

# Use the federal campaign to fight child poverty <sup>[1]</sup>

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## EXCERPTS

This week parents will be sent cheques for retroactive payments from the increases to the Universal Child Care Benefit that were approved as part of the 2015 federal budget. In this pre-election period, the federal Conservatives, New Democrats and Liberals have laid out plans to provide parents with extra income through child benefits and tax credits. While their proposals differ in the potential to reduce poverty, dollar amounts and definitions of fairness, each party believes families need support to raise children. In this election, child benefits will be toyed with, but they are anything but child's play.

The latest data indicate that 19 per cent of Canadian children, nearly one in 5, live in poverty. A staggering 40 per cent of Indigenous children live in poverty. A short period spent in poverty in childhood can lead to more illness throughout life, impair educational attainment and contribute to employment vulnerability.

In response, federal politicians have pledged to end child poverty three times: in 1989, 2009 and in February 2015. Despite growing inequality and persistent poverty plaguing Canadians, there has not been a sustained or significant reduction in child and family poverty. These new child benefit proposals put a renewed spotlight on the cost of raising children and how that may affect families living in poverty.

The Conservative Party proposed the increase to the Universal Child Care Benefit (UCCB) and plans to introduce income splitting, neither of which addresses Canada's child poverty problem. The UCCB is a transfer that delivers the same monthly amount to families regardless of annual earnings. By the 2015-16 budget year, the UCCB will cost \$6.7 billion while not coming close to covering either the cost of child care for most families or allowing a parent in a low income household to stay home and provide care.

While some people may support a universal benefit to acknowledge the social good of raising children, the personal income tax system is not progressive enough, nor is the benefit large enough, to make a difference for the families in poverty. Income splitting is aimed at high income earners and is projected to benefit only 15 per cent of Canadian families at a cost of \$2.4 billion in lost tax revenue.

The New Democrats pledged to end a tax benefit that allows citizens receiving stock options to pay tax on only 50 per cent of their value and to direct the additional revenue to enhancing the National Child Benefit Supplement and the Working Income Tax Benefit. The NDP proposal to close a tax loophole benefiting the wealthiest Canadians to help children most in need is promising, but more details about the benefit amount are needed to understand the proposal's potential to reduce poverty.

The Liberals released a detailed proposal for a new 'Canada Child Benefit' that provides the highest benefit to families with the lowest incomes at \$6,400 for each child under 6.

The plan is progressive in that the benefit amount gradually decreases as family incomes increase. The proposal outlines a re-tooling of the tax system, reducing taxes for middle income families and raising taxes on Canadians with incomes above \$200,000 a year. The proposal is progressive in delivery and also enriches benefits for all qualifying families – it is a firm step towards the type of child benefit that social researchers and anti-poverty advocates have long called for.

A progressively delivered and enriched child benefit is one important element of an effective national anti-poverty plan. A comprehensive plan, however, must include measures to address higher poverty rates in Indigenous communities; the creation of good jobs; an affordable, high quality, national early childhood education and care program; improvements to Canada's social safety net; and a national housing strategy. Campaign 2000 called on all parties to release their national anti-poverty plans in advance of the federal election.

Families today face increased challenges associated with precarious, part-time work, dismal social assistance rates, limited access to training and shortages of affordable housing and quality childcare. Many are left with no choice but to turn to food banks to feed their children.

Fortunately, the discussion of child benefits has caught fire. Parties must seize the opportunity to transform our national child poverty crisis into a poverty reduction success story. Canada has done it before, reducing poverty among seniors by 25 per cent through programs like the Canada Pension Plan.

With this early debate about supporting families underway, Canada has the opportunity to shed its shameful record on child poverty once and for all.

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

**Tags:** federal programs <sup>[4]</sup>

child poverty <sup>[5]</sup>

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