

# From Response to Recovery: How Canada can support families and children beyond COVID-19 <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPT

With the recent release of the federal government's fall economic statement, Canadians got their first official overview of the government's fiscal response to the COVID-19 pandemic. Governments in Canada have implemented or announced \$382.4-billion in fiscal measures, according to the federal government's statement.

Numbers of this magnitude are hard to wrap one's head around. But the real proof will be in the results. Have they done enough to keep children and their families from falling into poverty?

### How Canada's response compares to its peers

A new report from the UNICEF Office of Research-Innocenti looks at social protection spending in response to the pandemic across OECD and EU countries. The key headline: without smarter spending, child poverty is likely to rise above pre-COVID levels for at least five years in these high-income countries.

The report, *Supporting Families and Children Beyond COVID-19: Social Protection in High Income Countries*, finds Canada's social protection response has been more robust than many of its peer countries. Not only have we spent slightly more than the average 10 percent of pre-pandemic GDP on our response, but the structure of the Canada Emergency Response Benefit (CERB) and similar programs has directed more money to households with children than in comparable countries.

Around 90 percent of the 14.9 trillion USD spent on COVID-19 responses by rich countries from February through July 2020 went directly to, or was funnelled through, businesses. This includes programs similar to the Canada Emergency Wage Benefit, which continues to support businesses in paying employee wages to avoid widespread lay-offs. But although few other high-income countries targeted as much support directly to households as Canada, a recent estimate of Canada's expenditures between March 13 (the start of lockdown) and November 20 (National Child Day) found that more than half—53%—went to or through business.

The report also demonstrates that direct intervention to families and children is more effective than fiscal stimulus in mitigating the effects of a crisis like this on poverty and child well-being. That's why Canada's response, which includes the CERB and temporary or one-time increases to the Canada Child Benefit (CCB), has Canada better positioned to avoid the type of increase in child poverty anticipated in other countries – at least for a while.

### The new year brings new risks to children and families

While the government's response has certainly kept many families from falling into poverty in 2020, we can't start patting ourselves on the back just yet. Although CERB was targeted directly to individuals, eligibility was still tied to the employment system. This means that some of the most marginalized households, including those detached from the labour market and reliant on social assistance, people with disabilities, and those with precarious immigration status, did not see the same benefit. Students, including recent graduates, received some supports, but at lower levels and for shorter time periods than those who qualified for CERB.

Most newer pandemic benefits like the Canada Recovery Benefit (CRB) remain closely tied to employment conditions. For instance, the "Caregiving Benefit" is intended for workers unable to work for at least 50% of the week because they must care for a child under the age of 12 because schools or daycares are closed as a result of COVID-19, or because the child is sick. But while most schools have managed to stay open, many parents of children under 12 are still not working at pre-pandemic levels, the result of a lack of caring services as well as reflective of their relatively precarious participation in the workforce and the fact that they are disproportionately concentrated in hard-hit sectors. Indeed, single mothers with children under the age of six are reporting employment/hours losses of up to 40% from February. Many mothers have left the workforce entirely to care for children. One-time increases to the CCB in 2020 and the proposed 2021 increases (up to \$1,200 for families earning below \$120,000 per year) are welcome, but will barely cover the cost of acquiring resources for online schooling.

Canada's children and youth will carry the scars of the pandemic for the longest time. Are we setting them up for success? Many children

and youth in Canada were struggling even before the pandemic started. UNICEF's most recent Report Card on Child Well-being in High-income Countries ranked Canada 30th out of 38 EU and OECD countries. Despite Parliament's 1989 commitment to end child poverty by the year 2000, child poverty has decreased just 3.4% since then, from 22% in 1989 down to 18.6% in 2018. In other key indicators across physical, mental and social health, children in Canada fare worse than children in comparable countries despite our considerable wealth.

While Canada's pandemic spending has outpaced many peer countries, we were spending only about two-thirds as much as the average of wealthy peer countries on children and families before the pandemic. The UNICEF Report Card's Canadian Companion cites insufficient policy reach in poverty reduction (e.g. through the CCB, child care, parental leave and immunization) – all systems now under increased strain due to pandemic restrictions. Children, families, and the systems that serve them could all have been better prepared for this pandemic, and they will all face a tougher path to recovery as a result.

We don't know what the long-term effects of infection-mitigation measures will be, and the early results are concerning. One recent study found the first wave of school closures cost students in Canada up to eight months' delay in literacy development. The OECD further predicts school closures could cost students in grades 1 through 12 up to 3 per cent of their expected lifelong earnings. Youth transitioning to adulthood face unique challenges, as we've written about elsewhere. Young people themselves are telling us they're feeling both bored and stressed, and that their mental health has taken a toll – and that's before their first pandemic winter.

### Supporting children and families into 2021

Child poverty rates are a critical indicator of child well-being because living in a household experiencing poverty has numerous and compounding effects on a child's life. Child income poverty rates are predictors of poorer learning and health outcomes in following years. This leaves governments scrambling to catch up to the problem, spending more on downstream programs and services like child protection, remedial education, youth justice, healthcare and social assistance. When all of this is taken into account, the amount of financial relief allocated to children and families should be more explicitly targeted toward keeping them out of poverty.

The government has created an effective tool in the CCB system, and they would be wise to use it, especially as UNICEF is predicting that the risk of child poverty will begin to rise next year. Increasing the CCB for the lowest-income households could create a family income floor that would effectively serve as a universal basic income for families with children. The federal government should commit now to topping up the CCB for lower-income families if child poverty rates don't decline by 20% as set out in Canada's Poverty Reduction Strategy. While the Poverty Reduction Strategy applies to all low-income families, it should also track child poverty rates separately and explicitly.

Income supports alone will not solve all of the problems facing the pandemic's youngest generation. While the risks of COVID-19 persist, every effort should be made to avoid the type of widespread school closures we saw in 2020. As children's lives get back to normal, greater investments in youth mental health and child protective services will be necessary. For older youth, increased employment supports and educational opportunities will be essential. The UNICEF report finds that investing in healthy school meals is also a highly effective and low-cost "recovery benefit" for children and youth.

Finally, governments across the country must come together to find a sustainable solution to early learning and child care in Canada. This includes immediate support to keep child care programs open in the short term, and a move to universal, affordable, high-quality child care system in the near future. The recent announcement of a federal child-care secretariat will be another test of governments' ability to work together to support Canadians. Both the country's economic recovery and the health and education of our youngest children depend on it.

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**Region:** Canada <sup>[3]</sup>

**Tags:** COVID-19 <sup>[4]</sup>

poverty <sup>[5]</sup>

federal programs <sup>[6]</sup>

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