

BRITISH COLUMBIA



2018 BC CHILD POVERTY REPORT CARD



firstcall BC CHILD AND YOUTH
ADVOCACY COALITION

IN COLLABORATION WITH


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CAMPAIGN **2000**
END CHILD & FAMILY
POVERTY

22ND ANNUAL REPORT CARD ON CANADA'S COMMITMENT TO END CHILD POVERTY BY 2000

**2018 BC CHILD POVERTY
REPORT CARD**

NOVEMBER 2018

PRODUCED BY



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putting children and youth first

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Introduction

CHILD POVERTY REPORT CARD 2018: CAUTIOUSLY OPTIMISTIC

BC CHILD POVERTY IN 2016

Data reveals that once again far too many children in British Columbia are growing up in poverty. One in five children, or 172,550 children and youth, are growing up in poverty. And many are growing up in deep poverty—up to \$13,000 below the poverty line. This includes poor households where one or more parents are working.

Due to systemic discrimination and other factors, the situation is even worse for some groups of children. Indigenous children, new immigrant children and children in visible or racialized minority groups all have much higher poverty rates than the BC average.

It is profoundly disappointing that our 22nd annual BC Child Poverty Report Card still shows one in five (172,550) BC children are poor.

In 2016, half of BC's children in lone-parent families were poor, over four times the 12.5% rate for their counterparts in couple families. And 82% of lone-parent families were female-led, with median annual incomes that were just 69% of male lone-parent families.

These statistics reflect the continued growth of income inequality in our province and across Canada.

They reflect decades of allowing and facilitating the massive accumulation of wealth in the hands of fewer and fewer individuals, while thousands of children and youth are deprived of the security, supports and opportunities they need to thrive. They also reflect the growth of precarious work and stagnating wages as families face soaring costs for essential living expenses such as housing, food, child care and transportation. They reflect the impact of tax systems and a social safety net that have failed to respond to this growing unfairness and inequality.

While the situation for so many children and their families remains unacceptable, over the past few years both federal and provincial governments have taken steps in the right direction.

Specifically, the implementation of a more generous federal Canada Child Benefit in 2016 is already making a difference to the depth and rate of poverty for families with children who receive it.

In 2018, both the federal and provincial governments either tabled or legislated poverty reduction plans. In November, the federal government introduced Bill C-87, an Act respecting the reduction of poverty, setting aspirational targets to reduce Canada's overall poverty level 20% below the 2015 level by 2020 and 50% below the 2015 level by 2030.

This fall, the BC legislature unanimously passed the *Poverty Reduction Strategy Act* compelling the Minister of Social Development and Poverty Reduction to develop a strategy to reduce and prevent poverty. The legislation sets out targets to reduce poverty by 25% among all persons and by 50% for those under 18 years of age over a five year period beginning on January 1, 2019.

While these efforts are not insignificant, the federal strategy must be measured against the fact that no new spending was attached to the catalogue of mostly existing initiatives that require varying degrees of implementation.

In the same vein, the passage of the BC government's poverty reduction legislation was welcome news but implementation strategies, to be announced in 2019, cannot come soon enough for children and their families struggling with insufficient income and high costs of living.

Impacts on child poverty related to the BC government's new Child Care Fee Reduction Initiative and the Affordable Child Care Benefit launched this year are not captured in this report card. However, we know that lowering costs, as the province transitions to a universal child care system, will greatly assist low-income families with preschool aged children, in many cases removing a barrier to going to work.

“There is nothing that is more significantly associated with the removal of children from their families – than poverty.”

– Dr. Mary Ellen Turpel-Lafond

Testimony, National Inquiry into Missing and Murdered Indigenous Women and Girls, October 4, 2018

IMPORTANT CHANGES IN THE MEASUREMENT OF POVERTY

In 2018, several important changes occurred in the measurement of poverty in Canada.

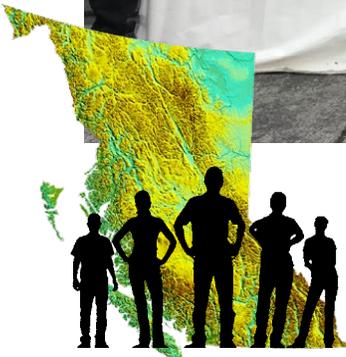
The Market Basket Measure (MBM) was adopted as Canada's first Official Poverty Line by both the federal and provincial governments. Secondly, Statistics Canada updated its approach to how income rates are calculated within the Low Income Measure (LIM) – a measure that First Call and Campaign 2000 partners across the country have been using to report on child poverty for many years.

The 2018 BC Child Poverty Report Card continues to use the LIM as a measure of child and family poverty. Child poverty rates calculated through the new approach – Census Family Low Income Measure (CFLIM-AT) or LIM – are consistently about 3% higher than those derived using the previous methodology on a year-over-year basis.

First Call and Campaign 2000 believe this change has produced a more accurate picture and that the extent of child poverty was previously underestimated. The change highlights how the omission of some groups with higher rates of poverty from source data may bring down poverty rates overall.

Where this report includes historic annual rates, the new CFLIM-AT calculations replaces those published in previous BC Child Poverty Report Cards.

This fall, Statistics Canada launched a public consultation on what items should be included in the MBM. Once this process is complete, First Call and Campaign 2000 partners will revisit the merits of both MBM and LIM measures. See Appendix 2 for more information about the MBM and LIM.



First Call is cautiously optimistic about governments' plans but we will not lose track of what matters. Today, as has been the case for many years, one in five children in BC are growing up in poverty.

We know poverty in a wealthy province and country is a violation of children's rights under the UN Convention on the Rights of the Child. The federal poverty reduction strategy, Canada's new national housing strategy and BC's new poverty reduction act make references to human rights. The new national housing strategy is described as a 'rights-based approach,' and the BC act notes commitments to Indigenous peoples including the Calls to Action of the Truth and Reconciliation Commission and the United Nations Declaration on the Rights of Indigenous Peoples.

First Call is cautiously optimistic about governments' plans but we will not lose track of what matters. Today, as has been the case for many years, one in five children in BC are growing up in poverty. The real test of governments' plans to reduce child poverty is whether or not it does just that. This year's Child Poverty Report Card indicates we have a long way to go in BC to ensure all children and youth have what they need to thrive.

One in Five BC Children Living in Poverty

BC'S CHILD POVERTY RATES

In 2016, the child poverty rate in British Columbia was 20.3%, as measured by Statistics Canada's Census Family Low Income Measure (CFLIM) after income taxes, using taxfiler data. This represents 172,550, or one in five, BC children 0-17 years old living in poverty. BC's child poverty rate was higher than Canada's child poverty rate of 19.6%. These rates are down incrementally from 2015 when BC's was 22% and Canada's was 20.9%.

1 out of 5

BC children are poor
— higher than the
national average.



This 20.3% child poverty rate was slightly higher than the poverty rate of 18.7% for BC's overall population. The same was true for the Canadian rates, with a child poverty rate of 19.6% that was higher than the all-ages rate of 16.8%. Child poverty rates remain higher than overall poverty rates in every province and territory, an alarming fact that shows how urgently we need to improve financial and social supports for families with children across the country.

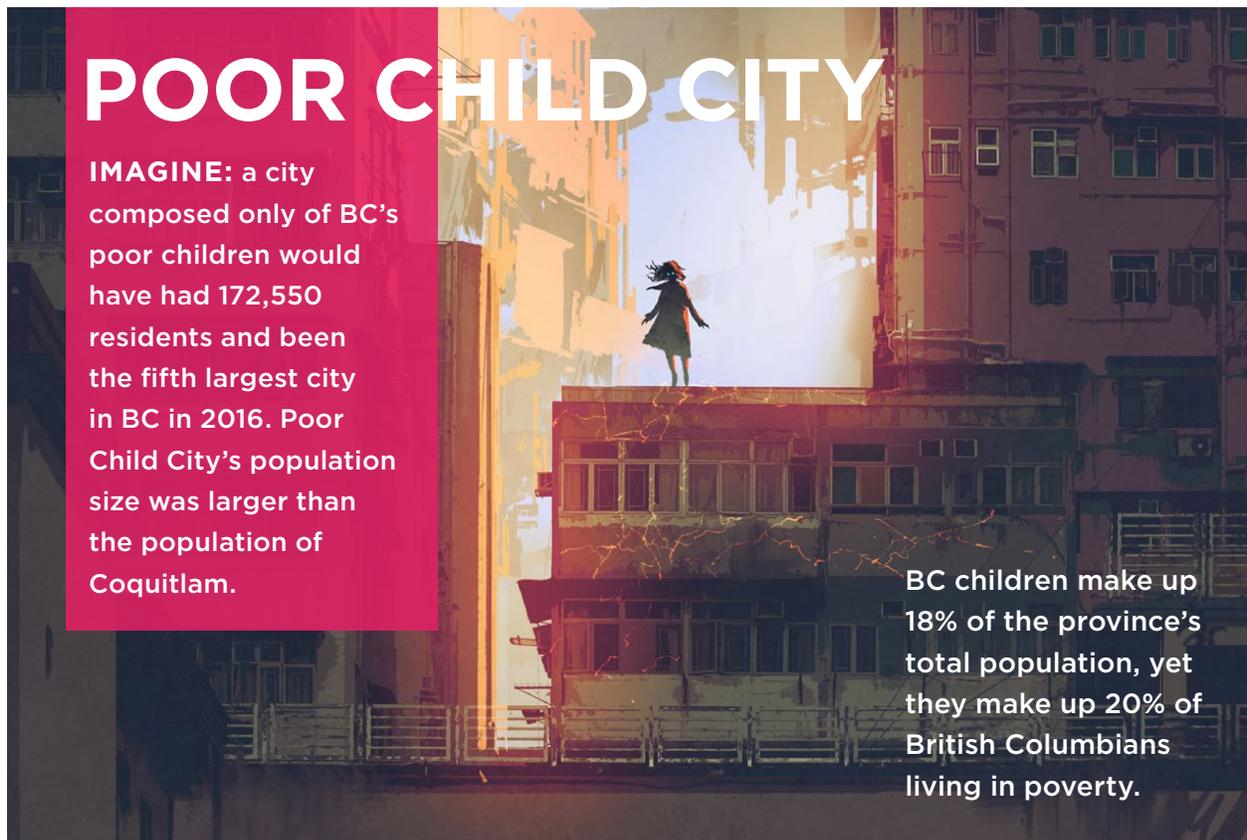
It is worth noting, however, that the gap between the all-ages rates and the child poverty rates narrowed in all provinces and territories between 2015 and 2016, as child poverty rates declined faster, perhaps reflecting the impact of six months of the new Canada Child Benefit

for families with children which came into effect in July 2016. In BC the gap between the two rates decreased from 2.7% to 1.6%.

All Ages, Child (0-17 years old) and Children Under Age 6 Poverty Rates, BC and Canada, CFLIM After Tax, 2016

Young children (0-5 years) poverty rate	BC	55,160 young children	20.1%
	Canada	487,980 young children	20.7%
Child (0-17 years) poverty rate	BC	172,550 children	20.3%
	Canada	1,420,510 children	19.6%
All ages poverty rate	BC	854,770 people	18.7%
	Canada	5,843,170 people	16.8%

Source: For children and all ages poverty rates: Statistics Canada. Table: 11-10-0018-01, 2016. For children under 6: Statistics Canada. T1FF data. Custom data request.



POOR CHILD CITY

IMAGINE: a city composed only of BC's poor children would have had 172,550 residents and been the fifth largest city in BC in 2016. Poor Child City's population size was larger than the population of Coquitlam.

BC children make up 18% of the province's total population, yet they make up 20% of British Columbians living in poverty.

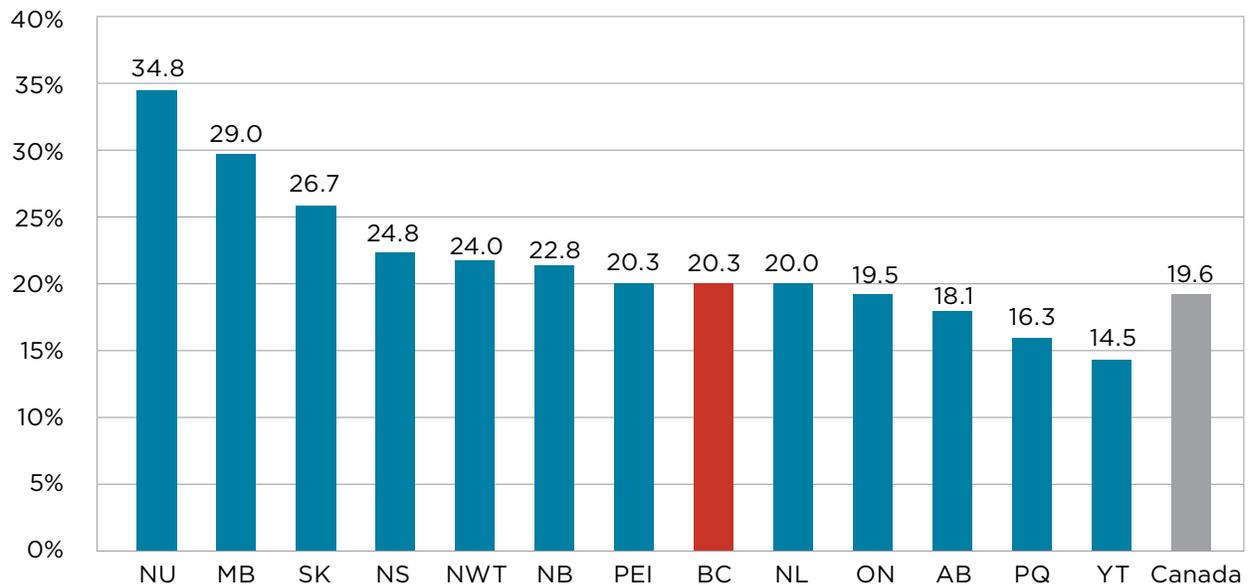
As of 2016, about one third, or 55,160, of BC's poor children were under the age of 6, representing a young child poverty rate of 20.1%. This is the first time we have seen the under-6 poverty rate equal to or lower than the 0-17 child poverty rate. Unfortunately, evidence from BC's Wave 6 (2013-16) Early Development Instrument trend data from the Human Early Learning Partnership at the University of BC shows child vulnerability in the province has meaningfully increased over the past decade, with 32%, or about one in three, of BC's kindergarten students starting school with vulnerabilities in one or more areas that are critical to their healthy development. The proportion of children who experience multiple vulnerabilities has been steadily increasing,¹ and poverty is one of the most powerful predictors of poor developmental outcomes.

CHILD POVERTY — A CANADA-WIDE PROBLEM

From coast to coast, child poverty is a Canada-wide problem. British Columbia's child poverty rate of 20.3% was tied for the seventh-highest child poverty rate out of Canada's thirteen provinces and territories in 2016. BC's child poverty rate was much lower than the disgracefully high child poverty rates of Nunavut (34.8%), Manitoba (29.0%) and Saskatchewan (26.7%). At the same time, the child poverty rates in the Yukon Territory (14.5%) and Quebec (16.3%) were much lower than in BC. The high child poverty rates across Canada demonstrate that the provincial and federal governments have much work remaining to eliminate child poverty.

¹ Human Early Learning Partnership. *EDI BC 2016 Provincial Report*. University of British Columbia, School of Population and Public Health, October 2016.

Child Poverty Rates, by Province/Territory, CFLIM After Tax, 2016

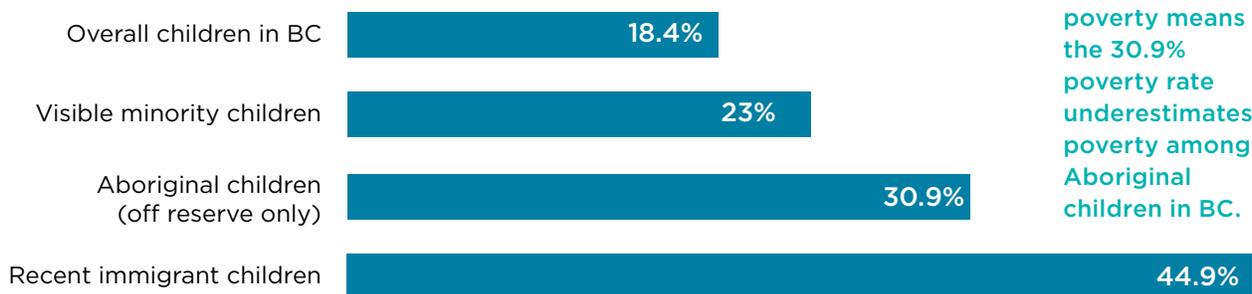


Source: Statistics Canada. Table: 11-10-0018-01, 2016.

SOME CHILDREN ARE AT MUCH HIGHER RISK OF GROWING UP IN POVERTY

The overall child poverty statistics hide the fact that some children in BC are more at risk of living in poverty than others. 2016 Census data based on the LIM after tax measure show that in 2015 in BC recent immigrant children had a poverty rate of 44.9%, followed by off-reserve Aboriginal children at a rate of 30.9% and 'visible minority' (or racialized) children at a rate of 23%.

Child Poverty Rate for Different Population Groups, BC, LIM After Tax, 2015 (based on 2016 Census)



The failure of the census data to capture on-reserve poverty means the 30.9% poverty rate underestimates poverty among Aboriginal children in BC.

Source: Statistics Canada. 2016 Census

HIGH LEVELS OF ON-RESERVE CHILD POVERTY

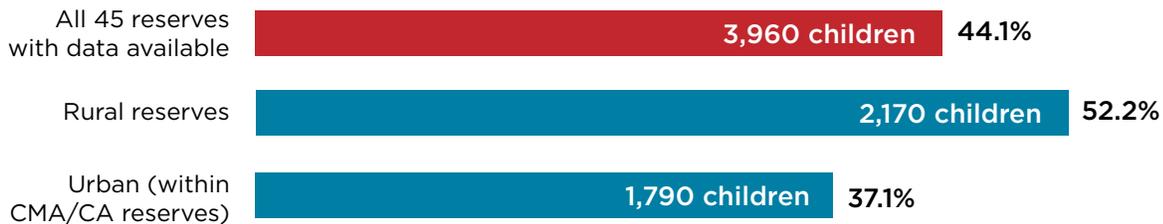
As high as the overall rates of child poverty were in British Columbia in 2016, on-reserve child poverty data available this year indicate even higher rates. The following data is based on only 45 First Nations reserves with child poverty data available through taxfiler data. There were many First Nations reserves in BC without child poverty data available.

44.1% of children on these 45 BC reserves lived in poverty in 2016, as measured by Statistics Canada's Census Family Low Income Measure (CFLIM) after income taxes, using taxfiler data. On the rural reserves, more than half of all children (52.2%) lived in poverty, while over one third (37.1%) of the urban reserve children lived in poverty.

21 out of the 45 First Nations reserves had child poverty rates of 50% or higher, while only one reserve had a child poverty rate below the BC overall child poverty rate of 20.3%.

The continuing legacy of colonialism is still very apparent in these numbers. First Call also recognizes that reserves do not reflect the larger traditional territories of BC's First Nations.

Child (0-17 year old) poverty rate, 45 BC First Nations reserves, CFLIM-AT, 2016



Source: Statistics Canada. Table I-13 After-tax low income status of tax filers and dependents (census family low income measure, CFLIM-AT) for couple and lone parent families by family composition, 2016



BC's Child Poverty Rates Over Time

PERCENTAGE OF POOR CHILDREN OVER TIME

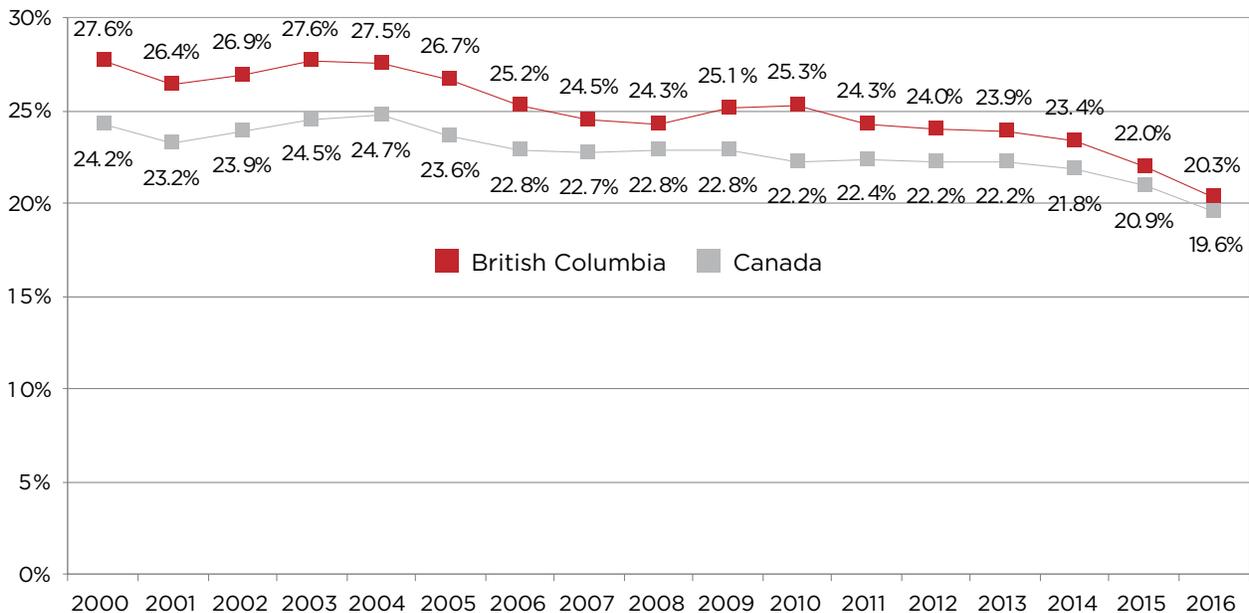
For every year out of the past 17 years (2000 to 2016), British Columbia has had a higher child poverty rate than Canada, based on the Census Family Low Income Measure (CFLIM), after tax. However, there are some signs that the gap between the two poverty rates is narrowing. In 2016, BC's child poverty rate was 20.3%, 0.7 percentage points higher than Canada's rate of 19.6%, the smallest gap between the two rates during the 2000-2016 period.

Also encouraging is that the child poverty rate in BC decreased every year from 2010 to 2016. In addition, the 2016 child poverty rate in BC of 20.3% was much lower than the rate of 27.6% in 2000. There has been some progress made since the Federal Government of Canada made a commitment to eliminate child poverty in 1989, when the child poverty rate was 22.0% in Canada and 21.9% in BC. However, with one in five children in BC and Canada living in poverty in 2016, there is still much work to be done to fulfill the unanimous House of Commons commitment made in 1989 to end child poverty by the year 2000.



BC's child poverty rate from 2000 to 2016 remained consistently higher than the Canadian average.

Child Poverty Rates, Canada and British Columbia, CFLIM After Tax, 2000-2016



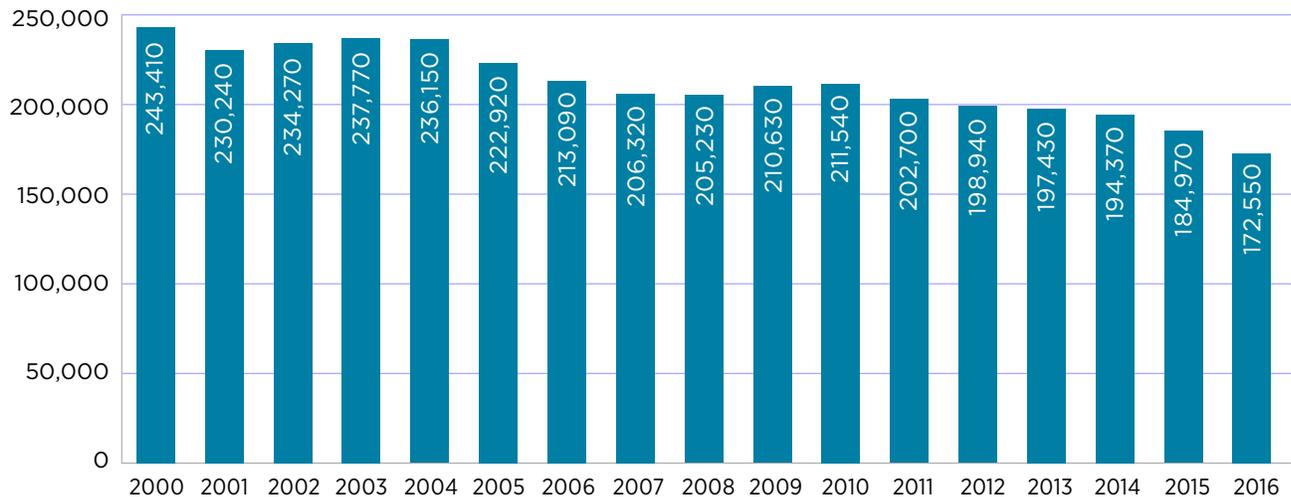
Sources: 1989, 2000-2003 data: Statistics Canada. Custom Data request. 2004-2016 data: Statistics Canada. Table: 11-10-0018-01, 2016.

NUMBER OF POOR CHILDREN OVER TIME

The number of poor children (0-17 years old) in British Columbia, based on the Census Family Low Income Measure (CFLIM), after tax, declined every year from 2010 to 2016. However, the number of BC children living in poverty in 2016 remained unacceptably high at 172,550.

There were 12,420 fewer children living in poverty in 2016 than in 2015, the biggest year-over-year decrease since between 2004 and 2005. If we continue to reduce the number of children living in poverty by this number every year, child poverty in BC could be eliminated by 2030. However, if progress is much slower, such as the small decrease of 1,510 children between 2012 and 2013, child poverty in BC will not be eliminated until 2130! If we are to eliminate child poverty within our lifetimes, we must accelerate our efforts.

