

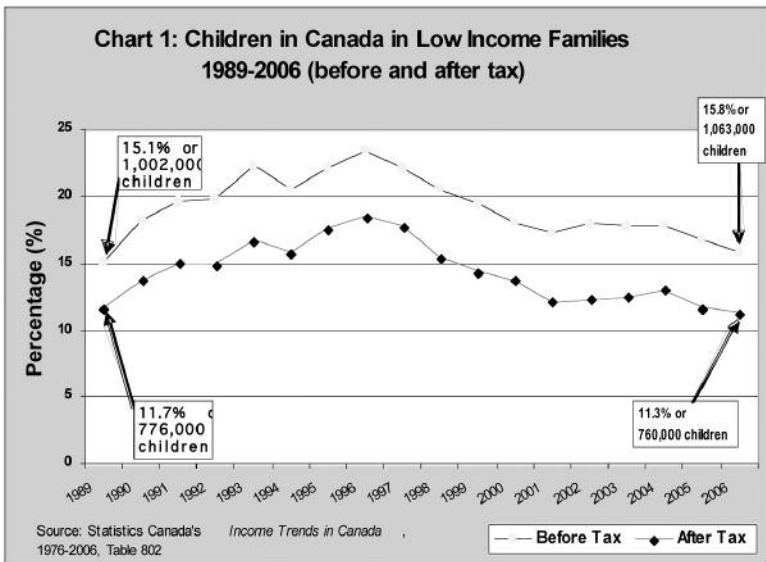


LAUREL ROTHMAN

Child Care and Poverty Reduction: Where's the Best Fit?

As the community momentum grows and as provincial governments adopt defined plans to reduce poverty, the role of high quality early childhood education and care services (ECEC) deserves clear articulation and commitment. Campaign 2000, a cross-Canada coalition of more than 120 partner organizations committed to public education, community mobilization and development of practical policy solutions to end child and family poverty, continues to call for a system of universally accessible, high quality ECEC services as one of the key components of a well-developed strategy to reduce and ultimately eradicate poverty. It is essential to note that Campaign 2000, in concert with its child care partners, recognizes that while ECEC is much more than a service to achieve poverty reduction, government commitments will not achieve sustained poverty reduction and improve the life chances for all children and their families without a robust, planned and adequately-resourced system of ECEC services and complementary maternity/family leave.

As extensive research demonstrates, a well-resourced ECEC system enriches the multi-dimensions of child development — including cognitive, social-emotional and physical — for all young children while at the same time supporting parents' par-



Statistics Canada produces two sets of Low-Income Cut Offs, the first based on before-tax income including transfers and the second based on after-tax income. Campaign 2000 uses both indicators to track child poverty. There is about a five percentage point difference in child poverty rates between these two measures. Both poverty indicators reveal that there has been little change in child poverty rates in Canada since 1989.

participation in training/education, the paid labour force and the broad range of civic life including volunteerism and social networks. For women, a system of ECEC is, indeed, the wheelchair ramp to equality (in the workplace) as Supreme Justice Rosalie Abella wrote many years ago.¹ For newcomer families, ECEC can provide a “welcome to all children” that enhances the transition to a new country and introduces the family to the new languages and customs of their communities. Inadequate child care is one of the major barriers that immigrant mothers must overcome in order to achieve English proficiency. As a result, a large proportion of immigrant women are not proficient in English a decade after arrival in Canada.²

Child and family poverty is persistent and pernicious

In 1989, the House of Commons unanimously resolved to “seek to achieve the goal of eliminating poverty among Canadian chil-

dren by the year 2000.” Nearly two decades later, 760,000 children — almost one child out of every nine in Canada — still lives in poverty when measured after income taxes.³ The rate of child and family poverty in Canada was essentially the same in 2006 as it was in 1989 despite an unprecedented period of strong economic growth since 1996. There have been cyclical variations, reflecting recessions and recoveries, but the high rate of child and family poverty has remained tenacious. This figure does not include the shameful situation of First Nations communities where one in every four children is growing up in poverty.⁴

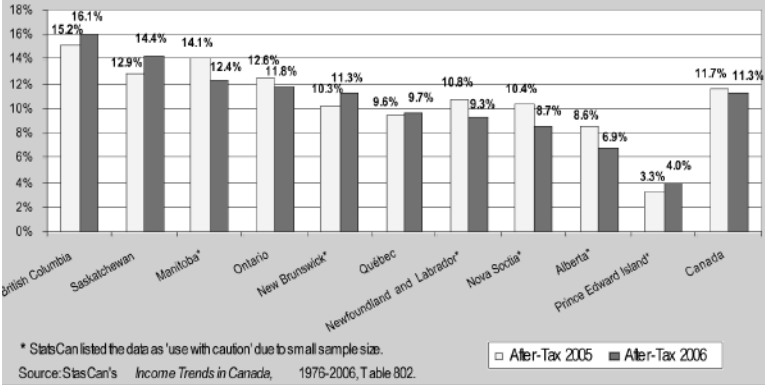
The Organization for Economic Co-operation and Development (OECD) reminds us, persistent poverty is a barrier to the potential achievements of ECEC services:

The reduction of child and family poverty is a precondition for successful early childhood care and education systems. Early childhood services do much to alleviate the negative effects of disadvantage by educating young children and facilitating the access of families to basic services and social participation. However, a continuing high level of child and family poverty in a country undermines these efforts and greatly impedes the task of raising educational levels.⁵

Child and family poverty varies across Canada

While child poverty remains high, at double digits in most provinces, the number of children in poverty in Canada decreased by 28,000 from the previous year (2006 after-tax LICO). The Federal Energy Cost Benefit, providing lower income families with children or seniors with a non-taxable, one-time transfer in 2006 may have had a short-term impact on the rate of child and family poverty. British Columbia continues to report the highest provincial child poverty rate despite strong economic growth. As the largest province, Ontario has 324,000 low-income children or 43% of all children in Canada in poverty. Alberta poverty rates for 2006 are lower because a payment of \$400 (from windfall oil and gas revenues) was made to every resident including children, thereby raising the incomes of low-income Alberta families on a one-time basis. Implementation of poverty reduction strategies in Newfoundland & Labrador and Québec continue to prevent and reduce child and family poverty. The governments of Nova Scotia and New Brunswick are active-

Chart 2: Child Poverty in Canada and Provinces, 2005 & 2006



ly exploring plans for poverty reduction, and Ontario introduced legislation in March 2009 that will enshrine its commitments laid out in the December 2008 framework for poverty reduction. These provincial initiatives are encouraging steps in the right direction, and it's hoped that other provinces will follow suit. However, an active contribution from the federal government is essential if Canada is to reduce child and family poverty to a single digit as UNICEF challenged Canada to do in 2005.

The many faces of child and family poverty

Poverty does not affect all families equally. Lone parents — particularly women — carry a disproportionately high burden. In 2006, one out of three (32.3% LICO after tax) mother-led lone parent families lived in poverty. Lone mothers face the challenge of being the sole provider while also having to find suitable and affordable child care and affordable housing, often at astronomical costs. They struggle to balance education or training, community service and/or paid work with family responsibilities. Women earn approximately 71% of what men earn for full-time, year-round work. Women are more likely to be found in low wage work.⁶ The result is often insufficient time and money to provide what they know their children need and want. Children in visible minority, new Canadian and Aboriginal families (both on and

off First Nations communities) are also disproportionately affected by poverty. Children with disabilities are also at increased risk of living in a low-income family.

The higher risk of poverty for these vulnerable groups is the result of persistent social and economic inequality in Canada which threatens social cohesion in a country that prides itself on being inclusive. Unfair and unwise practices in the workplace and labour market, including systemic discrimination, inequities in pay, and practices that fail to recognize foreign credentials and work experience of newcomers, contribute to long-standing high poverty rates.

Work is not working for families

In today's labour market, full-time work at minimum wage does not provide a family with enough resources to escape poverty. An increase in temporary and precarious employment has meant that many parents who do find work are not able to find quality work that is stable with decent wages and essential benefits to provide a standard of living outside of poverty.

In 2006, 40.2% of low-income children lived in families where at least one income earner worked full-time, full year. Almost two out of three (63.5%) low-income children lived in families in which parents are forced to piece together various work arrangements including part-time and/or seasonal work in order to get full-time hours.

Growth of affordable ECEC has stalled for decades

In 2006, there were only enough regulated child care spaces for one in six children (0-12 years). Most parents pay the full cost of ECEC, up to \$14,000 per year for young children.⁷ Regulated child care is too expensive for low and modest income families. Outside Québec, parents generally pay full or almost full fees. While all provinces/territories provide fee subsidies to help eligible low-income parents, all restrict the availability of subsidies in one way or another. As a result, many low-income families are not able to use regulated child care.

In a decade and a half (1992 to 2006), the number of children subsidized in regulated child care services grew only minimally in most provinces. At the same time, the rate of child and family poverty remained stubbornly high.

What's needed to create synergy between ECEC services and poverty reduction for families?

Campaign 2000, with partners representing low-income people, housing and child care providers, women's groups, labour unions, faith communities, health care providers, teachers and many other groups across Canada, continues to propose a comprehensive set of income supports, strong community services and good jobs as the necessary approach to effective poverty reduction in Canada. The most pertinent community service for children and their families is a well-developed system of universally-accessible ECEC services. Clearly, Canada has a long way to go in order to achieve that goal. At the same time, there is considerable knowledge and expertise which can and will be devoted to the task of building a desirable system of ECEC once political will and funding resources are in place.

Within a well-developed system, there ideally will be enough ECEC services so that low-income children and their families have access to these critical support services that meet their needs. It may be the case that additional resources and/or outreach strategies are needed to include and integrate low-income children and their families into a universal system. Lessons learned in other well-developed systems of ECEC, in particular those in countries with high immigrant populations, may be important in designing the best way to meet any specialized needs of low-income children within a universal system. Recent research from UNICEF confirms what many have observed: the countries with the lowest child and family poverty levels — including Sweden, Iceland, Denmark, Finland, France and Norway — are also the ones which spend at least 1% of GDP on early childhood services and which have a plan for the organizing and financing of early childhood services.⁸

Canada's leaders need to learn from the successful achievements of other rich nations in preventing and sustaining poverty reduction for children and families and in building a robust and resilient system of early childhood education and care services. There is a solid research-based consensus that both strategies are needed to ensure that every child will thrive not merely survive. Increasingly we recognize that these approaches are not a luxury but a right for all children and families.

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www.campaign2000.ca.

ENDNOTES

¹ Abella, R.S., Commissioner (1984). Equality in employment: A royal commission report. Ottawa: Ministry of Supply and Services, p. 178.

² Council of Agencies Serving South Asians. Child Care Cuts Hurt Toronto's Racialized Communities. Press materials. February 18, 2009. (www.cassa.on.ca)

³ Latest available child poverty data is for 2006. