

# Most Recent Stats: B.C. Has the Worst Child Poverty Rate in Canada

Too many children in Canada live in poverty. For the third year in a row, B.C. has the ignoble distinction of having the worst child poverty rate in Canada. By **Rebecca Siggner**.

THE MOST RECENT STATISTICS ON CANADIAN child poverty reveals that B.C. had the highest child poverty rates in Canada in 2004. Although the B.C. child poverty rate decreased by half a percentage from 24.1% in 2003 to 23.5% in 2004, B.C. still had the highest rate in the country for the third year in a row. Of the 1,195,805 children living in poverty in Canada, 196,080 of them live in B.C. The number of children living in poverty in B.C. is equivalent to the population of Nanaimo, Kelowna and Williams Lake combined.

This discomfiting news was released in Campaign 2000's annual Child Poverty Report Card. B.C.'s report card consists of nine fact sheets, comparing B.C.'s child poverty rates over time to the rest of the country. The report card includes some recommendations around what the provincial and federal governments can do to address child poverty. The poverty rates were calculated by Statistics Canada using its low income cut-offs (LICO) after government transfer payments, but before federal and provincial income taxes.

## Why are B.C.'s families with children falling behind?

The incomes of B.C. families with children on welfare fell to a 16-year low in 2005, according to the National Council on Welfare, forcing income assistance claimants to live well below the poverty line. The purchasing power of income assistance rates has decreased drastically as inflation

has increased. A single parent with one child on welfare in B.C. had a total income of \$13,948, which is \$11,919 below the poverty line in 2004. A couple with two children on welfare has

an income that falls \$20,144 below the poverty line.

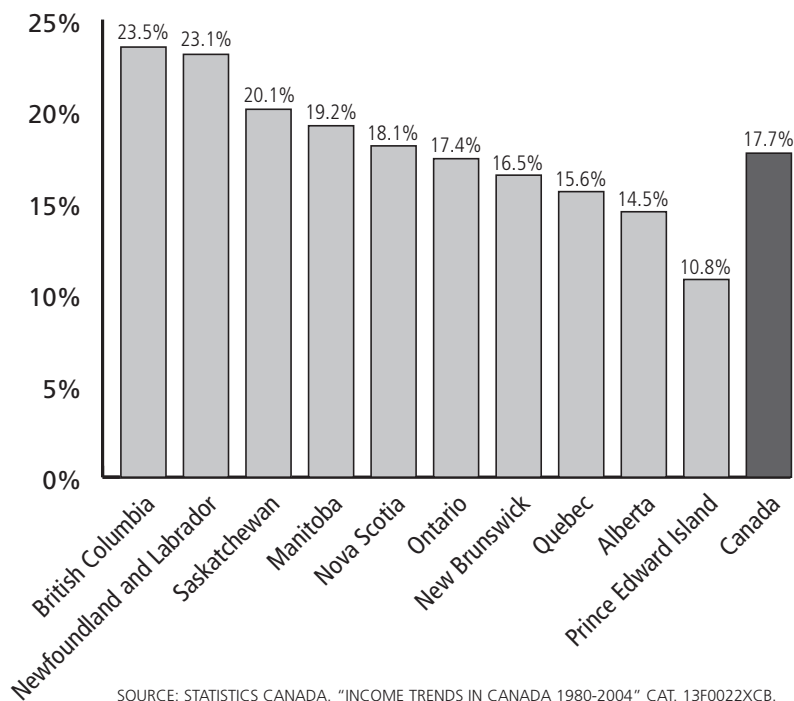
Paid work is often the first line of defense against poverty, but only if the jobs are good. For instance, 67.6% of poor children in B.C. live in families with some earned income. In 2004, the poverty rate for families with children in B.C. with no full-time worker was 44.5%. However, even 11.4% families with children with a full-time, full-year worker could not make ends meet. This means that the minimum wage in

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FIGURE 1. **Child Poverty Rates in Canada (before tax), 2004**



B.C. is inadequate to bring B.C.’s families up to the poverty line.

Another contributor to the high child poverty rates in B.C. is the ineffectiveness of government transfers from the B.C. government. B.C. had the worst record in Canada when it came to reducing market poverty with government help. While B.C.’s transfers only lower the family market poverty rate from 28.6% to 21.6%, Newfoundland reduces its family market poverty rate from 37.9% to 20.3% with its government transfers.

