

Speaking Notes

First Call BC Child Poverty Report Card Release

November 21, 2008

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One of the BC Progress Board's goals is to reduce the overall poverty rate in BC to the lowest or second lowest in Canada by 2010. We reminded the Premier of this goal last year and we issued a challenge to the Premier to have in place a poverty reduction strategy with firm targets, timelines and plans by the time we released the report this year.

Today I will be presenting you with some of the highlights – or low-lights as the case might be – of the findings from BC's 2008 Child Poverty Report Card. The report, which is available on the First Call website, includes 10 fact sheets which provide more details on the issues covered here today. I will briefly discuss the poverty rates in BC; how inadequate wages, welfare rates, and government transfers are contributing to our province's child poverty rates; and what needs to be done.

For the last four years, we have been reporting that British Columbia had the worst child poverty rate of all the provinces in Canada. This year is no different - for the fifth year in a row, BC had the highest child poverty rate in Canada. This year I have to report that, at the height of BC's economic prosperity, the child poverty rate was 21.9% in 2006. A province where 181,000 children live in poverty is not the 'best place on earth'. That was more than the combined populations of the cities of Nanaimo, Prince George and Cranbrook.

Our rate is far above the national average. Campaign 2000 released a national Child Poverty Report Card this morning, which showed the national child poverty rate to be 15.8%. Monday marks the 19th anniversary of the House of Common's all-party resolution to abolish child poverty by the year 2000. The 2006 national and provincial child poverty rates are both above the 1989 rates.

Poor families in BC were not just falling a little below the poverty line – they were falling **FAR** below the poverty line. Families living in poverty had average incomes that fell more than \$11,000 below the 2006 pre-tax poverty line.

Why is poverty so high in our province?

In 2006, employment rates in the province reached a 20-year high. However, not all jobs pay fair wages. Over 245,000 people in BC earned less than \$10 an hour. One

would need to earn \$10.76 an hour to reach the poverty line in a large urban area today. BC again was the province with the highest proportion of children living in poverty where at least one member of their family had a full-time full-year job. Over half of BC's poor children (54.3%) lived in families where the adults worked the equivalent of a full-time full year job or more. This shows that BC's wages are too low to keep people out of poverty.

For those who are temporarily unable to work, BC's welfare incomes keep families receiving income assistance well below the poverty line. Our fact sheets show that the total annual income of a lone parent with one child on welfare falls \$10,000 below the estimated before-tax poverty line for a large city. The current total annual income of a couple with 2 children on welfare falls more than \$20,000 below the poverty line.

The gap between the rich and poor in our province is increasing. The income ratio between the richest and poorest 10% of families with children in BC has increased from 9 to 1 in 1989 to 13 to 1 in 2006.

In BC, government transfers only reduce the market child poverty rate by 24%, far below that of the other provinces. Newfoundland and Labrador, on the other hand, introduced a poverty reduction plan, and government transfers reduced the market child poverty rate by over 57%. Quebec reduces their rates by 48% and even Alberta does better than BC, reducing their child poverty rate by 46%.

What needs to be done?

BC needs a comprehensive poverty reduction strategy. Given that we are coming up to an election in May 2009, First Call is calling on all provincial political parties to articulate and commit to a poverty reduction strategy as part of their platforms. The poverty reduction strategies should include targets and timelines so that the party that forms the government can be held accountable to the public. Last year we proposed reducing child poverty by 25% by 2012 and by 50% by 2017. As our report shows, a year has gone by and nothing has been done.

We believe these targets can be accomplished if the provincial government commits to:

- Raising the minimum wage to reach the poverty line for a large urban area and increase it every year to keep up with the cost of living. No family with a full-time full-year earner should be living in poverty.
- The provincial government also needs to raise welfare rates to meet the income levels in the federal government's Market Basket Measure and also index them to inflation.

We recognize that the provincial government cannot do this alone. Therefore, the federal government will need to:

- Increase the Canada Child Tax Benefit to \$5,100 per child.
- Create a universally accessible high-quality child care program - \$100 a month for children under 6 years provides income support, but it does not create high-quality child care spaces nor does it come close to covering child care costs.

The federal and provincial governments need to work together to build social housing for low-income people.

In 2010, BC will be hosting the Olympics. Our province will be on display for the world to see. For these proposed policies to have any impact on our shameful child poverty record by then, the government needs to act now. There needs to be an immediate increase in the minimum wage with a target of \$10.76 by the end of 2009, and an immediate increase in welfare rates with further increases next year to meet the market basket income levels.

One might argue about how we can afford to pay for the implementation of this poverty reduction strategy as we face a global economic crisis. My question is how can we **NOT** afford to pay for this? Our fact sheets show that child poverty rates tend to increase in times of recession. If our province was leaving 1 in 5 children behind during an economic boom, how many are going to fall into poverty with a looming economic crisis? If governments can afford to fund physical infrastructure projects to stimulate economic activity, they can afford to boost the incomes of low-income families. Poor people, after all, spend all of their income on necessities, which in turn stimulate local economies. Building the social infrastructure is just as effective an economic stimulus as is building the physical infrastructure. Poor people are also in financial distress and have every bit the same right to get help from their governments as do financial institutions.

NOW is the time to act.