

Canadian Federation of University Women  
Child Poverty Symposium  
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Steps to Help End Child Poverty  
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## **Introduction**

I am very honoured to have been asked to be your keynote speaker. Other panel members will provide a human face to what poverty means on the Coast. My job is to provide the somewhat larger picture of the issue.

I am using the term poverty to mean families not having sufficient resources to get by in their community. The term child poverty is being used as shorthand for child and family poverty.

## **Worst Rate**

We know that BC had the worst rate of child poverty of any province until the latest statistics came out for **2010**. BC fell from the worst to the second worst province, with a rate of child poverty of over 14%. And we know that the rates of child poverty are significantly higher for children of Aboriginal identity. (SOURCE: 2012 BC Child Poverty Report Card at <http://www.firstcallbc.org/>)

## **1,200 Children on the Coast**

Assuming the Coast has a similar rate to BC -- that means that there were approximately 1,200 children living in families with low incomes on the lower Coast.

## **Depth - \$12,000**

And these families do not live just a few dollars below the income levels used to determine poverty. In BC, the average annual depth of poverty for families with children was over \$12,000. That means that low income families, on average, have \$1,000 per month less than what they would need to reach the low income level. (SOURCE: 2012 BC Child Poverty Report Card)

It is this depth of poverty that forces so many of our families to need the services of the food bank, and school meal programs.

## **OECD**

The Organization for Economic Co-operation and Development (OECD) provides comparative statistics on 34 developed countries. Their statistics on child poverty show that Canada's rate is above the average for the 34 countries. In fact, Canada's rate is over

twice as high as the Nordic countries. (SOURCE OECD (2012), Family Database, ([www.oecd.org/social/family/database](http://www.oecd.org/social/family/database)))

## **Inequality**

The issue of poverty is not just a moral issue. Rather, there is a growing body of evidence that clearly shows that economically developed countries with less inequality and consequently less poverty also do better for everyone. We know, for example, that the Nordic countries have longer life expectancy, higher math and literacy scores, lower infant mortality, fewer homicides and imprisonment, fewer teen births, lower incidence of obesity and lower incidence of mental illness. The February 2013 issue of The Economist magazine also shows that Sweden, Denmark, Finland and Norway rank at the top of the class, “on any measure of the health of a society, be it economic indicators like productivity and innovation to social ones like inequality and crime.” (SOURCE: The Economist: Special Report The Nordic Countries; February 2, 2013: <http://www.economist.com/news/special-report/21570840-nordic-countries-are-reinventing-their-model-capitalism-says-adrian?spc=scode&spv=xm&ah=9d7f7ab945510a56fa6d37c30b6f1709>)

Richard Wilkinson and Kate Pickett, epidemiologists in England, are the authors of the Spirit Level: Why Equality is Better for Everyone. They provide much of the evidence on the relationship between outcomes and inequality. One of the outcomes they examined was social mobility – the ‘American dream’ where people from the poorest backgrounds can make it to the top. As Wilkinson said at a presentation in Vancouver, “Families in the USA who want to live the American Dream should move to Finland or Denmark”. SOURCE: <http://www.equalitytrust.org.uk/> and [http://www.sfu.ca/tlcvan/clients/dialogue/2010-12-13\\_Dialogue\\_Woodwards\\_5680/](http://www.sfu.ca/tlcvan/clients/dialogue/2010-12-13_Dialogue_Woodwards_5680/))

There is much that we can learn from other countries to lower the poverty levels in Canada.

## **Cost of Poverty**

Statistics Canada was asked to do some special data runs on what would be required so that everyone who was poor somehow got enough additional income to bring them up to the poverty line. The cost – just over \$4 billion in BC. A lot of money, but just 9% of the anticipated government spending for the coming fiscal year.

We also know that there are at least \$2 billion in direct costs to government to address the increased health care and other social services linked to poverty. And beyond that it is estimated that poverty leads to over \$5 billion in lost economic productivity. The long-term costs far exceed what it would be needed to reduce and eliminate poverty. (SOURCE: 2102 BC Child Poverty Report Card)

## **Three Types of Resources**

The resources to address poverty come from income from the market (jobs), income from government transfers (like old age security), or by having access to publicly funded services such as health care. We need to address all three ways of providing resources if

we are to significantly reduce child poverty. Time does not permit me to examine all the possible resources enhancement but I want to briefly discuss some of the main policy examples.

### **Market Income – Minimum Wage**

The first main lever is providing a **minimum wage** that ensures a single person working full time, full year has an income above the poverty level. Christy Clark is to be congratulated for raising the minimum to \$10.25. However, the initial call for a \$10 minimum wage was in 2007. To meet the poverty line, the minimum would need to be at slightly over \$12.00 per hour by the end of this year.

### **Living Wage**

A minimum wage would not cover the cost of raising a family, even when both parents were working full time full year. Rather, a **living wage** needs to be negotiated if income from employment is to be sufficient to raise a family. The Sunshine Coast Community Foundation reported that the living wage for a two- parent, two-child family where both parents work full time, is virtually the same as it was for Metro Vancouver. The living wage for the Sunshine Coast for 2012 was \$18.80 / hour. (SOURCE: 2102 BC Child Poverty Report Card)

In Metro Vancouver, the City of New Westminster was the first municipality to be certified as a living wage employer. VanCity Credit Union was the first financial institution to become certified. There are now 35 certified living wage employers in Metro Vancouver. And there are over 130 municipalities in the US that have passed living wage by-laws.

