

Child poverty rates fell in 2001, but still a long way to go: Stewart [CA] ^[1]

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Source: CP Wire

Format: Article

Publication Date: 31 May 2002

AVAILABILITY

Text below

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TORONTO (CP) - More than 200,000 children left the ranks of Canada's poor between 1996 and 1999, a sign Ottawa's efforts to reduce child poverty are helping, Human Resources Minister Jane Stewart said Friday.

Stewart was in Toronto to meet with her provincial counterparts and release the annual progress report on the National Child Benefit, a jointly funded initiative to help offset the effects of poverty on Canada's young.

For the first time since the program was launched in 1998, the report included statistics designed to show whether or not families who live below the poverty line were seeing any appreciable benefit.

Stewart admitted that a strong economy helped in 1999, the program's first full year. But there were some clear signs the program was making a difference, she said: 1.2 million families with 2.1 million children saw their income levels increase in 1999, while average income levels climbed by \$775.

"The strategy that we've undertaken is having a positive impact; it is reducing the number of children who are living in poverty," Stewart said after the meeting.

The benefit is designed to help families move from welfare to work and deal with the additional costs associated with such a move, such as child care and transportation.

A low-income family with two kids can expect a \$1,000 increase in income by 2003-04, thanks to increased investment in the program, Stewart added.

Ottawa spent \$2.5 billion on benefit payments last year, while the provinces, territories and First Nations contributed \$735 million.

"We've got a methodology that we believe works, that is changing the income realities for children living in poverty. We have added more to it and we'll look to our annual reports for increasing support for that trend."

The report also found that the number of low-income families with children fell by 2.4 per cent, or 16,500 families with 33,800 children, and that the low-income gap - the percentage change in annual income it would take for all families to get out of poverty - narrowed by 6.5 per cent.

Social services ministers also spent a lot of time during Friday's meeting discussing how to invest the additional money so it helps those who need it the most - people living well below the poverty line.

"The most important message today is, have we solved the problem? Absolutely not," Stewart said. "Are we, in a concerted way, working to identify those mechanisms which will make a difference? Yes, we are."

Critics of the program admit it helps, but complain that it only seems to help those people sitting just below the poverty line. They also take issue with the provinces being permitted to claw back the benefit to supplement welfare rates, slashed in recent years to free up money for job creation and other incentive programs.

"If you improve poverty rates slightly, you bump the few people who are close to the line over it, and that's a good thing. Nobody's arguing about that," said Sheila Regehr, director of the National Council of Welfare.

"What the council's concerned about is the depth of poverty among people in social assistance, and what real effect the clawback is having."

But in Manitoba, one of eight provinces currently using some or all of the benefit to supplement their social assistance payments, it's a necessary sacrifice, said Family Services and Housing Minister Tim Sale.

"We looked at our social assistance rates for families and said, 'You know, they're not adequate, so we need to increase our rates,'" Sale

said.

“That still leaves welfare rates, in our case, somewhat low,” he added. “I don’t think anyone would look at our welfare rates in Canada and say, ‘Boy, this is generous and easy living.’”

In Manitoba, the clawbacks have been restored to families with eligible children aged 11 and younger, and Sale said the benefit will be fully restored next year.

But for Regehr, whose council figures there are some 1.3 million Canadian children still living in poverty, there’s still a long way to go.

“The age group most likely to live in poverty for the full six years of this cycle are children zero to six. That’s pretty horrifying for a country like Canada,” she said.

“Some major work still needs to be done.”

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