

Submission to Standing Committee on Finance. Re: M - 315 Study on Income Inequality

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Income inequality through the lens of families with children in Canada Poverty and inequality are different yet clearly related trends in society that have significant implications for all Canadians and for the well-being of families in particular. The poverty rate is the number of people who live on limited resources below an established income threshold. Income inequality, in contrast, refers to the way in which income is distributed across the socio-economic spectrum from low to high income. In recent years there is growing awareness among many groups in society that income inequality is growing in Canada as it is in many countries and that high poverty rates usually co-exist with high income inequality. Richard Wilkinson, noted UK social epidemiologist emphasizes that "The effects of large income inequality show up in poorer economic performance, more social divisions, increased environmental damage, weaker democracy, lower life expectancy, higher infant mortality, more cases of mental illness and addiction and lower math and literacy scores." The negative impact of income inequality spreads across the income spectrum and is not confined to low-income people. Wilkinson summarizes, "Income inequality is a general social pollutant that affects everyone in the society. On the flip-side, everyone in society benefits from greater equality."

The impact of income inequality on children over generations is also an important consideration. Canadian researcher Miles Corak has studied cross country comparisons and found that while Canada may fare better than some other countries in terms of intergenerational mobility based on earnings, about one in three low-income Canadian children become low-income adults. Similarly, about one-third of children in wealthy families become wealthy adults. Corak stresses that both income policies and support services for families such as universally accessible early childhood education and care services (ECEC) are important tools in facilitating intergenerational mobility.

federal programs [7]

[7] <https://childcarecanada.org/category/tags/federal-programs>