

BC CAMPAIGN 2000

2004



FACT SHEETS

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WHAT IS CHILD POVERTY?

FACT SHEET #1

November 24, 2004

Poverty in Canada is measured by using Statistics Canada's Low Income Cut-Off (LICO) lines. This measure is based on the concept that people in poverty live in "straightened circumstances" - defined as spending a disproportionate amount of their total gross income on food, clothing, and shelter.

Household expenditure surveys conducted by Statistics Canada show that the average family spends 35% of their gross income (total income from all sources before tax) on food, clothing, and shelter. A family is considered to be in "straightened circumstances" if they spend 55% of their income on these three items.

The LICOs include 35 low-income thresholds based on size of households and size of community. As the table shows, large urban communities have higher income thresholds due to higher costs of living, particularly housing.

LOW INCOME CUT-OFFS (LICOs) 2002

Size of Household	Metropolitan - 500,000 or more	100,000 - 499,999	30,000 - 99,999	Less than 30,000*	Rural Areas
1 person	\$19,261	\$16,521	\$16,407	\$15,267	\$13,311
2 persons	24,077	20,651	20,508	19,083	16,639
3 persons	29,944	25,684	25,505	23,732	20,694
4 persons	36,547	31,090	30,875	28,729	25,050
5 persons	40,518	34,754	34,512	32,113	28,002
6 persons	44,789	38,418	38,150	35,498	30,954
7 or more persons	49,060	42,082	41,788	38,882	33,907

* Includes cities with population between 15,000 and 30,000 and small urban areas under 15,000.

Source: Statistics Canada Catalogue no. 75F0002MIE - No. 002

Based on its survey, Statistics Canada estimates the number of families with children under 18 years who live in households with gross incomes from all sources below their respective threshold.

For example, a single parent with one child living in Vancouver with gross yearly income of \$22,000 would be counted as living with a low income. That same parent living in a smaller community like Prince George (population approximately 76,000) would not be counted as living with a low income.

Most low-income families have gross incomes far below the poverty line.

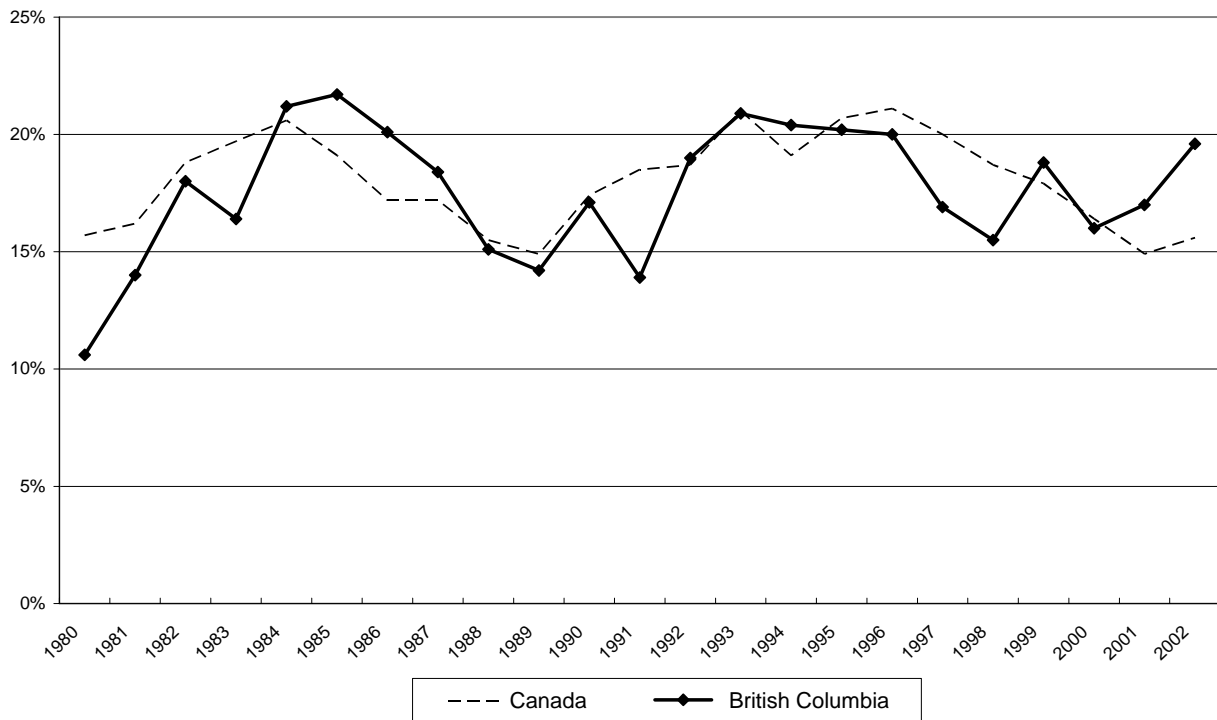


BC CAMPAIGN 2000 CHILD POVERTY IN BC FACT SHEET #2 November 24, 2004

In 1989, all parties in the House of Commons unanimously agreed to seek to eliminate child poverty by the year 2000. Sadly, child poverty rates in BC have increased through the early 1990s, came down modestly in the late 1990s and have risen again in BC over the past two years.

Almost one in five British Columbia children lives in poverty. That's 19.6 percent or 167,000 children, more than the entire population of Nanaimo and Prince George combined. The BC rate of child poverty is the third highest in Canada and is significantly higher than the 15.6 percent for Canada as a whole.

Rates of Child Poverty in BC and Canada 1980 - 2002



Source: Income Trends In Canada, 2002. Statistics Canada 13F0022XCB

Contrary to popular impressions, almost half of poor children (49%) live in two-parent households. Of the 167,000 children living in poverty, 82,000 live in two-parent families, 75,000 live in female lone-parent families, and 10,000 live in other types of families.



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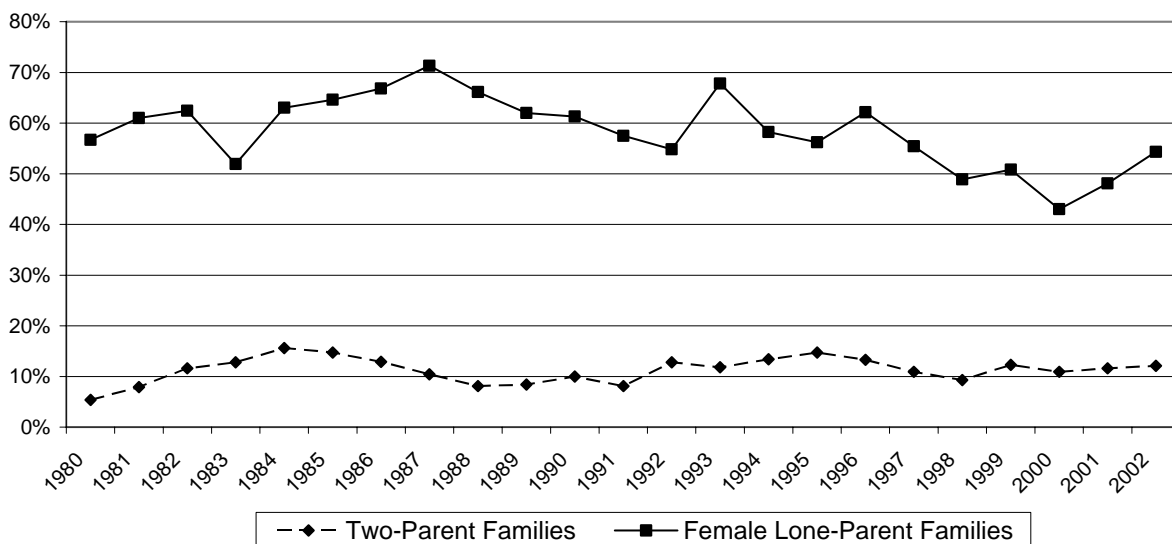
CHILD POVERTY BY FAMILY TYPE

FACT SHEET #3

November 24, 2004

The risk of poverty varies greatly by family type in British Columbia and every other province. The poverty rate for BC children living in families headed by single-parent mothers was 54% in 2002, while the poverty rate for BC children in two-parent families was 12%.

Child Poverty Rates - Two Parent and Female Lone-Parent Families



Source: Income Trends in Canada, 2002. Statistics Canada 13F0022XCB

Poverty rates for BC children in single-parent families headed by women have come down noticeably between 1987 and 2000 but have increased dramatically over the past two years. Poverty rates for BC children in two-parent families have also grown over the past 20 years. From a low of 5% in 1980, the rate of poverty has grown to 12% in 2002.