Number of poor children, British Columbia, based on CFLIM-AT, 2000-2016



Source: 1989, 2000-2003 data: Statistics Canada. Custom Data request.
2004-2016 data: Statistics Canada. Table: 11-10-0018-01, 2016.

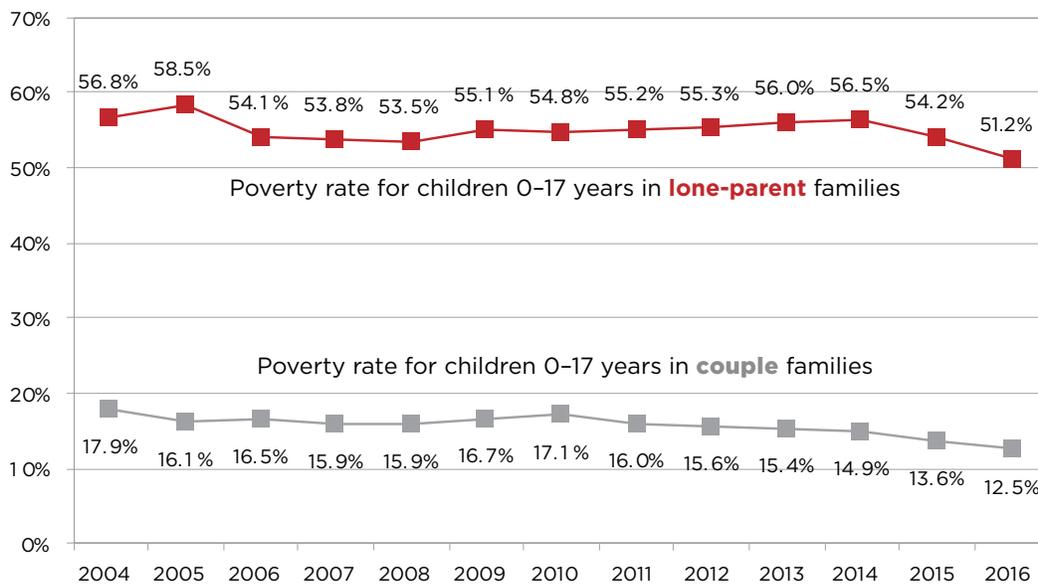


BC Child Poverty by Family Type

CHILD POVERTY IN LONE-PARENT AND COUPLE FAMILIES

Children in lone-parent families in British Columbia have consistently suffered much higher poverty rates than their counterparts in couple families. For the past thirteen years (2004-2016) more than half of all children in lone-parent families in BC have lived in poverty. In 2016, the child poverty rate for children in lone-parent families was 51.2%, over four times the 12.5% rate for their counterparts in couple families.

BC Child Poverty Rate by Family Type, CFLIM After-Tax, British Columbia, 2000-2016



One in every two BC children of single parents were poor in 2016.

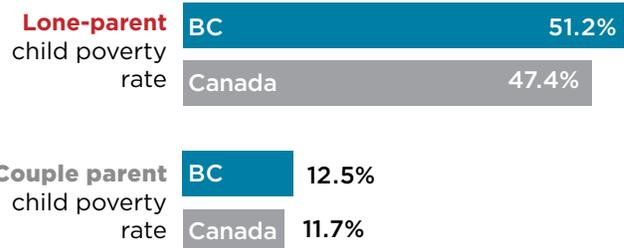


Source: Statistics Canada. Table: 11-10-0018-01, 2016

For BC children in large (3+ children) lone-parent families in 2016, the situation was even worse: 61.2% of children in large lone-parent families lived in poverty.

BC's child poverty rate did decrease between 2015 and 2016 for both children in couple families (from 13.6% in 2015 to 12.5% in 2016) and children in lone-parent families (from 54.2% in 2015 to 51.2% in 2016). Yet in 2016, BC's child poverty rates were still higher than Canada's for children in both these family types, as illustrated in this graph.

Child Poverty Rates by Family Type, Canada and BC, CFLIM, After-Tax, 2016



Source: Statistics Canada. Table: 11-10-0018-01, After-tax low income status of tax filers and dependents based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition, 2016.

BC's poverty rate of 12.5% for children in couple families was twice the rate for children in couple families in the Yukon (6.0%). Rates in 26 BC towns and cities ranged from a low of 6.7% in Cranbrook to a high of 16.3% in Duncan, almost a 10 percentage point difference for children in this family type. The median after tax income of poor couple families with children in BC was the lowest of all provinces at only \$26,761 per year.

Lone-parent families had a median after-tax family income of \$41,990 in BC in 2016, less than half (45%) of the income of \$93,374 for couple families with children. Poor lone-parent families had a median after-tax family income of only \$20,160.

While the poverty rate for BC children in lone-parent families overall was 51.2%, it varied widely between cities and towns, ranging from a low of 43.9% in Victoria to a high of 61.8% in Prince Rupert, nearly an 18 percentage point difference.

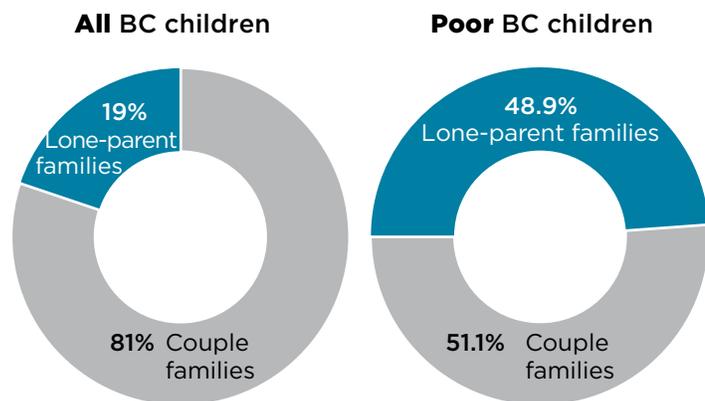
PROPORTIONS OF BC CHILDREN IN DIFFERENT FAMILY TYPES

While one in five BC children (19%) were in lone-parent families in 2016, nearly half (48.9%) of all children living in poverty in BC were in lone-parent families. This is despite the fact that children in lone-parent families make up a decreasing proportion of BC's child population — from 21% of all children in 2010 to 19% in 2016.

The number of poor children in couple families in BC decreased by 6,130 between 2015 and 2016, while the number of poor children in lone-parent families decreased by 6,350. Nonetheless, British Columbia had far too many poor children in both couple families (85,790 poor children) and lone-parent families (81,960 poor children) in 2016.

This year's taxfiler data show 4,800 poor children 0-17 who were not living in census families in 2016. This group of children had a 98.8% poverty rate. While the data definition indicates "they may be living with a family to whom they are related or unrelated, or living alone or with other non-family persons," we know very little about the children, or likely youth, captured in this statistic.

Proportion of BC Children 0-17 in Couple Families and Lone-Parent Families, 2016



Source: Statistics Canada. Table: 11-10-0011-01 and Table: 11-10-0018-01, 2016

GENDER MAKES A DIFFERENCE

In BC in 2016, 82% of lone-parent families were female-led. These families' median annual income was \$41,470, just 69% of the male lone-parent median income of \$60,520.¹ For many lone mothers, the difficulty of finding affordable quality child care — so they can sustain employment — remains one of the most common obstacles that leaves them raising their children in poverty.

Source: Statistics Canada. Table 11-10-0011-01



Depth of Family Poverty

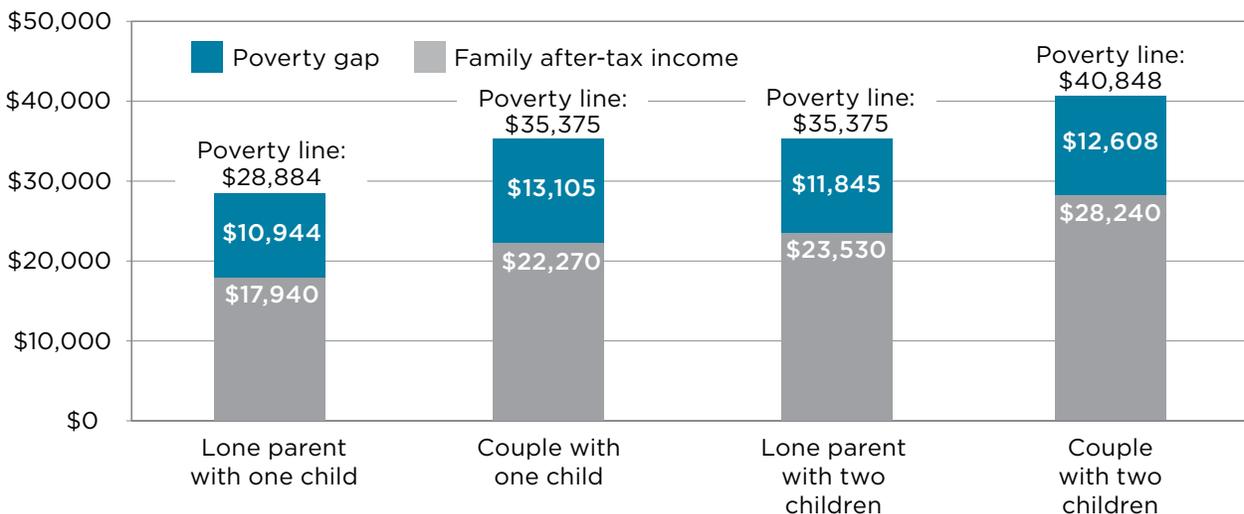
POOR BC FAMILIES LIVING FAR BELOW THE POVERTY LINE

Not only were many families with children in British Columbia living in poverty in 2016, these families were typically living far below the poverty line, based on the Census Family Low Income Measure (CFLIM) after tax.

- The median after-tax family income for poor lone-parent families with one child was \$17,940, or \$10,944 below the poverty line of \$28,884 for a family of two;
- Poor couple families with one child had a median after-tax income of \$22,270, a full \$13,105 below the poverty line of \$35,375 for a family of three;
- Poor lone-parent families with two children had a median after-tax income of \$23,530, \$11,845 below the poverty line of \$35,375 for a family of three; and,
- Poor couples with two children had a median after-tax family income of \$28,240, falling \$12,608 below the poverty line of \$40,848 for a family of four.

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

Poverty Gap for Poor BC Families with Children, Based on Median After-Tax Income and CFLIM After tax (Poverty Line), 2016



Source: For median after-tax family income: Statistics Canada. Table F-20 After-tax low income status of census families (census family low income measures, CFLIM-AT) by family type and family composition, adjusted methodology, 2016. For CFLIM (Census Family Low Income Measure - After Tax) Income Thresholds: Statistics Canada. Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors, T1 Family File, Final Estimates, 2016. Table G. P.11

IMPACT OF LIVING IN DEEP POVERTY: HOMELESSNESS

During the 2018 youth homeless count, 681 children and youth (0-24 years old) were found to be homeless in the Metro Vancouver area,¹ which like any homeless count, could be considered to be an underestimate. The majority (390) of the homeless children and youth counted were 19-24 years old, but there were also 253 homeless teens aged 13-18 years old and 38 homeless children 0-12 years old counted. 26% of the homeless children and youth were living outside, e.g., in vehicles, abandoned buildings, tents, or on the street.

Tragically, some children and youth have a much higher chance of becoming homeless than others, in particular LGBTQ2S² children and youth. 26% of the homeless children and youth counted in the 2018 report identified as LGBTQ2S. Other over-represented groups in the count included 42% Indigenous children and youth and children and youth currently or formerly in government care. The latter group represented a shocking 50% of the homeless children and youth counted.

Homeless children and youth reported facing many challenges, including 72% struggling with mental illness, 57% managing some kind of addiction and 52% identifying family conflict as the reason they first became homeless.



Some children and youth have a much higher chance of becoming homeless than others, in particular LGBTQ2S children and youth, Indigenous children and youth, and children and youth currently or formerly in government care. The latter group represented a shocking 50% of the homeless children and youth counted.

VANCOUVER, PHOTO WIKIMEDIA COMMONS

- 1 BC Non-Profit Housing Association. 2018 Youth Homeless Count for Metro Vancouver. Prepared for the Metro Vancouver Community Entity, Homelessness Partnering Strategy, metrovancover.org/services/regional-planning/homelessness/HomelessnessPublications/2018MetroVancouverYouthHomelessCount.pdf
- 2 Lesbian, gay, bisexual, transgender, queer, two-spirited

IMPACT OF LIVING IN DEEP POVERTY: FOOD INSECURITY

Food insecurity negatively affects maternal health, birth outcomes, mental, emotional and physical health, including increased risks from chronic diseases.³

Data from the 2011-12 Canadian Community Health Survey (CCHS) indicates that many thousands of children in BC are going hungry. BC chose not to include the measurement of food insecurity for their populations in the 2013-2014 survey, meaning this is the latest data available.⁴

In 2011-12, data from the CCHS showed nearly one in 6 (15.6%) or 135,000 children 0-17 in BC were living in food insecure households, representing 28% of food insecure people in the province. In all of the health authorities, households with children had higher rates of food insecurity compared to those without. Female lone-parent families with children under 18 had the highest rate of food insecurity by family type at 34.2%. Male lone-parent families with children under 18 had a food insecurity rate of 17.1%, and couple families with children had a rate of 11.4%. The rate for Aboriginal families with or without children was 29.4%.⁵

The CCHS report also stated: “About three quarters (76.0%) of households whose main source of income is social assistance are food insecure; however, working households comprise the majority of the food insecure households in BC (65.0%).”

