

Higher child benefit needed to make child poverty history ^[1]

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Text of press release:

Federal, provincial, territorial and First Nations' investment must continue to grow in order that child and family poverty becomes a fact of history in Canada, say researchers and advocates following the recent release of the 2003 National Child Benefit Report. They argue that enhancement of child benefits, combined with provisions to ensure that the clawback is ended from families on social assistance so that all low income families receive the benefit, would go a long way to bolster family income security in Canada.

"We are pleased to see the federal, provincial, territorial and First Nations governments increase their social investments in the child benefit, but the pace of investing in children and families must be faster to significantly reduce the child and family poverty rate of 15.6%. The key lesson of the Canada Child Tax Benefit and from other low-poverty nations is: we will get as much out of this program as we are willing to put in. Existing benefits are insufficient to assist families in lifting themselves out of poverty," said Laurel Rothman, Campaign 2000's National Coordinator.

The report provides detailed information of the federal, provincial, territorial and First Nations' contributions to this income supplement for families which includes the base benefit of the Canada Child Tax Benefit (CCTB) which is paid to low, modest and middle income families with children, and the National Child Benefit (NCB) Supplement, an additional benefit for low income families.

According to Campaign 2000, more than one million children & about one in six children in Canada - live below the Low Income Cut Off (LICO). Almost half of these low income children live in families where parent(s) worked all year. Furthermore, 286,500 of those children & about one in four & lived in families where at least one parent worked full time for the full year yet are still in poverty. At the same time, low income couples with children are \$9,000, on average, below the LICO while female lone parent families would need, on average, \$8,800 to move out of poverty.

The scheduled increases announced by the federal government will gradually raise the Canada Child Tax Benefit to a maximum of \$3,243 by 2007.

"The increased federal investment is welcome, but the commitment is far too slow and doesn't help vulnerable families quickly enough," said Greg deGroot-Maggetti of Citizens for Public Justice. "The pathways out of poverty require a firm commitment to substantially reduce child and family poverty by increasing the maximum benefit to \$4,900 (2004 dollars) along with achieving a living wage of at least \$10 per hour, establishing a Canada-wide system of early learning and child care, and making some real progress on affordable housing."

In addition, advocates point to the unfairness inherent in the NCB where the majority of provinces are clawing back this modest amount of NCB money from Canada's poorest families, even as welfare incomes have steadily declined over the past decade.

The clawback of the NCB from families on social assistance is justified by governments on the basis that increasing welfare benefits would make it less financially attractive for families to move to the labour market. With claims of promoting labour market attachment, provincial and territorial governments have reinvested NCB clawback dollars in programs targeted at the working poor.

"All governments need to show leadership to stem the deepening poverty among families on social assistance. Instead of a race to the bottom, governments would do better to work collaboratively on a comprehensive anti-poverty strategy that includes improvements in minimum wages and social assistance rates, increased child benefits along with early learning and child care and affordable housing," concludes Rothman.

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