Poor children typically live in families with incomes far below the poverty line. In 2002, the average depth of poverty for poor children in families headed by single-parent mothers was \$10,400 and the average depth of poverty for children in two-parent families was \$10,000. BC families had the greatest depth of poverty in Canada and the depth of poverty has increased for all families with children since 2001.



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THE PERSISTENCE OF CHILD POVERTY IN BC

FACT SHEET #4

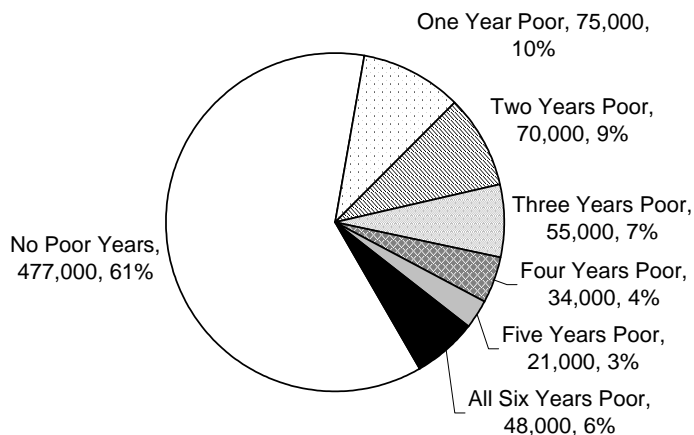
November 24, 2004

A surprising number of children in British Columbia and elsewhere in Canada are touched by poverty as they grow up.

The BC child poverty rate for 2002 alone was 19.6 percent or 167,000 poor children, but the number of BC children touched by poverty for at least one year in their young lives is at least 303,000.

Statistics Canada calculates poverty rates and numbers every year, and it also follows Canadians for periods of six years to plot the longer-term risks of poverty. The latest statistics on BC children, covering the period 1996 through 2001, appear below.

BC Children by Number of Years Poor From 1996 through 2001



The chart shows that 477,000 children or 61 percent of all BC children were not poor in any year in the six-year period. The remaining 39 percent or 303,000 children were poor at least one of the six years.

About six percent of BC children or 48,000 children were poor all six years. For young children, that could amount to an entire childhood in poverty.



BC CAMPAIGN 2000 CHILD POVERTY AND THE IMPORTANCE OF GOVERNMENT HELP

FACT SHEET #5

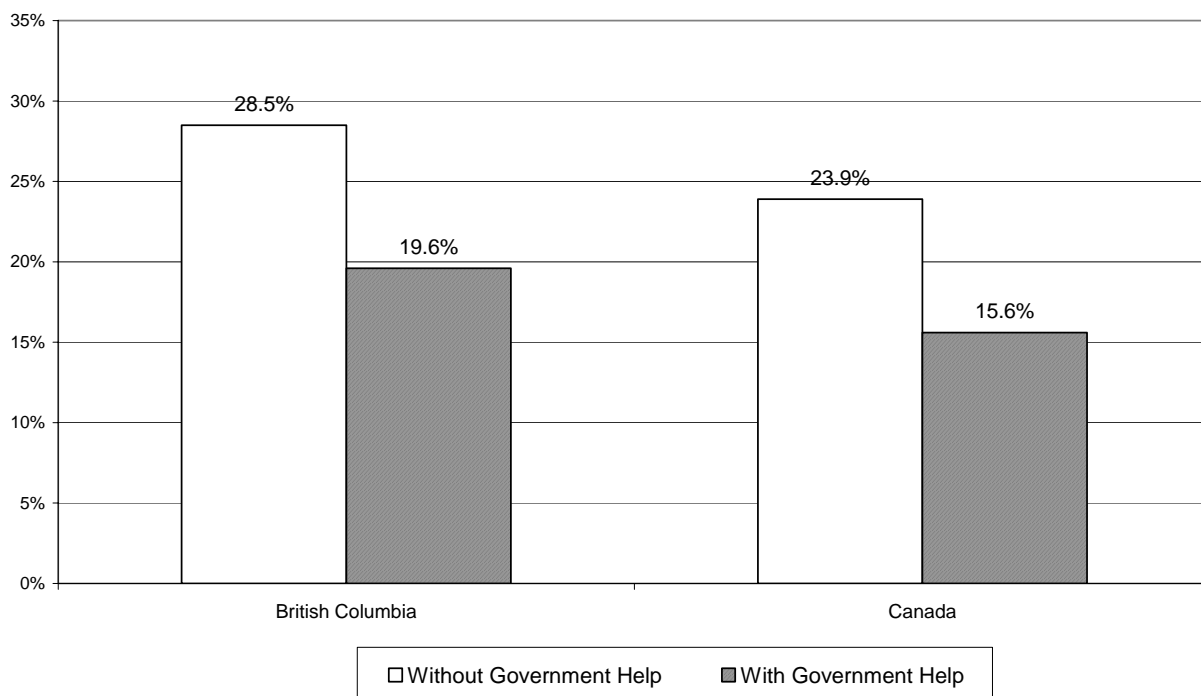
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Benefits from a variety of federal and provincial government income support programs play a huge role in reducing child poverty in British Columbia and all other provinces.

In 2002, there were 167,000 children living in poverty in BC and the child poverty rate was 19.6 percent. If BC parents had been forced to rely only on earnings, income from investments and other sources of market income, the number of poor children would have been 242,300 and the child poverty rate would have been 28.5 percent.

Similarly, Canada had 1,065,000 poor children in 2002 and a child poverty rate of 15.6 percent. Without the income provided by various government programs, the number of poor children would have been 1,635,200, and the child poverty rate would have been 23.9 percent.

**Child Poverty Rates in 2002,
With and Without Government Help**



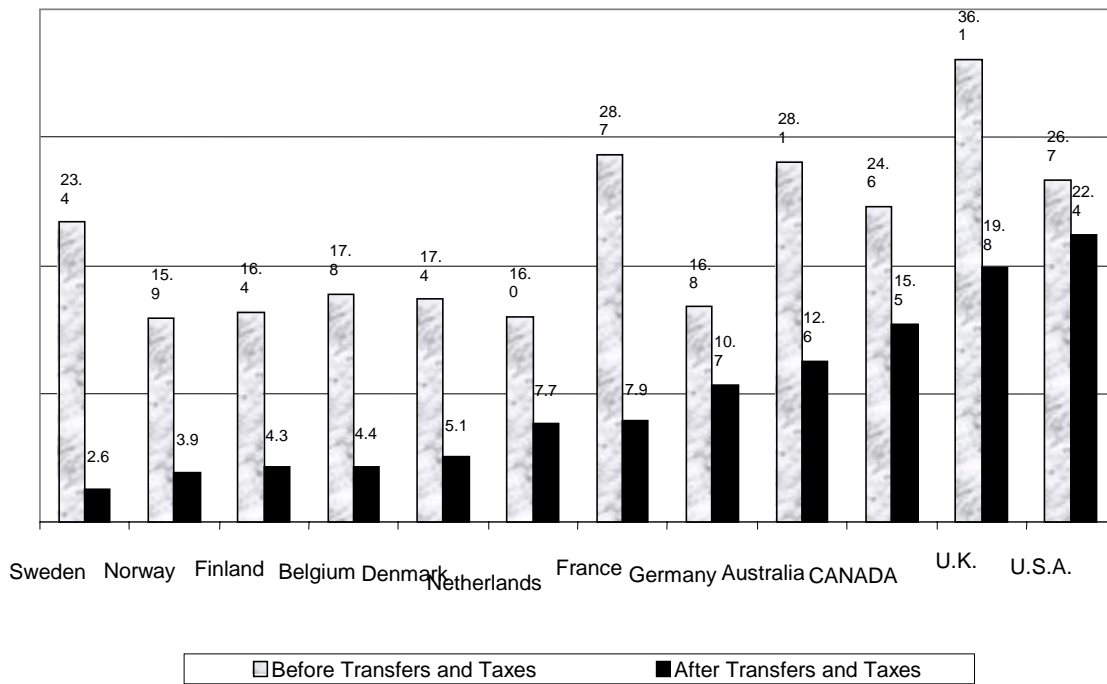
Source: Income Trends in Canada. 2002. Statistics Canada 13F0022XCB

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

The 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. The CST is a government-to-government transfer designed to defray the costs of welfare and post-secondary education.

Internationally, Canada does a poor job of fighting poverty.

Child Poverty Rates Before and After Government



Source: UNICEF Innocenti Research Centre, 2000, A League Table of Child Poverty in Rich Nations

Sweden, Canada, and the U.S.A. have similar “market” poverty rates before government intervention. While Canada reduced its poverty rate by 37% through its interventions, Sweden reduced their child poverty rates by 89%. The U.S.A. has the worst performance of all the countries in using government interventions to reduce child poverty.



BC CAMPAIGN 2000 CHILD POVERTY AND WORKING PARENTS

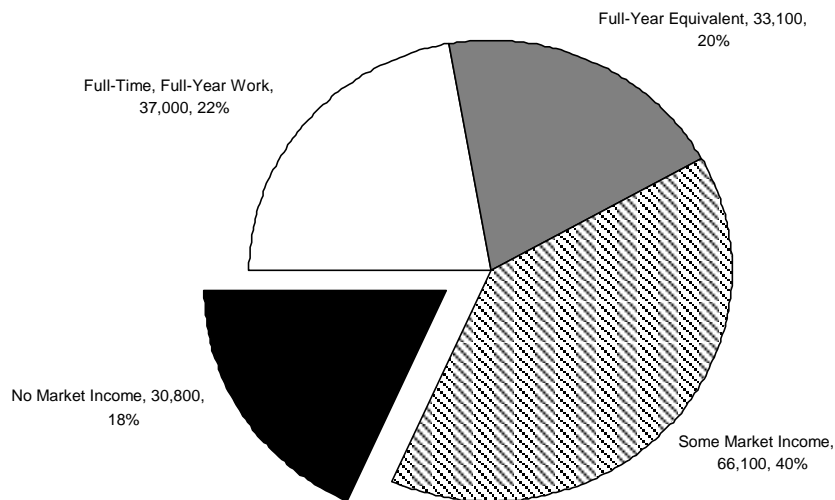
FACT SHEET #6

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Contrary to popular opinion, most poor children in British Columbia come from families with parents in the paid labour force. They are poor because there is only one wage-earner in the family, because the parents are stuck in low-wage jobs, or because the parents cannot get enough hours of work to support their families.

The pie chart below shows poor children in BC in 2002 by the work patterns of their parents. Only 30,800 children or 18 percent of all poor children came from families where there were no earnings or other market income.

**Number of Poor BC Children in 2002
By Work Patterns of Their Parents**



Source: CCSD using Statistics Canada's Survey of Labour and Income Dynamics

A total of 37,000 children or 22 percent of all poor children had at least one parent working in a full-time, full-year job. That means at least 49 weeks of work a year and at least 30 hours of work a week. A total of 33,100 poor children had parents who worked a combined total of least 49 weeks a year, regardless of the number of hours worked in a week. A third group of 66,100 poor children had parents with some market income, but less than full-year work.

Many of the families with minimal earnings or no earnings at all relied on welfare for some or all of the year. BC government statistics show an average of 67,353 children on welfare in 2002.

All in all, the graph suggests that child poverty is often due to a lack of decent jobs rather than a lack of initiative on the part of parents. Low-wage jobs, part-time jobs and part-year or seasonal jobs are almost always associated with high poverty rates.



BC CAMPAIGN 2000 FAMILIES WITH CHILDREN ON WELFARE FACT SHEET #7

November 24, 2004

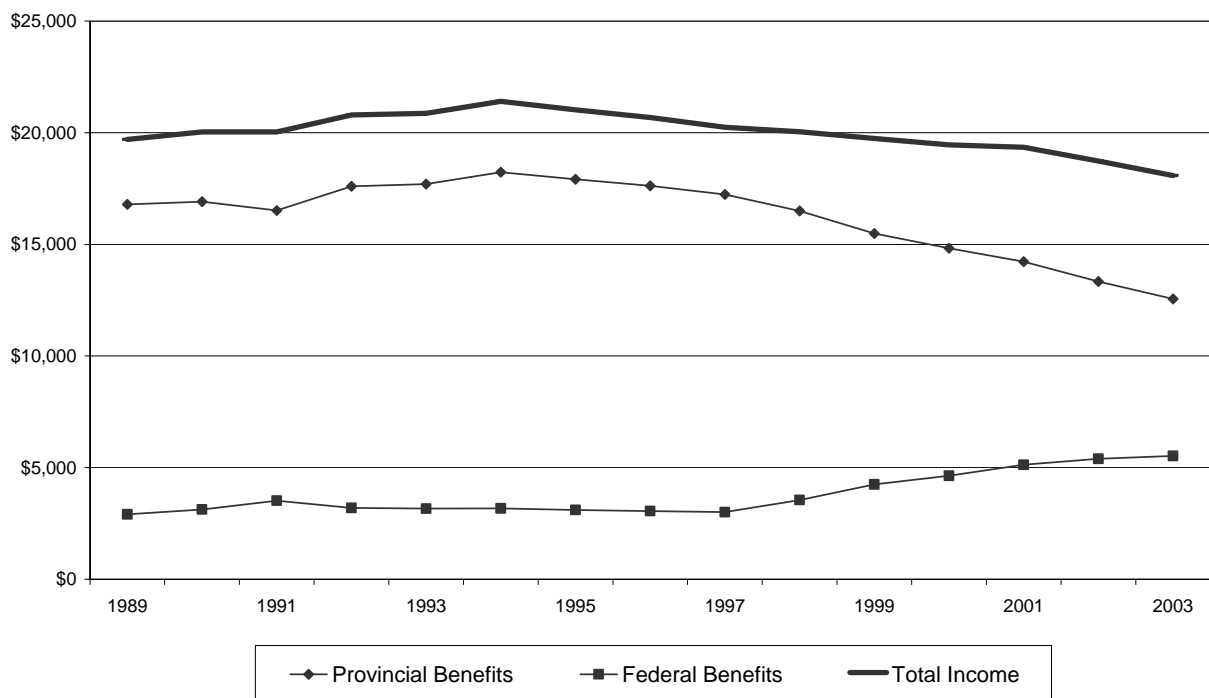
The incomes of British Columbia families with children on welfare fell to a 15-year low in 2003, according to the latest calculations by the National Council of Welfare.

A single parent with one child on welfare in BC had a total income of \$13,673 - or \$11,072 below the poverty line for Vancouver, according to the Council's recent report *Welfare Incomes 2003*. A couple with two children had a total welfare income of \$18,086 - or \$19,167 below the poverty line for Vancouver.

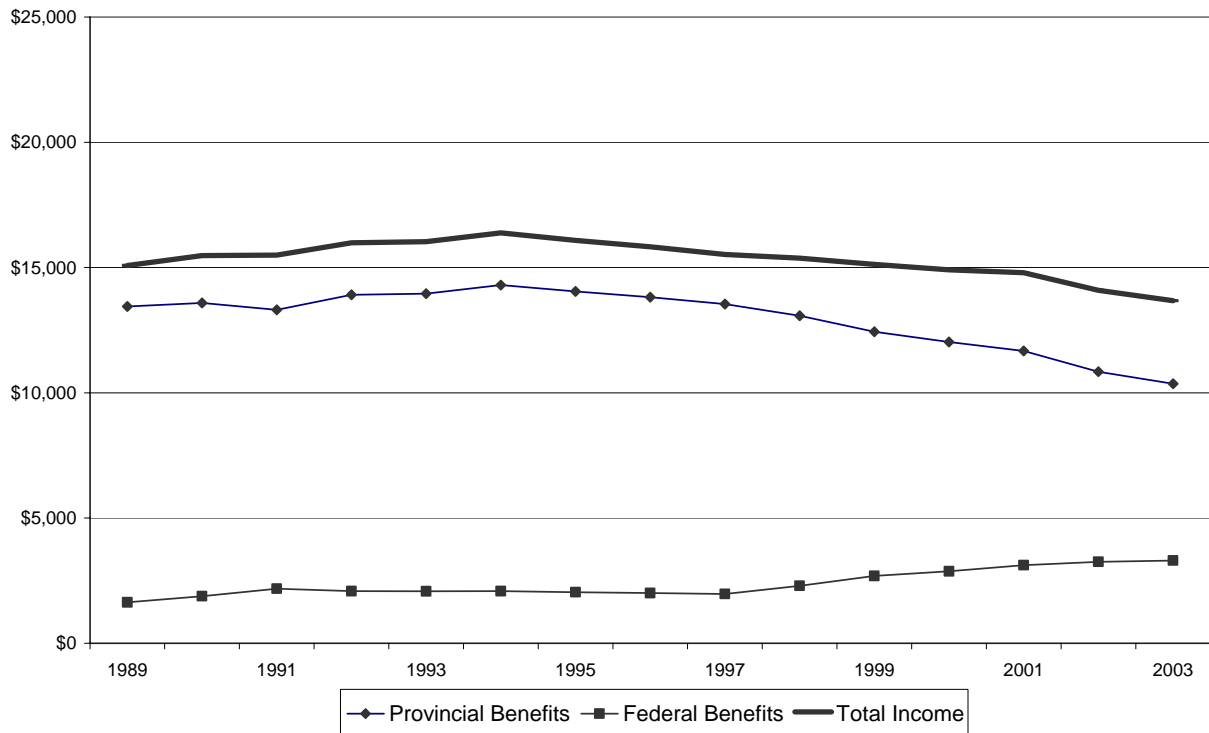
The graphs below show total welfare incomes for the two main types of families with children and the portions of total income provided by the BC and federal governments. The incomes are in 2003 dollars to reflect their purchasing power after inflation.

Total welfare incomes in BC, shown in the top line of each graph, rose slightly in the early 1990s, peaked in 1994 and have been getting worse ever since. The total incomes of families with children on welfare were about 16 percent lower in 2003 than they were in 1994.

**BC Welfare Incomes, 1989-2003,
Couple with Two Children**



**BC Welfare Incomes, 1989-2003,
Single Parent with One Child**



Source: *Welfare Incomes 2003*. 2004. National Council of Welfare.

The federal share of welfare incomes has increased modestly since 1998 because of increases in the Canada Child Tax Benefit. The federal increases, however, have been more than offset by reductions in provincial benefits. British Columbia is one of several provinces and territories that “claws back” the federal increases in child benefits from families on welfare.

BC welfare incomes are also down because of selective cuts in welfare benefits by successive provincial governments and because welfare benefits are not “indexed” or increased automatically with increases in the cost of living. Beneficiaries of most other government income support programs in Canada have their benefits indexed so their purchasing power is not eroded by inflation.

In 2003, there were an average of 22,490 single-parent families on welfare and an average of 4,277 two-parent families on welfare in British Columbia. The average number of dependent children on welfare in 2003 was 47,313.



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CHILDREN IN FAMILIES AT GREATER RISK OF POVERTY

FACT SHEET #8

November 24, 2004

One of every five children in British Columbia lives in poverty, but the poverty rates are much higher for children in certain groups of families within the population at large.

Census figures based on family incomes in 2000 show that Aboriginal children, children in the visible minority population, children in families affected by disability, and children in immigrant families all have poverty rates much higher than families with children in general.

BC Child Poverty Statistics by Family Characteristics, 2000			
Type of Family	Poor Children	All Children	Poverty Rate
Aboriginal Identity	17,190	43,455	39.6%
Visible Minority Population	67,700	213,745	31.7%
Limitations on Activities in Family	15,720	52,540	29.9%
Immigrant Families	35,375	79,760	44.4%
Families Who Arrived after 1995	24,525	45,840	53.5%
All BC Families	168,185	846,345	19.9%

Source: 2001 Census. Statistics Canada.

Children in families who identified themselves as Aboriginal had a poverty rate of 39.6 percent in 2000. The number of poor Aboriginal children would have been significantly higher if the data had included children living on reserves. Statistics Canada does not include reserve communities in any of its poverty statistics and there are over 20,000 children living on reserves in BC.

The poverty rate for children in the visible minority population was 31.7 percent or about twice as high as the rate of 15.9 percent for children who were not members of visible minority groups.

Children in families where at least one adult had disabilities that affected daily activities had a poverty rate of 29.9 percent.

Among the largest differences were those related to immigration. The rate for children in immigrant families overall was 44.4 percent, and the rate for children in families who immigrated after 1995 was 53.5 percent.



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WHAT NEEDS TO HAPPEN

FACT SHEET #9

November 24, 2004

The eradication of child poverty in BC and Canada requires action on a number of fronts by both the federal and provincial governments.

1. 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 \$4,900 per child per year.
- End the “clawback” of National Child Benefit funds from families on social assistance in BC.

2. A Canadian system of Early Learning and Child Care

- Use designated federal funds to develop and sustain quality, universal, affordable, inclusive **regulated** early learning and child care.
- Use federal funds only to supplement, not replace, existing provincial funding.

3. A comprehensive Canadian housing strategy

- Increase annual federal funding of \$625 million per annum over the period 2004-2008.
- Develop a minimum of 25,000 affordable units across Canada annually.

4. Action to create good jobs with decent wages and working conditions.

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

5. Increased and stabilized funding of the Canada Social Transfer (CST).

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