A Dietitians of Canada report pointed out that households with a greater risk of food insecurity included “households living in market rental accommodation (up to double the risk of household food insecurity, compared to subsidized rental housing); household food insecurity among renters was four times greater than among homeowners (26.1% versus 6.4%).⁶

The evidence in these reports of the impacts of hunger and food insecurity on the physical and mental health of children and their parents calls out for government action. Acting on the recommendations in this report would go a long way toward addressing the root causes of the growing levels of hunger in our very wealthy province and country.

Three quarters of households on social assistance are food insecure; but working households make up the majority (65%) of food insecure households in BC.

FOOD BANK USE

In 2016, 103,464 people were helped by food banks in BC, a 33% increase since 2008 and a 3% increase since 2015. Some 32% or 33,315 were children. Of those helped in BC, 35% were families with children, and nearly half of these (45%) were two-parent families. 12% were currently employed and another 4% were recently employed.

Source: Food Banks Canada. *Hunger Count 2016*.

In 2016, 33,300 BC children relied on food banks.



3 BC Centre for Disease Control. Food Costing in BC 2017: Assessing the Affordability of Healthy Eating. (Oct 2018).

4 Tarasuk, V, Mitchell, A, Dachner, N. (2016). *Household food insecurity in Canada, 2014*. Toronto: Research to identify policy options to reduce food insecurity (PROOF). Retrieved from proof.utoronto.ca

5 Provincial Health Services Authority and Proof Food Insecurity Policy Research, *Priority health equity indicators for British Columbia: Household food insecurity report*. (Aug 2016). phsa.ca/population-public-health-site/Documents/Household%20food%20insecurity%20in%20BC_full%20report.pdf

6 Dietitians of Canada. *Addressing Household Food Insecurity in Canada: Position Statement and Recommendations*. (2016) Executive Summary, p. 3.

Child Poverty and Working Parents

MINIMUM WAGES NOT ENOUGH FOR FAMILIES RAISING CHILDREN

Parents relying on minimum wage incomes to support their families have a difficult time in British Columbia. In 2016, a single parent with one child working full-time for the whole year for minimum wage¹ would have only earned \$19,257 in employment income, leaving them \$9,950 below the \$29,207 LIM before-tax poverty line for this family type and size. A two-parent family with two children with both parents working full-time for the whole year for minimum wage would have only earned \$38,514 in employment income, leaving them \$3,214 below the \$41,728 LIM before-tax poverty line for this family type and size.

While the BC government has raised the minimum wage since 2016 by 1.80 to \$12.65, what is needed is a minimum wage of at least \$15 an hour.

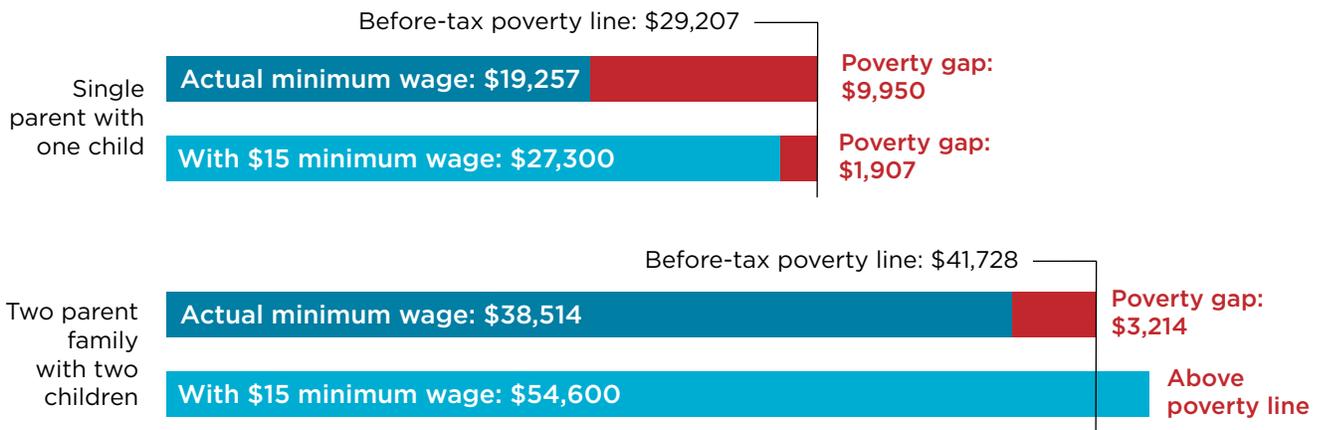
A \$15-an-hour minimum wage would have made a huge difference for these families. If the minimum wage had been \$15 an hour in 2016 in BC, that single parent with one child working full-time, full-year for minimum wage would have earned \$27,300 in employment income, only \$1,907 below the poverty line instead of \$9,950 below the line. That two-parent family with two children with both parents working full-time, full-year for a \$15 an hour minimum wage would have earned \$54,600 in employment income, putting them \$12,872 above the poverty line, instead of \$3,214 below the line.



A single parent working full time, full year for minimum wage in 2016 earned only **\$19,257**.



Before-Tax Employment Incomes for Different Family Sizes and Minimum Wage Levels, Full-Time, Full-Year Work at Minimum Wage, Compared with LIM Before Tax, BC, 2016



¹ BC's minimum wage was \$10.45/hr. from January 1 to September 14, 2016; increased to \$10.85/hr. September 15, 2016. Source: Service Canada. Minimum Wage Database, <http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt2.aspx>

British Columbia's minimum wage rose from \$10.45 an hour to \$10.85 an hour on September 15, 2016, to \$11.35 an hour on September 15, 2017, and then to \$12.65 on June 1, 2018. However, this is still short of the \$15 an hour that came into effect in Alberta in October 2018.² The BC government has accepted the recommendation of the Fair Wage Commission to raise the minimum wage to \$15.20 an hour by June 2021.³ For the working poor, struggling to raise children on minimum wages, this increase can't come soon enough.

LIVING WAGES

Although a \$15 an hour minimum wage would greatly improve the lives of BC's working poor, it would still be a struggle for families earning this wage to meet their basic living expenses. This is why First Call hosts the Living Wage for Families Campaign to raise awareness about the negative impact of low-wage poverty on families and communities. When employers pay a living wage, they are contributing to a key solution to the problem of child and family poverty. The living wage is well above the poverty line, but still only provides a bare-bones budget without room for savings or paying off debt. It is recalculated annually to take into account family expenses.

Living wage calculations are based on the annual budget a two-parent, two-child family would need to meet their basic needs (food, clothing, child care, shelter, transportation, health care, etc.).⁴

Laura's Story

LAURA AND HER HUSBAND live in New Westminster. Even with two incomes, they were struggling to make ends meet paying monthly child care fees of \$2,425 for their two children aged four and a half and eighteen months.

"We lived pay cheque to pay cheque," Laura commented. "It felt like a crushing burden."

In April of 2018 they received some financial relief when the Child Care Reduction Fee Initiative lowered their monthly child care fees.

But in September, after qualifying for the income-based Affordable Child Care Benefit, the family's fees were reduced by \$1,557 per month.

"I cried when I got the notice," Laura said. "This has meant the world to us. Now instead of struggling we can actually save a little for our children's RESPs."

Laura is quick to note these fee reductions came in their year of greatest need. Once their oldest begins school next year, and the youngest no longer requires infant/toddler care, their child care fees will be manageable. Affordable child care for this family means Laura and her husband can go to work with confidence their children are receiving quality, licensed child care that doesn't put them into debt.



"I cried when I got the notice," Laura said, of her child care fee reduction. "This has meant the world to us."

2 Service Canada. Minimum Wage Database, <http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt2.aspx>

3 engage.gov.bc.ca/fairwagescommission/

4 policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2016/04/CCPA-BC-Living-Wage-2016.pdf

As shown in the graph below, in 2016 significant proportions of two-parent families with children were earning less than the 2016 regional living wage in these five communities.

Couple Families with Children with Total Incomes Below Regional Living Wages, 2016



Source: Statistics Canada. Table 11-10-0013-01 Census families by total income, and Canadian Centre for Policy Alternatives. Working for a Living Wage 2016 Update. (Apr 2016).

Over one hundred municipalities, non-profit organizations and companies in British Columbia have become certified Living Wage Employers. For up-to-date living wage calculations for BC communities and a list of living wage employers in the province, visit the Living Wage for Families campaign website at livingwageforfamilies.ca.

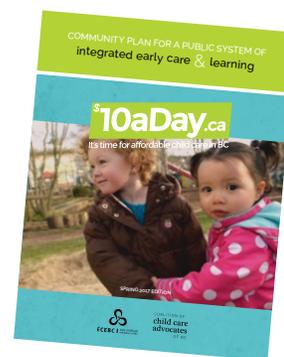
BC'S CHILD CARE CHAOS – SOLUTIONS ROLLING OUT

Access for families to a public system of affordable, high-quality child care is key to an effective poverty reduction strategy. BC families have faced a decades-long crisis in accessing quality, affordable child care:

- High fees, with average fees reaching \$17,500 annually in Vancouver.¹
- Long wait lists, with only enough licensed child care spaces for 18% of young children.²
- Child care quality remains inconsistent across the province, primarily because low ECE wages have led to a critical shortage of qualified staff. Too often, families are forced into unregulated care, with no safety standards.
- Lack of affordable, accessible child care keeps women out of the work force.

Substantially increased public funding for high quality, affordable, accessible child care that meets diverse family needs is essential to achieving First Call's vision for BC families with young children. In their 2018 budget, BC's new government took bold initial steps with a funding commitment of \$1 billion over three years, complemented by a three-year federal funding commitment of \$153 million. These steps are already lowering parent fees, raising educator wages and creating more licensed child care spaces. The federal and BC governments have also confirmed their commitment to Indigenous-led child care and initiated an expansion of Aboriginal Head Start.

1 Westcoast Fee Survey, wstcoast.org/application/files/6115/4050/3382/2018_Group_Fee_Survey_Results_Public.pdf
 2 MCFD Performance Management Report, or ECEC in Canada



First Call supports the \$10aDay Child Care Plan which would cost families \$10 a day for a full-time program, \$7 a day for part-time, and no user fee for families with annual incomes under \$45,000.

Children in Families on Welfare

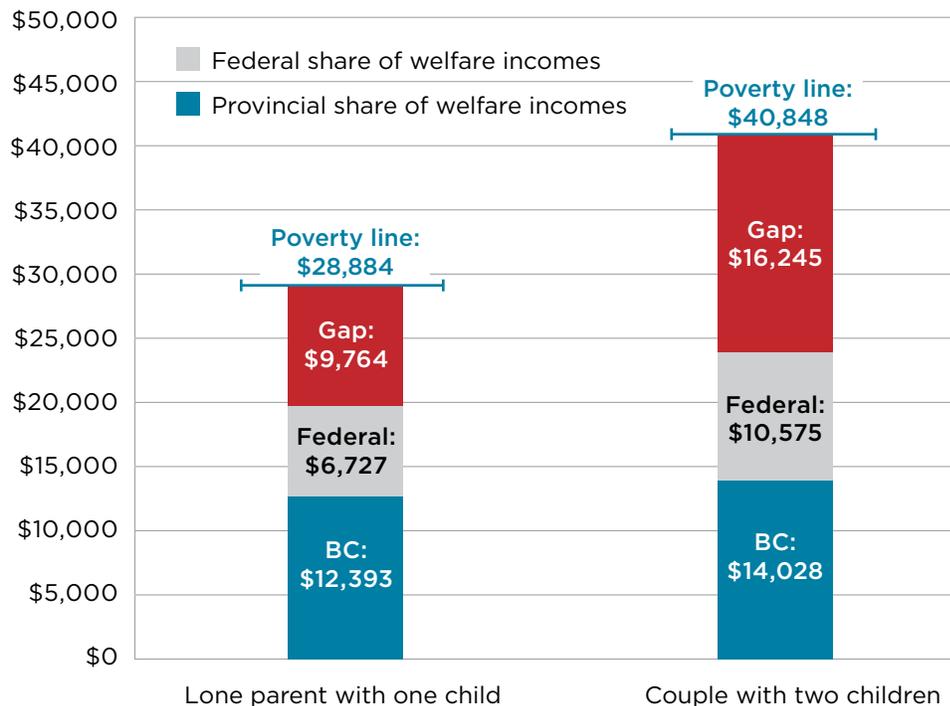
WELFARE INCOMES WELL BELOW POVERTY LINES

It is a major struggle for families on welfare in British Columbia to meet their basic needs. Welfare benefits and government transfers from the federal and provincial governments provided just \$19,120 in total income for a lone parent with one child in BC in 2016, which was only 66% of the \$28,884 poverty line for this family type. This family's total welfare income left them \$9,764 below the poverty line. For a couple with two children on welfare in 2016, their total income was \$24,602, just 60% of the poverty line, leaving a poverty gap of \$16,245.