### **Government Transfers - CCTB**

The living wage calculation also includes the **Canada Child Tax Benefit**. The current maximum benefit is \$3,580 per year for 1 child and \$6,900 for 2 children. Two-parent families with two children at the living wage level, however, would only receive \$2,100 for the child benefit. (SOURCE: <http://www.cra-arc.gc.ca/bnfts/cctb/menu-eng.html>)

The CCTB, however, now makes up a larger portion of the total income that families on income assistance receive.

### **Income Assistance**

The amount of **income assistance** actually provided by the BC Government has fallen over the past two decades. In 1989, a single parent with one child would have received a total of \$17,000 (in 2010 dollars), with the province providing approximately \$15,000 and the Federal government providing \$2,000. In 2010, the single mother received the same \$17,000, so no improvement to the inadequate amount in 1989, but the province only provided around \$12,000 and the Federal government provided \$5,000. (SOURCE: 2102 BC Child Poverty Report Card)

## **Public Services – Childcare**

One of the most costly expenses for setting the living wage is the cost of childcare. In metro Vancouver, the annual cost of shelter for the family of two parents and two children was \$17,200. Childcare fees for the 4 and 7 year old were \$14,000. Food, by comparison, was \$9,100. (SOURCE: <http://livingwageforfamilies.ca/> and <http://www.policyalternatives.ca/livingwage2012>)

Public spending for childcare in Canada was less than 0.3% of GDP, lower than almost every other developed country. Comparatively, the Nordic countries spend over four times as much to provide quality childcare. (SOURCE OECD (2012), Family Database, ([www.oecd.org/social/family/database](http://www.oecd.org/social/family/database)))

## **Education**

Education is nominally free in Canada. But the reality is that, more and more frequently parents are asked to provide school supplies, fees for trips, etc. Low-income families are subsidised if the child asks or teachers know. The same is the case with the leisure access scholarship program where persons with low income can receive a pass to cover the fee of recreational services on the Coast. But you must ask or apply, leading to what some low-income parents have called the ‘cling-on effect’.

## **Health Care**

Health care is the other large public program that is nominally free in Canada. In BC, MSP premiums are now \$133 per month for families of three or more persons, and dental, vision, and prescription drugs are paid for privately unless the employer provides extended health insurance.

## **Cost to Living Wage**

Its interesting to note that the \$10/day childcare plan put forward by the Early Childhood Educators of BC and the Coalition of Child Care Advocates of BC would reduce the living wage by over \$3.00 per hour. The provision of MSP premiums and extended health insurance would reduce the living wage by close to 80 cents per hour.

## **Where to Start**

### **Treaties**

First, we, all of us in this room, must urge our federal and provincial governments to respectfully complete treaty negotiations with the First Nations peoples of BC. Our governments have been, in my opinion, dragging their feet and we will only gain economic certainty when treaties are agreed to between First Nations and our governments.

## **Provincial Election**

I would also suggest that the upcoming provincial election provides an excellent opportunity to try and get the parties to commit to some immediate poverty reduction policies.

**On the labour front**, I would suggest that you ask Mr Muncaster and Mr Simons what they would suggest the criteria be for their government to use to set the minimum wage, and once reached, if they would then advocate that their government raise it annually by the cost of living.

**On childcare**, what concrete actions would they advocate their government take as the first few steps for implementing the \$10 a day childcare plan?

**On income assistance rates**, given that there has been no increase in rates since 2007, what specific amount would they advocate that their government raise income assistance rates within the first year of becoming government?

## **Local – Living Wage campaign**

There has been a strong advocacy campaign in Metro Vancouver for businesses to become certified as living wage employers. Perhaps the time is appropriate for the municipal governments of Gibsons, Sechelt, and the SCRD, and SD 46 to become certified as living wage employers. And there is every reason for the Sunshine Coast Credit Union and other financial institutions to become certified living wage employers as well. This is a tangible advocacy project that could be undertaken here on the Coast. But it needs a group or groups to come together to provide leadership for such a campaign.

## **Conclusion**

When we think about the ways to reduce the harms of poverty, one knows we have to do something now. That is why the food banks started in the early 1980's, and why we have school meal programs. We come up with innovative ideas, such as the Farmers' Market Coupons that was started here in Sechelt last summer or the Adopt a School campaign by the Vancouver Sun following the plea from a teacher at Vancouver's Seymour School 18 months ago.

These are examples of the many important ways in which charity, the feelings that come from our hearts help to address an immediate situation. They are crucial short-term steps to ease the immediate pain of poverty.

But the solutions to eliminate the need for food banks and meal programs require that we also, as individuals and in our groups, **advocate** for the social justice policies that will serve as steps to reduce and eventually eliminate child and family poverty here on the Coast and throughout our province.

## NOTE: The 'Cling-on Effect'

Poverty is caused when families do not have sufficient resources to participate in their community. This inability to be a part of one's community was explained to me by a mother following a presentation I gave at the federated anti-poverty conference some 20 years ago. This mother said that she and her children felt like "cling-ons". Looking confused, I asked her how being poor made her feel like the Klingons on Star Trek. She wasn't referring to the Star Trek Klingons but rather that she and her children have to **cling on** to someone else if they want to go somewhere or do something beyond bare survival. It's been my experience that most people with low incomes talk about being left out, of being embarrassed at having to use the food bank or to constantly ask for help, and of being excluded from being a part of their community.