5, 1991
<b>Canadian Institute of Child Health</b> Dr. Denise Avard, Acting President Dr. Cheryl Levitt, Member of the Board of Directors	9	February 5, 1991

	ISSUE No.	DATE
<b>Canadian Labour Congress</b> Shirley Carr, President Dawn Ventura, National Director Cindy Wiggins, National Representative	10	February 6, 1991
<b>Canadian Teachers' Federation</b> Kitty O'Callaghan, President Heather-Jane Robertson, Director, Professional Development Services	8	December 12, 1990
<b>Catholic Children's Aid Society of Metro Toronto</b> Dr. Colin Maloney, Executive Director	9	February 5, 1991
<b>Child Poverty Action Group</b> (Ottawa-Carleton Chapter) Michael McCulloch, Social Policy Consultant Helen Saravanmuttoo, Chairperson	6	November 28, 1990
<b>Child Poverty Action Group (Toronto)</b> Brigitte Kitchen, Professor, York University Mary Pat MacKinnon, Social Planning Consultant Susan Zytaruk, Consultant in Social Services	6	November 28, 1990
<b>Children's Aid Society of Metropolitan Toronto</b> Chris Stringer, President, Board of Directors Bruce Rivers, Executive Director	10	February 6, 1991
<b>Children's Aid Society of Ottawa-Carleton</b> Mell Gill, Executive Director Tina Gowers, parent Ross, teenager Liz, teenager	13	March 20, 1991
<b>Conseil des affaires sociales du Québec</b> Madeleine Blanchet, President Yvon Leclerc, General Secretary	10	February 6, 1991

ISSUE No.	DATE
9	February 5, 1991
<b>Conseil régional de la santé et des services sociaux de l'Outaouais</b>	
Géraldine Hutton, General Director Claude Barriault, Research Advisor André Lussier, Priorities Branch	
10	February 6, 1991
<b>DALHOUSIE Health and Community Services</b> (Ottawa)	
Jack T. McCarthy, Executive Director Aline Akeson, Community Developer Dennis Leuycki, Board Member Cathy Munroe, Board Member	
9	February 5, 1991
<b>*Dooley, Martin D.</b> (McMaster University)	
13	March 20, 1991
<b>*Dougherty, Dr. Geoff</b> (Montreal Children's Hospital)	
9	February 5, 1991
<b>Economic Council of Canada</b>	
Harvey Lazar, Deputy Chairman Dave Beavis, Senior Research Associate	
9	February 5, 1991
<b>End Legislated Poverty</b> (Vancouver)	
Linda Marcotte, Food Program Antoinette Naffaa, Burnaby Child Poverty Committee Karen Shillington, Association for Better Communities in Nanaimo	
13	March 20, 1991
<b>Equal Justice for All</b> (Saskatoon)	
Diane Gauthier Mildred Kerr Sheila Blascoe	
13	March 20, 1991
<b>Family Service Canada</b>	
Trevor Williams, President and Chief Executive Officer	
5	May 30, 1990
<b>*Harder, Sandra</b> (Library of Parliament)	
3	March 7, 1990
<b>Housing, Minister of State,</b> Hon. Alan Redway	

	ISSUE No.	DATE
<b>*Marsden, Hon. Lorna, Senator</b>	5	May 30, 1990
<b>Moncton Headstart Program</b> Claudette Bradshaw, Executive Director	10	February 6, 1991
<b>*Moscovitch, Allan (Carleton University)</b>	7	December 5, 1990
<b>National Council of Welfare</b> Ann Gagnon, Chairman Ken Battle, Director Steve Kerstetter, Assistant Director	4	April 11, 1990
<b>National Health and Welfare, Department</b> Hon. Perrin Beatty, Minister Gregory J. Sherman, Health Protection Branch	8 2	December 12, 1990 February 21, 1990
<b>Native Council of Canada</b> Dan Smith, Vice-President Dorothy McCue, National Health Coordinator Conrad Saulis, Child Care Coordinator	9	February 5, 1991
<b>Nova Scotia Nutrition Council</b> Elizabeth Shears, Member of the Executive	10	February 6, 1991
<b>Ontario, Ministry of Community and Social Services</b> Hon. Zanana L. Akande, Minister Ken Nash, Intergovernmental Affairs	9	February 5, 1991
<b>Ottawa Board of Education, Focus-on-Future Schools Advisory Committee</b> Joan Gullen, Chairperson Bonnie Dinning, Queensway Community Health Clinic Harriet Lang, Trustee Debbie Morey, Parent Denise Mattock, Coordinator of Inner City Conference for 1990-1991	9	February 5, 1991
<b>Ottawa-Carleton Day Care Association</b> Diane Blenkiron, President	10	February 6, 1991

DATE	ISSUE No.	ISSUE No.	DATE
		10	February 6, 1991
<b>Ottawa-Carleton Headstart Association for Pre-Schools</b>			
Shelagh Simmons, President			
		10	February 6, 1991
<b>Ottawa Council for Low Income Support Services</b>			
Roberta Desormeaux, Second Vice-President			
Claire Béland, Board Member			
		10	February 6, 1991
<b>Private Home Day Care Association of Ontario</b>			
Rosemary Somers, President			
Leslie Atkinson, Executive Director			
		1	February 8, 1990
<b>*Ross, David</b>			
		1	February 8, 1990
<b>*Shillington, Richard</b>			
		9	February 5, 1991
<b>Social Planning and Research Council of British Columbia</b>			
Michael Goldberg, Research Director			
		13	March 20, 1991
<b>Social Planning Council of Edmonton, Income Security Action Committee</b>			
Jennifer Hyndman			
Joan Linder, Moms on Minimal Income (MOMI)			
Jonathan Murphy, Court Challenges Sub-Committee			
		10	February 6, 1991
<b>Social Planning Council of Winnipeg</b>			
Renate Bublick, Executive Director			
		2	February 21, 1990
<b>Statistics Canada</b>			
		10	February 6, 1991
Russell Wilkins, Canadian Centre for Health Information			
Michael Wolfson, Analytical Studies Branch			



**List Of Individuals And Organizations  
Having Submitted Briefs**

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- Anti-Poverty Committee of the Coalition for Equality (St. John's, Nfld.)
- Canadian Coalition for the Prevention of Developmental Disabilities
- Canadian Council on Children and Youth
- Canadian Council on Social Development
- Canadian Institute of Child Health
- Canadian Labour Congress
- Canadian Teachers' Federation
- Centre de Ressources de la Basse-Ville (Ottawa)*
- Child Poverty Action Group (Edmonton)
- Child Poverty Action Group (Ottawa-Carleton Chapter)
- Children's Aid Society of Metropolitan Toronto
- Children's Aid Society of Ottawa-Carleton
- Conseil des affaires sociales du Québec*
- Conseil régional de la santé et des services sociaux de l'Outaouais*
- DALHOUSIE Health and Community Services (Ottawa)
- Economic Council of Canada
- End Legislated Poverty (Vancouver)
- Equal Justice for All (Saskatoon)
- Metro Action Group on Child Poverty (Toronto)
- Moscovitch, Allan (Carleton University)





## Request for Government Response

Your Committee requests that the Government table a comprehensive response to this report.

A copy of the relevant Minutes of Proceedings and Evidence (*Issue No. 5 which includes this report*) is tabled.

Respectfully submitted,

BARBARA GREENE  
*Chair*

# Request for Government Response

Your Committee requests that the Government issue a comprehensive response to this report. A copy of the relevant Minutes of Proceedings and Evidence (Issue No. 1) which includes this report is tabled.

Respectfully submitted,

BARBARA GREENE  
Chair