With the purchasing power of income assistance eroding with inflation and the proliferation

of jobs with inadequate wages, income inequality is deepening in B.C. While incomes for the poorest people in B.C. have been stagnant since 1993, the richest have experienced a significant increase in average income. The poorest 10% of B.C. families with children earned an average of \$14,475 (constant 2004 dollars) in 2004 and the richest 10% earned an average of \$211,195. Despite continued economic growth, poor families have seen almost no real improvement in their situation. The relative income ratio between the top 10% and the bottom 10% in B.C. was 10 to 1 in 1993, but that ratio increased to 15 to 1 in 2004. This just goes to show that a rising tide does not raise all boats, nor does everyone benefit from a growing economy.

Both the Federal and B.C. governments need to develop a poverty reduction strategy with credible targets and timetables.

The provincial government needs to:

**1. DEVELOP ACTIONS TO CREATE GOOD JOBS WITH DECENT WAGES AND WORKING CONDITIONS.**

- Increase the minimum wage to \$10/hour.
- Eliminate the \$6/hour training wage.
- Increase the minimum call-out from two to four hours.
- Repeal legislation (Bill 37) that reduced the work start age from 15 to 12.

**2. PROVIDE REASONABLE AND REALISTIC INCOME SUPPORT TO PEOPLE ON WELFARE.**

- Raise the welfare rates by 50%.
- Index welfare rates to inflation.

### 3. DEVELOP A CHILD CARE PLAN.

- Pass legislation that commits B.C. to building a quality, accessible, publicly funded child care system.
- Shift the burden of the cost of child care from user fees to public funding.

The federal government needs to:

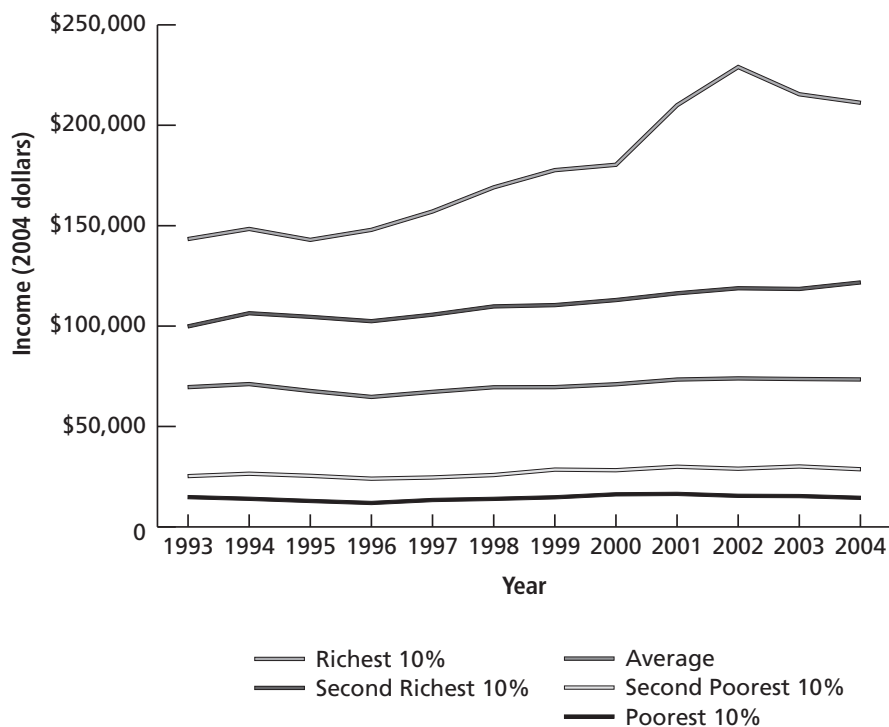
### 4. FURTHER INCOME SECURITY THROUGH AN ENHANCED CHILD TAX BENEFIT.

- Develop a multi-year plan with targets and timetables to consolidate the Canada Child Tax Benefit into a single program that provides a maximum of \$5,000 per child per year.
- End the “clawback” of National Child Benefit funds from families on social assistance in B.C.

### 5. PUT IN PLACE A PAN-CANADIAN SYSTEM OF EARLY LEARNING AND CHILD CARE.

- Enact federal child care legislation.
- Use designated federal funds to develop and sustain quality, universal, affordable, inclusive regulated and licensed child care.

FIGURE 2. Total Annual Income for Families with Children in BC (Constant 2004 dollars): 1993–2004



SOURCE: CANADIAN COUNCIL ON SOCIAL DEVELOPMENT, BASED STATISTICS CANADA'S MICRO DATA FILES.

### 6. CREATE A COMPREHENSIVE CANADIAN HOUSING STRATEGY.

- Increase annual federal funding of \$625 million per year.
- Develop a minimum of 25,000 affordable units across Canada annually.

### 7. INCREASE AND STABILIZE FUNDING OF THE CANADA SOCIAL TRANSFER.

- Establish enforceable principles that ensure adequate support is available to those in need.
- Increase federal funds for social services and social assistance. ■