Looking across the country, BC had the lowest annual 2016 welfare income for a couple with two children and the fourth lowest for a single parent with one child.¹

Both levels of government have a part to play in increasing welfare incomes; for example, both the federal contribution of \$6,727 and the provincial contribution of \$12,393 for single parent family welfare incomes in BC in 2016 were inadequate for raising these families out of poverty.

Federal and Provincial Shares of Welfare Incomes and Poverty Gaps by Family Type in BC, 2016



In 2016, a family of four on welfare had to get by on \$24,602. That's 40% below the poverty line leaving a poverty gap of \$16,245.

Sources: Caledon Institute of Social Policy, *Welfare in Canada 2016*, 53. CFLIM after-tax poverty lines from Statistics Canada, Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors T1 Family File, Final Estimates, 2016, p. 11.

1 Caledon Institute of Social Policy, *Welfare in Canada 2016*, November 2017, p. 51-54.

WELFARE INCOMES LOSING VALUE OVER TIME

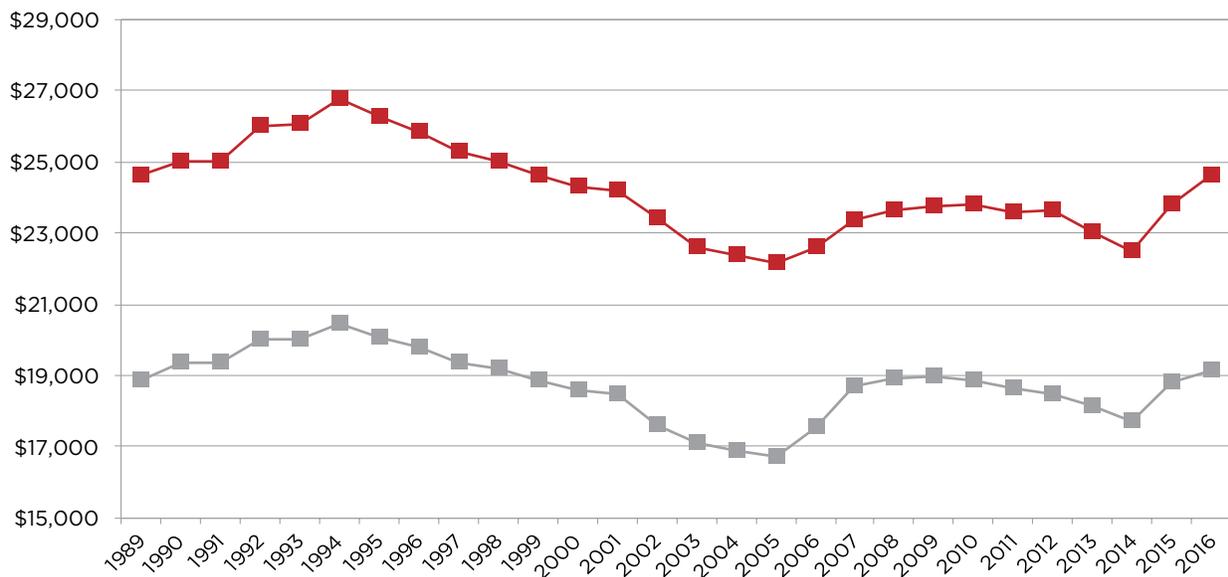
Welfare benefits are not indexed or increased automatically with the cost of living, so benefits have lost value over time.

Over the past 28 years (1989–2016), British Columbia’s welfare incomes have generally decreased (when accounting for inflation—2016 constant dollars), making it harder to make ends meet for families on welfare. Although welfare incomes for single parents with one child in 2016 (\$19,120) were slightly higher than in 1989 (\$18,846), it was still below the highest welfare income of \$20,464 in 1994.

Welfare incomes for a couple family with two children in 2016 (\$24,602) were slightly lower than in 1989 (\$24,618) and a full \$2,142 lower than in 1994 (\$26,748).

Welfare incomes for both groups (single parents with one child and couple families with two children) dropped for 11 consecutive years (1994–2005) and have not regained much of the lost ground.

Welfare incomes (adjusted for inflation - 2016 constant dollars), by family type, British Columbia, 1986-2016



Source: Adapted from Caledon Institute of Social Policy, *Welfare in Canada 2016*, 67.

What gets cut when there is not enough?

Welfare incomes for a couple family with two children in 2016, adjusted for inflation, were a full \$2,142 lower than in 1994.

LOW WELFARE RATES ARE CONDEMNING TENS OF THOUSANDS OF CHILDREN AND YOUTH IN BC TO POVERTY

In 2016, there was an average of 36,126 children and youth in families receiving welfare in BC.² This is an increase in the 2015 yearly average by over 2,644 children.

For most of these families (66%), working is not an option. These families do not fall under the “expected to work” category and have medical conditions, multiple barriers, disabilities and other challenges that prevent them from working.

Low welfare incomes are especially tough on single parent families, as 85% of the families with children on welfare were single parent families. Families living below the poverty line are frequently forced to rely on food banks and other sources of charity to feed and clothe their children.

In 2017, the provincial government finally increased the basic benefit rate for all welfare recipients by \$100 per month. Rates had been frozen for 10 years. While this is a good first step in reducing the depth of poverty for people on welfare, First Call is calling for major increases in welfare rates for all recipients, and the annual indexing of the rates based on increases in the cost of living.

Government should also expand the Single Parent Employment Initiative to include two parent families and allow people to take post-secondary programs that are longer than 12 months.

In addition, First Call strongly encourages the BC government to reform BC’s Early Childhood Benefit. Of the provinces offering a child benefit, BC is the only one that cuts off the benefit for parents with children over the age of six. Every other province that offers this benefit, extends it to families with children up to the age of 18.

This one measure would reduce the depth of poverty for the majority of children in both working poor families and those relying on social assistance. Part of the cost of this measure would be recouped by lowering the income threshold for eligibility currently in place. This existing government program can be better targeted to assisting BC’s poorest families.

Government benefits, like the Canada Child Benefit, can play a big role in lifting families out of poverty as long as they are not clawed back from welfare incomes.



In 2017, the provincial government finally increased the basic benefit rate for all welfare recipients by \$100 per month. Rates had been frozen for 10 years. While this is a good first step in reducing the depth of poverty for people on welfare, First Call is calling for major increases in welfare rates for all recipients, and the annual indexing of the rates based on increases in the cost of living.

2 Ministry of Social Development and Poverty Reduction BC Employment and Assistance Summary Report, gov.bc.ca/assets/gov/british-columbians-our-governments/organizational-structure/ministries-organizations/social-development-poverty-reduction/bcea-caseload-6page.pdf

Child Poverty Across BC

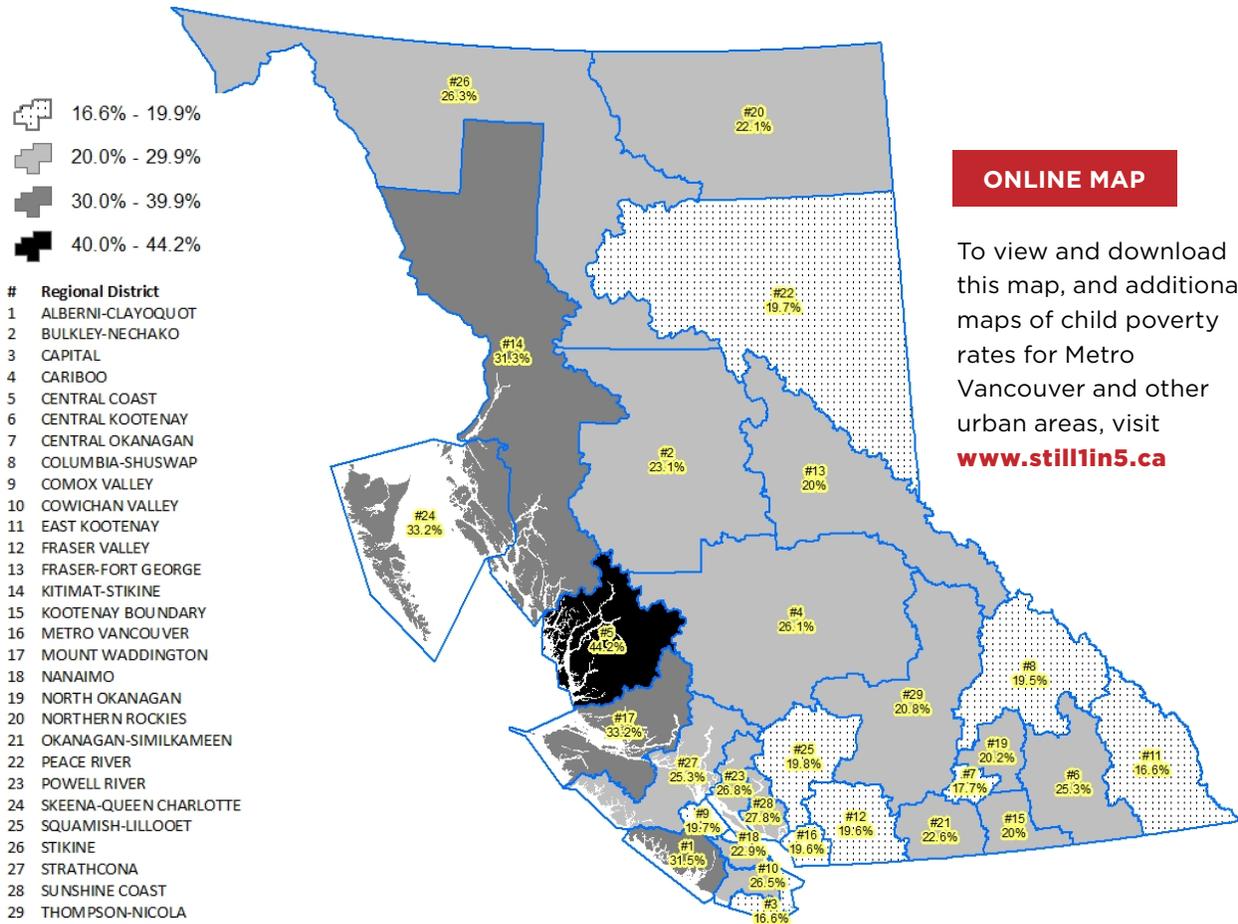
CHILD POVERTY BY REGIONAL DISTRICTS

Thousands of children in each of British Columbia's regional districts were living in poverty in 2016. In fact, there were only five regional districts with fewer than 1,000 children living in poverty. The regional districts with the highest child poverty rates were located along the coastal areas and included:

- Central Coast (44.2%),
- Mount Waddington (33.2%),
- Skeena-Queen Charlotte (33.2%),
- Alberni-Clayoquot (31.5%) and
- Kitimat-Stikine (31.3%) Regional Districts.

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

% of Children 0-17 Years Old in British Columbia in Low Income Families, by Regional District, Based on Census Family Low Income After Tax Measure (CFLIM-AT), 2016



Source Data: Statistics Canada
Table I-13 After tax low income status of tax filers and dependents (census family low income measure, CFLIM-AT) for couple and lone parent families by family composition, 2016

The two regional districts with the lowest child poverty rates, Capital and East Kootenay, both had at least one in six children living in poverty.

CHILD POVERTY IN BC URBAN AREAS

(CMAs – Census Metropolitan Areas and CAs – Census Agglomerations)

Of BC's 26 urban areas, the Vancouver CMA had the largest number of poor children (86,480), followed by the Victoria CMA (9,320) and Abbotsford-Mission CMA (7,400).

The Parksville CA had the smallest number of poor children (610), followed by Dawson Creek CA (620) and Nelson CA (630).

Three coastal CAs each had approximately three in ten children living in poverty: Prince Rupert CA (30.6% child poverty rate), Duncan CA (30.0%) and Port Alberni CA (29.8%). The Squamish CA (14.7% child poverty rate), Victoria CMA (16.1%) and Fort St. John CA (16.6%) had the lowest child poverty rates of the BC urban areas.

BC's rural areas (i.e., areas outside of the CMAs and CAs) had a higher child poverty rate (25.6%) than the overall provincial child poverty rate (20.3%) in 2016. There were 25,470 poor children living in rural areas in BC, a conservative number, remembering that many First Nations reserves are not captured in this data.

BC's rural areas (i.e., areas outside of the CMAs and CAs) had a higher child poverty rate (25.6%) than the overall provincial child poverty rate (20.3%) in 2016. There were 25,470 poor children living in rural areas in BC, a conservative number, remembering that many First Nations reserves are not captured in this data.

Metro Vancouver Census Tracts

Metro Vancouver had an overall child poverty rate of 19.6%, but rates varied greatly among the 461 Metro Vancouver census tracts.

For example, census tracts revealed particularly high child poverty rates in the Downtown Eastside at 79.4%, in Chinatown at 57.5% and in the Katzie First Nation at 54.1%. There were notable clusters of high child poverty near central Richmond, North Surrey (Guildford/Whalley), Northeast Vancouver (near Downtown Eastside) and Burnaby's Metrotown area.

Metro Vancouver was home to 86,480 poor children in 2016, representing half of the poor children in BC.

Victoria Census Tracts

Although the Victoria CMA had the second-lowest child poverty rate of any BC urban area (16.1%), there were still many poor census tracts in the Victoria CMA. Five out of the Victoria CMA's 75 census tracts had 40% or more children living in poverty.

First Nations reserves within the Victoria CMA had especially elevated child poverty rates including the Cole Bay 3 IRI at 74.6%, East Saanich 2 IRI at 52.9%, New Songhees 1A IRI at 49.8% and South Saanich 1 IRI at 49.8%.

There were also clusters of high child poverty areas near Downtown Victoria.



ONLINE MAP

To view and download

maps of child poverty rates in BC urban areas, visit

www.stillin5.ca

Abbotsford-Mission CMA Census Tracts

The Abbotsford-Mission CMA had an overall child poverty rate of 17.9%. Six out of 37 census tracts showed 30 to 40 per cent of children were living in poverty. Abbotsford Centre at 36.3% and Clearbrook Centre at 36.1% had the highest child poverty rates. Census tracts with high child poverty rates were located along South Fraser Way from West Abbotsford to Central Abbotsford, as well as near Downtown Mission.

Kelowna CMA Census Tracts

The Kelowna CMA had an overall child poverty rate of 17.7%. Five out of 40 census tracts showed between 30% to 40% of children living in poverty. Downtown Westbank at 36.5% and the Lakeshore between Rose Avenue and Harvey Avenue south of Downtown Kelowna at 35.5%, had the highest child poverty rates. There were concentrations of high child poverty rate census tracts near Rutland and near Downtown Kelowna.

Chilliwack CA Census Tracts

The Chilliwack Census Agglomeration (CA) had a 21.3% child poverty rate. Six out of 31 census tracts 40% or more of children living in poverty. Downtown Chilliwack had a large cluster of high child poverty tracts, with the highest rates at 57.5%. There were also several First Nations reserves located within the Chilliwack CA with high child poverty rates.

Kamloops CA Census Tracts

The Kamloops CA had a child poverty rate of 17.9%. The Kamloops CA had three census tracts out of 29 showing 40% or more children living in poverty. The highest child poverty rates were found in two North Shore census tracts at 41.7% and 41.5%, and in one Downtown census tract at 40.3%.

Nanaimo CA Census Tracts

The Nanaimo CA had a child poverty rate of 22.9%. Two census tracts out of 22 showed 40% or more children living in poverty. Downtown Nanaimo (and nearby areas) and First Nations reserves had the highest concentrations of child poverty. The Nanaimo Town 1 IRI at 51.6% child and the Nanaimo River IRI at 49.0% had the highest child poverty rates in the Nanaimo CA.

Prince George CA Census Tracts

The Prince George CA had a child poverty rate of 19.7%. Six out of 24 census tracts showed between 30% and 40% of children living in poverty. The highest child poverty areas were located near Downtown Prince George, including one at 60.6% and the other at 37.9%.

The Nanaimo Census Agglomeration (CA) had two census tracts with 40% or more living in poverty. Downtown Nanaimo (and nearby areas) and First Nations reserves had the highest concentrations.



ONLINE MAP

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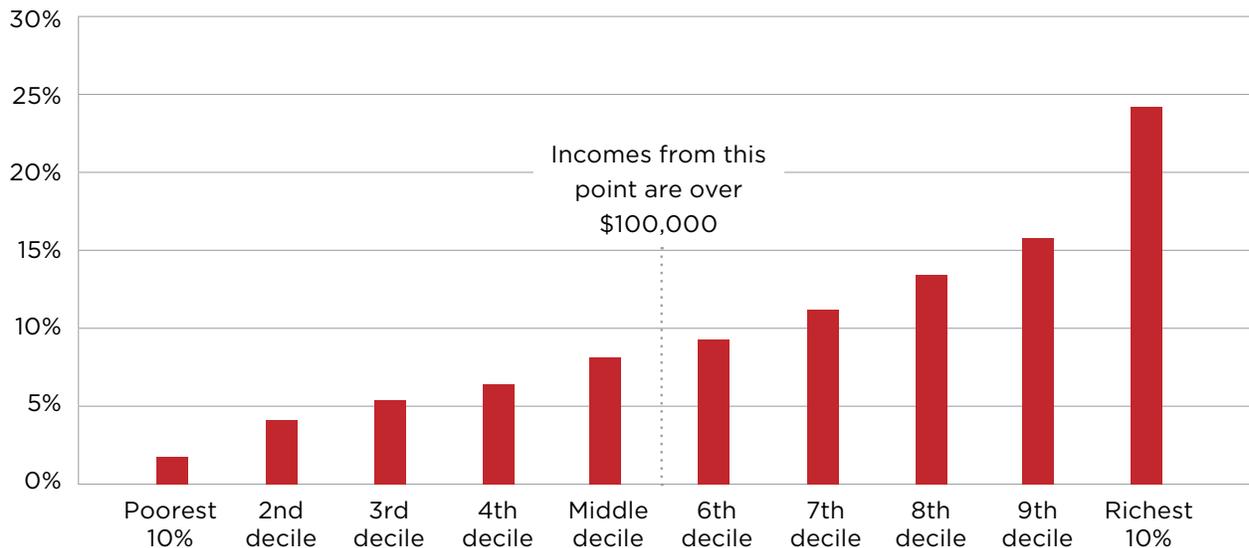
Growing Income Inequality

In 2016, the richest 10% of families had 24.4% of the total pre-tax family income in British Columbia. The poorest 10% of families had just 2.1% of the total family income pie.

Further, the poorest 50% of families had only 26.4% of total family income in BC, compared to the richest 10% of families holding 24.4%.



Percentage of Total Income Among BC families, by income decile, 2016



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

INCOME INEQUALITY GROWTH OVER TIME: THE RICH ARE GETTING RICHER

Growing income inequality is mainly driven by the growth in the income of the richest families. Between 1989 and 2016, the inflation-adjusted average total incomes for families in all income brackets increased in BC. However, the richest families saw their incomes rise much faster than poorer families. The richest 10% of families saw their incomes increase by \$70,900 (37.9%) between 1989 and 2016, while the poorest 10% of families saw their incomes increase by just \$1,900 (9.4%). Families in the ninth (second richest) decile saw the second largest percentage (29.0%) and absolute income increases (+\$37,300) during the 1989-2016 period.

Of the Canadian provinces, British Columbia has the second largest disparity between its richest and poorest families, behind only Ontario. The richest 10% of BC families collect nearly 12 times as much income as the poorest 10% of families.¹

Changes in Average Total Incomes by Decile Group, Families in BC, in constant 2016 Dollars

Decile	1989	2016	1889 to 2016	
	Average annual income (\$)		Annual income gain (\$)	Rate of income growth (%)
Lowest decile	\$20,300	\$22,200	\$1,900	9.4%
Second decile	\$35,300	\$42,500	\$7,200	20.4%
Third decile	\$49,700	\$56,900	\$7,200	14.5%
Fourth decile	\$60,900	\$71,500	\$10,600	17.4%
Fifth decile	\$72,500	\$85,200	\$12,700	17.5%
Sixth decile	\$83,900	\$98,500	\$14,600	17.4%
Seventh decile	\$96,400	\$117,100	\$20,700	21.5%
Eighth decile	\$110,900	\$137,500	\$26,600	24.0%
Ninth decile	\$128,700	\$166,000	\$37,300	29.0%
Highest decile	\$187,100	\$258,000	\$70,900	37.9%
Total families	\$84,600	\$105,500	\$20,900	24.7%

Source: Statistics Canada. Table 11-10-0192-01 Upper income limit, income share and average income by economic family type and income decile.

From 1989 to 2016, the richest 10% of families saw their incomes increase by \$70,900 (37.9%), while the poorest 10% of families saw their incomes increase by just \$1,900 (9.4%).

Richest families' incomes: **+\$70,900**



Poorest families' incomes: **+\$1,900**
+9.4%



¹ Statistics Canada. Table 11-10-0192-01 Upper income limit, income share and average income by economic family type and income decile.

Importance of Government Help: Public Policy Matters

GOVERNMENT TRANSFERS REDUCE CHILD POVERTY IN CANADA

Federal and provincial government income support programs play a huge role in reducing child poverty in Canada. If parents had been forced to rely only on earnings, income from investments and other sources of market income to make ends meet, the child poverty rate in Canada would have been 31.5% in 2016, based on the CFLIM-After Tax. Government transfers reduced the child poverty rate to 19.6%.

Over two million Canadian children (2,280,320) would have been poor using family market income alone. With federal and provincial transfers, the number was lowered by 38%, keeping over 850,000 children out of poverty.

Over **two million** Canadian children would have been poor using family market income alone. With federal and provincial transfers, the number of poor children was lowered to **1,420,510**.

GOVERNMENT TRANSFERS REDUCE CHILD POVERTY IN BC

Without government transfers, using only family market income, BC's child poverty rate was 29% in 2016. It came down to 20.3% after government transfers. A total of 244,110 BC children were poor using market income alone.

Once transfers were added to family income the number of poor children was reduced by 29%, meaning 71,560 BC children were kept out of poverty that year thanks to government help.

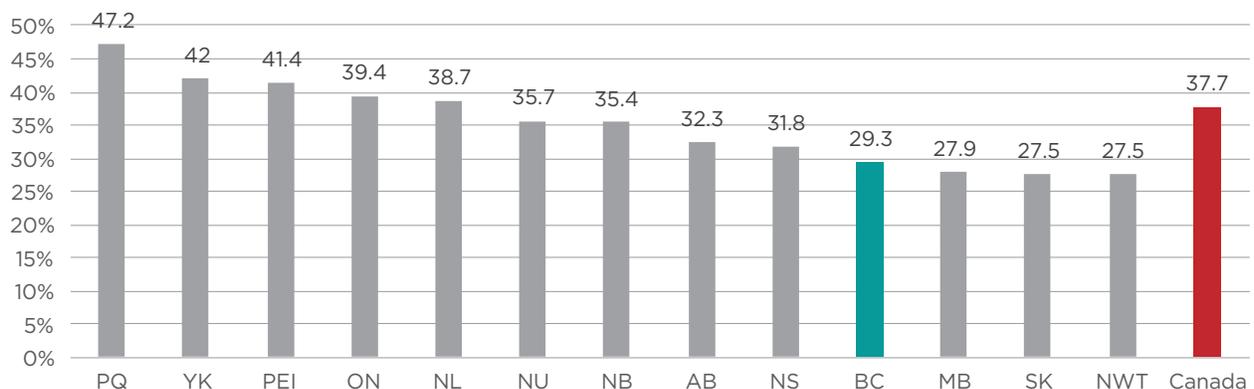


71,560 BC children were kept out of poverty in 2016 thanks to government help.

GOVERNMENT TRANSFERS — HOW DOES BC COMPARE?

The graph below shows the percentage of children kept out of poverty by government transfers in 2016 in Canada and individual provinces and territories.

Percentage Reduction in Child Poverty Rates in 2016 Due to Government Transfer Payments



Source: Statistics Canada custom tabulation, data from T1 Family Files 2016

Nine out of the 13 provinces and territories had government transfers that were more effective than BC's at lifting children and youth out of poverty in 2016.

With a government transfer program as effective as Quebec's program (the most effective in Canada) 115,131 children and youth in BC could have been lifted out of poverty with government transfers in 2016.

Quebec and the Yukon Territory kept the largest percentages of children out of poverty at 47% and 42% respectively. BC's government transfers were less effective than most provinces or territories at reducing child poverty, keeping 29% of children out of poverty, below the Canadian average of 38%.

BC'S PROVINCIAL EARLY CHILDHOOD TAX BENEFIT

The BC Early Childhood Tax Benefit (BCECTB) was implemented in April 2015. The BCECTB offers a maximum of \$55 per month per child under age six, or \$660 per year. The benefit is reduced if the family's net income exceeds \$100,000 and will be zero once the family's net income exceeds \$150,000.

As the chart shows, seven other provinces offer a provincial child benefit that lasts up to the child's 18TH birthday. Quebec's Child Assistance Benefit continues to be the most generous benefit for families in Canada. Of the provinces offering benefits for families with children, BC continues to be the only one capping the eligibility age for children at 6 instead of 18 years of age. Ontario's is more than double and Quebec's more than triple the BC benefit amount.

Comparison of Provincial Child Benefits

Province	Child's age	Annual benefit dollar amount (1 child)	Lifetime dollar investment (1 child)	Benefit indexed?
Quebec	0-18	\$2,430	\$43,740	Y
Ontario	0-18	\$1,378	\$24,048	Y
Alberta	0-18	\$1,128	\$20,304	Y
Nova Scotia	0-18	\$625	\$11,250	N
Manitoba	0-18	\$420	\$7,560	N
Newfoundland	0-18	\$386	\$6,949	N
New Brunswick	0-18	\$250	\$4,500	N
British Columbia	0-6	\$660	\$3,960	N

*amounts current as of May 2018

The majority of poor children in BC live with parents in paid work, either full or part time. Low wages and precarious work are important causes of family poverty.¹ And we know from the recent recalculation of the living wage: "The introduction of the Canada Child Benefit—which resulted in small decreases in the Metro Vancouver living wage for two consecutive years in 2016 and 2017 despite rising costs of living—shows how significant government transfers can be. However, most other government transfers and subsidies are reduced or eliminated once a family reaches an income level well below the living wage."²

1 Igluka Ivanova. *Working Poverty in Metro Vancouver*, Canadian Centre for Policy Alternatives, United Way of the Lower Mainland and BC Poverty Reduction Coalition, 2016.

2 *Working for a Living Wage: 2018 update*, Canadian Centre for Policy Alternatives

First Call strongly recommends redesigning the BC Early Childhood Tax Benefit into a BC Child Benefit that covers children under 18, increasing the maximum benefit to \$1,320 per child per year and indexing it annually to the cost of living.

This would bring BC's benefit close to the Ontario Child Benefit, while recognizing that the additional costs of raising children do not disappear when they turn 6, and many families with children 6 and older are also struggling in deep poverty.

We think the province can better target its resources to lift more families with children out of poverty by reducing the earning threshold above which the benefit begins to diminish. We suggest the full benefit be available to households with annual net incomes that approximate a living wage for families as calculated by the Living Wage for Families Campaign. This measure is the best available approximation of an adequate income that supports a 'bare bones' budget for a family with children and is broadly accepted by both the social services and business communities in BC.

HOW GOVERNMENT HELPS

Both federal and provincial governments have programs that reduce child poverty. One of the most powerful programs is the new Canada Child Benefit (CCB) which was implemented by the federal government in July 2016. Starting in July 2018, the Canada Child Benefit was indexed and the maximum annual benefit increased to \$6,496 per child under age 6 and to \$5,481 per child age 6 through 17.

The federal government claims it has already lifted 300,000 children out of poverty in 2017.

The federal government also pays a quarterly GST credit to low-income families and individuals. Ottawa administers the Employment Insurance (EI) fund to assist Canadians who are temporarily out of work and to pay maternity and parental leave benefits. However, a declining proportion of the unemployed are eligible for EI. Additionally, the 55% benefit rate leaves lower-wage workers below the poverty line and means they have to return to work early from their allowed parental leave.³

The federal and provincial governments also provide a refundable Working Income Tax Benefit (WITB) for eligible families who are in the workforce. The 2017 upper-income threshold for this benefit for a family of any size with children in BC was \$29,597 per year.⁴ The federal government has announced that, starting in 2019, an enhanced benefit renamed the Canada Workers Benefit will be made more accessible.

The BC government provides welfare payments for people who have exhausted other sources of income. Part of the cost of welfare is covered by the federal government through the Canada Social Transfer (CST). The CST is a government-to-government transfer designed to defray the costs to provinces of welfare and social services, early childhood development and early learning and child care, and post-secondary education. In 2018-19, BC is expected to receive \$1.859 billion under the Canada Social Transfer.⁵



The BC government's new Poverty Reduction Strategy Act sets a target to reduce child poverty in the province by 50% over five years, starting in January 2019.

3 Iglia Ivanova. *Working Poverty in Metro Vancouver*, Canadian Centre for Policy Alternatives, United Way of the Lower Mainland and BC Poverty Reduction Coalition, 2016.

4 canada.ca/en/revenue-agency/services/child-family-benefits/working-income-tax-benefit-witb/net-income-level-where-recipient-eligible-receive-basic-working-income-tax-benefit.html

5 Federal Support to Provinces and Territories, fin.gc.ca/fedprov/mtp-eng.asp

Although she works full-time, Jessie and her two daughters live below the poverty line.

Jessie's Story

JESSIE IS CELEBRATING her daughter's sixth birthday this month. Along with the celebration, though, Jessie is even more worried about how to make ends meet as a single mother. Although she works full-time, Jessie and her two daughters live below the poverty line.

Now that her oldest daughter is six, and without a change to Jessie's income, the federal Canada Child Benefit (CCB) will decrease by \$85 a month, and the BC Early Childhood Tax Benefit (BCECTB) of \$55 a month will disappear entirely for this child. Jessie relies on that monthly \$140 to buy food and the two transit passes she now needs to get her daughter to school.

Page 3

Entitlement schedule
 These are the amounts we calculated for upcoming periods based on the information on file as of June 26, 2018. The amounts may change if any of the information used to calculate your entitlement changes. The amount paid may be less if you have an amount due.

Date	(\$) CCB	(\$) BCECTB	(\$) Total
July 20, 2018	1,082.66	110.00	1,192.66
August 20, 2018	1,082.66	110.00	1,192.66
September 20, 2018	998.08	55.00	1,053.08
October 19, 2018	998.08	55.00	1,053.08
November 20, 2018	998.08	55.00	1,053.08
December 13, 2018	998.08	55.00	1,053.08
January 18, 2019	998.08	55.00	1,053.08
February 20, 2019	998.08	55.00	1,053.08
March 20, 2019	998.08	55.00	1,053.08
April 19, 2019	998.08	55.00	1,053.08
May 20, 2019	998.08	55.00	1,053.08
June 20, 2019	998.13	55.00	1,053.13

The amount of the CCB is based on the age of your children: it decreases when a child turns 6 and ends when a child turns 18. As a result, we changed the amount of your monthly entitlement.

Your BCECTB eligibility ends when your child turns six. As a result, we changed the amount of your monthly entitlement.

Now that her daughter is six, and without a change to Jessie's income, the federal Canada Child Benefit (CCB) will decrease by \$85 a month, and the BC Early Childhood Tax Benefit (BCECTB) of \$55 a month will disappear entirely.

Recommendations: What Needs to Happen

The data and stories in this report document the scope of growing income inequality in British Columbia and the resulting continued high levels of poverty. They also illuminate the causes of child, youth and family poverty and the policy solutions that are available to us to address these root causes.

On November 5, 2018, the BC legislature unanimously passed the Poverty Reduction Strategy Act containing a target to reduce the province's child poverty rate by 50% over a five year period beginning on January 1, 2019. A day later the federal government introduced Bill C-87, an Act respecting the reduction of poverty, setting aspirational targets to reduce Canada's overall poverty level 20% below the 2015 level by 2020 and 50% below the 2015 level by 2030.

Federal and provincial government commitments must be ambitious and fully-funded to ensure poverty reduction targets are met or, preferably, exceeded.

FIRST CALL RECOMMENDATIONS

Federal and provincial government commitments must be ambitious and fully-funded to ensure poverty reduction targets are met or, preferably, exceeded.

Recognizing that children of recent immigrants and refugees, Indigenous children, children of female lone-parent families, children in racialized families, children affected by disabilities, youth transitioning out of government care, and LGBTQ2S youth are at greater risk of living in poverty, efforts should be targeted to achieve major reductions in poverty levels for these populations.

First Call offers the following recommendations as concrete steps that federal, provincial and local governments can take to achieve or exceed their stated poverty reduction targets.

Area of responsibility:

- F** Federal
- P** Provincial
- L** Local

Tax Fairness and Income Support

- P** The provincial government should increase the **minimum wage** to \$15 per hour and make sure all workers in BC are covered by the minimum wage by the end of 2019, and index it annually to the cost of living.
- F P L** Governments at all levels should ensure their direct and contract employees are paid a **living wage** that allows them to meet their basic needs, properly support their children and avoid chronic financial stress.
- P** The provincial government should significantly raise **income and disability assistance rates** to bring them in line with actual living expenses and index them to inflation.

4. **P** The provincial government should redesign the BC Early Childhood Tax Benefit into a **BC Child Benefit** covering children under 18, double the maximum benefit to \$1,320 per child per year and index it annually to the cost of living.
5. **F** The federal government should ensure the **Canada Child Benefit**, in combination with other income measures, raises all families with children above the CFLIM after-tax poverty lines calculated through taxfiler data and ensure access to the benefit for families in groups with higher rates of poverty.
6. **F** The federal government should ensure **maternity and parental leave** benefits are universally available to all new parents (regardless of work status) and that the benefit levels are not less than the CFLIM after-tax poverty lines.
7. **F** The federal government should enhance **Employment Insurance** to expand access, duration and levels of benefits to prevent and reduce child and family poverty.
8. **F P** The provincial and federal governments should address growing income inequality by continuing efforts to increase fairness in the personal income taxation system and re-introducing the principle of taxation based on ability to pay.

Targeted Initiatives for Groups Over-Represented in Poverty Data

9. **F P** Collaborate with First Nations, Métis and Inuit governments and Indigenous organizations to develop plans to prevent, reduce and eradicate child and family poverty in **Indigenous communities**. Comply with the rulings of the Canadian Human Rights Tribunal by providing adequate funding for child welfare services on reserve and ensure the full application of Jordan's Principle for First Nations, Métis and Inuit peoples.
10. **P** The provincial government should expand the **post-secondary** program options eligible for support under the Single Parent Employment Initiative and, in the absence of enhancements to BC's refundable post-secondary grants, allow all those on income assistance to retain benefits while attending a post-secondary institution.
11. **P L** With the advice and direction of **youth in and from government care**, the provincial government should develop, resource, and maintain a universal and comprehensive social safety net dedicated to the specific needs and circumstances of the approximately 1,000 youth who 'age out' of care annually and all young adults who have spent time in the care system, without age and activity eligibility criteria and length-of-care requirements.
12. **F P** The provincial government should review and enhance supports to grandparents raising grandchildren and other **kinship care providers**. The federal government should allow grandparents on CPP Disability who are raising their grandchildren to continue to receive the CPP children's benefit after they turn 65 and remove administrative barriers to receiving the Canada Child Benefit for kinship care providers.
13. **F P** The federal and provincial governments should intensify their efforts to help **immigrants and refugees** adjust to life in Canada by enhancing employment assistance, removing long-standing barriers to qualification for professionals trained abroad, making more language training available, and improving employment standards and human rights protections and enforcement.

14. **F** The federal government should immediately cancel all outstanding refugee **transportation loan debt** and cease seeking repayment of transportation costs for all new refugees coming to Canada. This budget adjustment should not reduce the number of refugees targeted for resettlement.

Lower Barriers and Improve Lives Through Universal Programs

15. **F P** Both the federal and provincial governments should continue to prioritize new **child care** investments in their 2019 budgets and beyond to establish universal access to a system of high-quality, inclusive child care for BC children and families that has no parent fee for families with annual incomes under \$45,000, creates enough licensed child care spaces for all who choose them, ensures early childhood educators are paid compensation that reflects their education and the importance of the work they do and ensures there are adequate resources and support for the implementation of the Indigenous Early Learning and Child Care Framework.
16. **P** The provincial government should ensure **K-12 public education** funding is sufficient to mitigate inequalities and to ensure appropriate inclusion of students with diverse learning needs.
17. **F P** Federal and provincial government support for access to **post-secondary education** should be increased both to remove financial barriers for low-income students and lower student debt levels. Policy options include reducing tuition fees at public colleges, institutes and universities, interest-free student loans, and more non-repayable grants for low- and middle-income students.
18. **F P L** The federal, provincial and local governments should scale up their funding to build thousands of new social and affordable rental **housing** units and maintain existing affordable housing stock to reduce the number of families in core housing need and to eliminate homelessness.
19. **F P** The federal and provincial governments should work together to introduce **universal coverage** for all Canadians for prescription drugs, dental care, vision care and hearing aids as essential aspects of health care.
20. **P L** The provincial government should work with local governments and transit authorities to develop a plan that will provide free **public transit** for minors (ages 0-18) and free or reduced-fee transit access for low income families.

Area of responsibility:

- F** Federal
- P** Provincial
- L** Local

Government commitments must be ambitious and fully-funded to ensure poverty reduction targets are met or, preferably, exceeded.

This report uses data from Statistics Canada's T1 Family File (T1FF) to report on low income according to the Census Family Low Income Measures (CFLIMs) unless otherwise indicated. CFLIMs are relative measures of poverty set at 50% of median adjusted census family income. Adjusted refers to that fact that family needs are understood to increase with family size. A person is considered to be in low income when their adjusted family income is below the CFLIM threshold associated with their census family size. Most of the data in this report uses the after-tax CFLIMs for various family sizes. Before-tax LIMS are used for the poverty lines in Fact Sheet 5, when comparing them with before-tax wage levels.

Statistics Canada data on low income always have a 2-year time lag, thus the data in the *2018 BC Child Poverty Report Card* is for 2016. See Appendix 2 for a description of the T1FF, or taxfiler, data used in this report. The T1FF provides limited demographic information about tax filers beyond age, gender and family composition. Therefore the data showing groups of children that are over-represented in poverty statistics in Fact Sheet 1 were taken from the 2016 Census, which used 2015 data. The 2016 Census child poverty data does not include First Nations reserves.

The following chart contains the Low Income Measure, after tax thresholds used in this report card for different family sizes.

Statistics Canada's 2016 Thresholds for After-Tax Census Family Low Income Measure

Number of family members	Annual income threshold
1	20,424
2	28,884
3	35,375
4	40,848
5	45,669
6	50,028
7	54,037
8	57,768

About the Low Income Measure (LIM) and the Market Basket Measure (MBM)

The MBM and LIM use different conceptual approaches to measure poverty. Currently, they rely on different, with a few overlapping, data sources to measure household income and poverty rates.

The LIM is a relative measure of poverty. The LIM threshold, or poverty line, is 50% of the median adjusted income of all families. Families who make less than 50% of the median adjusted income of all families are deemed to be low income.

The LIM is used internationally by UNICEF and the Organisation for Economic Co-operation and Development to make international comparisons. The LIM goes beyond material deprivation and focuses on income inequality. The level of inequality in a society is a good indicator about the extent to which families can participate in, and benefit from, economic, health, educational and social opportunities.

Historically, the LIM is calculated using the T1FF (taxfiler) data that provides a highly reliable picture of low income in Canada. According to Statistics Canada, 75% of Canadians file taxes and the T1FF captures the income situation of 95.6% of families with children through tax-related child benefit records.

In 2018, Statistics Canada updated the calculation of low income within taxfiler data, introducing the new Census Family Low Income Measure-After Tax (CLFIM-AT) concept. The CLFIM-AT now uses the square root equivalency scale (square root of the family size) to calculate adjusted family income.

Taxfiler data includes communities that are excluded from other sources such as census data and Canadian Income Survey calculations of poverty rates. Specifically, it includes low income rates among First Nations reserves, people in institutions such as hospitals or prisons, and parents who are under 18.

The MBM is an absolute measure of poverty. The MBM is based on the cost of a basket of goods and services that families require to meet their basic needs and maintain a modest standard of living.

A family is deemed to be low income if their adjusted income is less than the MBM in the region of the country where they reside.

This basket includes the costs of specified items like food, clothing, footwear, transportation, shelter and other expenses for a reference family of two adults (aged 25 to 49) and two children (aged 9 and 13), which can be adjusted for other family sizes using the square root equivalency scale.

However, as a part of calculating the MBM thresholds, assumptions are made about the types and amounts of expenses that would likely be incurred by most families in similar groupings. The cost of those expenses is subtracted from gross family incomes in those groups prior to establishing the MBM thresholds for each of 50 regions across Canada.

This pre-calculation means the MBM threshold has already accounted for a number of assumed expenses like child care and non-insured health-related expenses such as dental and vision care, prescription drugs, private health insurance, aids for persons with disabilities, personal income taxes and the personal portion of payroll taxes and contributions, alimony and child support payments made to another household, union dues and employer-sponsored supplementary health plans.

As a measure of poverty, the MBM presents some limitations.

First, and most important, absolute measures focus on the goal of physical subsistence, based on pre-determined norms, and without reference to social and cultural needs or a family’s decisions about what foods to eat, what clothes to wear and what household items to purchase. The nature of expenses are based on the basket designers’ assumptions and become central to defining an adequate income even if they may not match with the households that are measured.

Second, the MBM is not a comprehensive indicator of poverty. It does not measure social exclusion or family’s relative position in the income hierarchy (also described as income inequality). For example, absolute measures of poverty are not as strongly related to health status and developmental outcomes as are relative measures.

Third, currently the MBM relies on Canadian Income Survey data and not the more robust taxfiler data used for the LIM.

Sources of data used to calculate the MBM and LIM in Canada

Market Basket Measure (MBM) <i>Canada's Official Poverty Line (as of August 2018)</i>	Low Income Measure (LIM) <i>Also: Census Family Low Income Measure (CFLIM-AT)</i>
<p><i>Concept: The MBM is an absolute measure of poverty based on the cost of a basket of goods and services that families require to meet their basic needs and a modest standard of living.</i></p> <p><i>The MBM is different in different regions of the country.</i></p> <p><i>A family is deemed to be low income if their adjusted income is less than the MBM in the region of the country where they reside.</i></p>	<p><i>Concept: The LIM is a relative measure of poverty. It is used internationally by UNICEF and OECD. The LIM threshold is defined as 50% of the median adjusted income of all families.</i></p> <p><i>A family is deemed to be low income if their adjusted income is less than the Low Income Measure threshold.</i></p>
2016 Data Sources:	2016 Data Sources:
<p>Canadian Income Survey (CIS) <i>The CIS is a voluntary survey.</i></p> <p>The MBM combines the CIS with and data collected from the Labour Force Survey and some tax data.</p>	<p>T-1 Family File Data (T1FF, also know as ‘taxfiler’ data)</p> <p>Census of Population (Census)</p> <p>Canadian Income Survey (CIS)</p> <p>NEW: revised CFLIM-AT methodology adjusts family income using the square root of the family size¹ <i>continued on following page</i></p>

Market Basket Measure (MBM) <i>Canada's Official Poverty Line (as of August 2018)</i>	Low Income Measure (LIM) <i>Also: Census Family Low Income Measure (CFLIM-AT)</i>
Pros	Pros
<ul style="list-style-type: none"> · Uses best estimate of actual costs of goods and services in 50 regions of the country. · Makes a range of adjustments to calculate income after tax, and aims to provide a realistic estimate of disposable income. 	<ul style="list-style-type: none"> · Measures income inequality across Canada. · Data sources includes low income rates among First Nations people living on reserve, populations of the territories, people residing in institutions (e.g. hospitals or prisons) and parents who are under 18. · Internationally, LIMs are the most widely used low-income indicator. · Taxfiler data is highly reliable. According to Statistics Canada, 75% of Canadians file taxes and the T1FF captures the income situation of 95.6% of families.
Cons	Cons
<ul style="list-style-type: none"> · The CIS, the primary data source, is a voluntary survey. · Data sources do not include low income rates among First Nations people living on reserve, populations of the territories, people residing in institutions (e.g. hospitals or prisons) and parents who are under 18. · Does not measure income inequality. 	<ul style="list-style-type: none"> · Is based on income only and does not measure individual or family living expenses. · Is not calculated at provincial or regional levels. · Incomes are pegged relative to the median and therefore this method may not indicate increased poverty if median income trends downward.
<ul style="list-style-type: none"> · Currently, the MBM is being reviewed by the federal government. From October 15, 2018 to January 31, 2019, Statistics Canada is conducting a consultation to gather input on what items should go into the measure and the regional cost of those items.² 	

1 Methodology Changes: Census Family Low Income Measure Based on the T1 Family File, April 2018, 150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2018001-eng.htm

2 Measuring low income and Canada's Official Poverty Line, Public Consultation, statcan.gc.ca/eng/consultation/mbm

OUR MEMBERS



ACT – Autism Community Training

Adoptive Families Association of BC

Affiliation of Multicultural Societies & Service Agencies

Alternate Shelter Society

Association for Community Education BC

Association of Neighbourhood Houses of British Columbia

Aunt Leah's Independent Life Skills Society

Autism Society of BC

Baobab Inclusive Empowerment Society

BC Aboriginal Child Care Society

BC Association for Child Development & Intervention

BC Association of Family Resource Programs

BC Association of Pregnancy Outreach Programs

BC Association of Social Workers

BC Confederation of Parent Advisory Councils

BC Council for Families

BC Council of the Canadian Federation of University Women

BC Crime Prevention Association

BC Federation of Foster Parents Association

BC Government & Service Employees' Union

BC Play Therapy Association

BC Recreation and Parks Association

BC Retired Teachers' Association

BC Schizophrenia Society

BC Society of Transition Houses

BC Teachers' Federation

Big Sisters of BC Lower Mainland

Boys and Girls Clubs of BC

British Columbia Federation of Students

Cameray Child & Family Services

Canadian Association for Young Children

Canadian Mental Health Association BC

Canadian Red Cross – Respect Education

Capilano Students' Union

Centre for Child Honouring

Centre for Israel and Jewish Affairs

Cerebral Palsy Association of BC

Check Your Head: The Global Youth Education Network

Child and Youth Care Association of BC

Children's and Women's Health Centre of BC

Coalition of Child Care Advocates of BC

Columbia/Kootenay Advocacy and Education Resource Society

Council of Parent Participation Preschools BC

Deaf Children's Society of BC

Developmental Disabilities Association

Directorate of Agencies for School Health BC

Dr. C.J. Patricelli, Inc.

Early Childhood Educators of BC

East Kootenay Childhood Coalition

Elizabeth Fry Society of Greater Vancouver

Family Services of Greater Vancouver

Federation of BC Youth in Care Networks

Federation of Community Social Services BC	Phoenix Human Services Association
Foster Parent Support Services Society	PLEA Community Services Society of BC
Five Family Place Partnership—MPFCS	Progressive Intercultural Community Services Society
Health Sciences Association	Provincial Association of Residential & Community Agencies
Health Officers' Council of British Columbia	Public Health Association of BC
Helping Spirit Lodge Society	Single Mothers' Alliance BC
Health Sciences Association of BC	Sea to Sky Community Services
Hospital Employees' Union	Social Planning & Research Council of BC
Immigrant Services Society of BC	Society for Children and Youth of BC
Inclusion BC	S.U.C.C.E.S.S.
Indigenous Perspectives Society	Summit Negotiations Society
Justice Institute of BC	Sunshine Coast Community Services Society
Kamloops and District Elizabeth Fry Society	Take a Hike Youth At Risk Foundation
Kelowna Child Care Society	United Way of the Lower Mainland
Kiwassa Neighbourhood House	University Women's Club of Vancouver
Learning Disabilities Association of BC	Vancity Community Foundation
McCreary Centre Society	Vancouver Coastal Health Authority—Population Health
Métis Commission for Children & Families BC	Vancouver Community College—Early Childhood Care & Education, Cont. Studies
Mom to Mom Child Poverty Initiative	Victoria Child Abuse Prevention & Counselling Centre
MOSAIC	West Coast Legal Education and Action Fund
National Council of Jewish Women of Canada—Vancouver Section	Westcoast Child Care Resource Centre
New Westminster Family Place	Westcoast Family Centres Society
OneSky Community Resources	Western Society for Children
Pacific Association of First Nations Women	Women Against Violence Against Women
Pacific Community Resources Society	YWCA Metro Vancouver
Pacific Immigrant Resources Society	
Parent Support Services Society of BC	
PeerNetBC	

JOIN THE FIRST CALL COALITION

If you are a British Columbia-based organization that believes in putting children and youth first, we invite you to join the First Call coalition.

We offer members the opportunity to be a part of a strong and effective cross-sectoral coalition of provincial and regional organizations who put children and youth first through public education, community mobilization and public policy advocacy. First Call coalition members are united in their commitment to the 4 Keys to Success for Children and Youth, which we welcome you to explore here: firstcallbc.org/about-us/our-approach

Together in the First Call coalition, we share information, provide our members with tools and resources and advocate collectively for BC's children and youth.

If you are interested in joining our coalition, see the **member registration form** at firstcallbc.org/our-coalition/join-the-coalition.

For more information, please **email us** at info@firstcallbc.org and we'll be in touch shortly.



“First Call is unique in Canada in bringing organizations and people from many sectors together to focus on advocacy for children and youth.

Since its inception in 1991, it has created a coalition of professional and community advocates in support of a prevention and investment agenda for children and youth including but not limited to health, education, social services, youth justice, child protection and anti-poverty groups.

The breadth and depth of these partnerships have provided comprehensive expert advice to successive provincial and federal governments about the needs of BC's children, youth and families and examples of best practices in service delivery.”

— Mary Ellen Turpel-Lafond, BC's Representative for Children and Youth (2006–2016)



SUPPORT OUR WORK



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

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



First Call: BC Child and Youth Advocacy Coalition is a non-partisan coalition of over 100 provincial and regional organizations who have united their voices to **PUT CHILDREN AND YOUTH FIRST** in BC through public education, community mobilization and public policy advocacy.

OUR VISION is that all BC's children and youth have the rights, opportunities and resources required to thrive.

First Call's work is guided by the **4 KEYS TO SUCCESS** for children and youth:

1. A strong commitment to early childhood development
2. Support in transitions from childhood to youth to adulthood
3. Increased economic equality
4. Safe and caring communities

First Call puts children and youth first through **3 STRATEGIES**:

1. **Public Education:** First Call works to raise the public profile of child and youth issues through public education, including our weekly child and youth sector newsletter, public presentations, regular media commentary, and the publication of research reports.
2. **Community Mobilization:** First Call works to mobilize local and provincial support for children and youth through coalition and Early Childhood Development Roundtable meetings, campaigns for public policy changes, and developing advocacy tools.
3. **Public Policy Advocacy:** First Call advocates for public policies and the allocation of resources for the benefit of children and youth through annual provincial and federal budget submissions, regular correspondence and dialogue with government decision-makers, producing this annual BC Child Poverty Report Card and by hosting the Living Wage for Families Campaign.

First Call's charitable activities are hosted by the Vancity Community Foundation.

putting children and youth first

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