

Poverty costs Canada billions of dollars every year ^[1]

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EXCERPTS

Here's something Industry Minister James Moore should know, after making his remark that the federal government is not in the business of feeding Canada's poor children. Every year, Campaign 2000, a non-partisan public education movement to build awareness around poverty issues in Canada, releases a report on the state of our country's children. It doesn't paint a rosy picture.

This year's report shows that child poverty in Canada continues at a high and unacceptable level, with income inequality continuing to grow. Most provinces and all three territories have recognized this as a crisis, and have put in place poverty reduction plans. Unfortunately, the federal government has yet to come to the table-or create a poverty reduction plan of its own-despite numerous recommendations from its own reports to do just that.

There's one thing we know for certain: Poverty and inequality have a devastating effect on children and families.

Poverty means living with constant worry about having enough healthy food to eat, adequate housing, clothing, not to mention time to get outside, to exercise, and to socialize with friends and relatives. This applies not only to those living on incomes in the poorest 10 per cent but also to those at each rung up the income scale; the middle class experiences more stress, a higher prevalence of disease and earlier death than high earners, while those with low incomes and living in poverty suffer most of all.

Here's what the evidence tells us. The stress of worrying about the basics of life lowers the body's defences against disease. As a result, we see a higher and increasing prevalence of all disease (obesity, diabetes, heart disease, stroke, cancer, lung disease, mental illness, addictions and others) among those who are worse off right across the income gradient.

Children who go to school hungry and whose parents are under constant stress tend not to learn well and so become discouraged and leave school early. They then are often doomed to repeat the poverty cycle with low-paid work, chronic unemployment, and a greater likelihood of becoming involved in crime and drug addiction as well as early pregnancy.

Data consistently show that poverty destroys opportunity and causes worse health outcomes. The poorer you are the more likely you will die early.

Why do we continue to have so much child and family poverty and inequality in a wealthy country like Canada?

In the late 1980s, in Canada, as in many developed countries, the trend began toward smaller government, lower taxes, fewer social supports, privatization, and a reliance on continued economic growth with "trickle down" economics to "raise all boats." The result has been a flattening of income tax with greater relief for the wealthy, fewer social supports in the way of welfare rates, child benefits, employment insurance (EI) and other income supplements for the poor, and inadequate government investments in social housing, child care and development, education and skills training.

Despite decades of economic growth, benefits have not "trickled down"-almost 40 per cent of poor children have at least one parent working full time; in many families, parents hold down several low-paid jobs to try to make ends meet. While the income of low and middle-income workers has stagnated, the very wealthy continue to increase their share of the pie.

This is an urgent issue for Canadians. More sick people means healthcare costs go up and more are dying at an earlier age. And more disease means workforce productivity is lowered and economic growth is threatened.

Taxpayers' dollars (federal, provincial and local) are being wasted. Research by economists for the Ontario Association of Food Banks demonstrated that the cost of poverty in Canada is between \$72-billion to \$86-billion annually (health care, soup kitchens, shelters, police, corrections). Poverty could be eliminated for just a fraction of this amount.

We know what is needed to reduce poverty: increase pay for low-wage workers (a living wage); increase welfare rates, EI and child benefits; provide universal subsidized child care; invest in social housing, education and skills training; improve healthcare access; and specifically focus on First Nations' issues.

We also know how this could be funded: restore more progressive income taxation, reduce the tax breaks, loopholes and offshore shelters for the wealthy, and ensure that our natural resource revenue is used to improve the well-being of all.

We know what the problems are, we know what to do about them and we know how to fund the needed changes. It is now time for the federal government to show true leadership and work with the provinces, civil society and the corporate sector to implement a

comprehensive poverty reduction plan for Canada.

- reprinted from the Hill Times

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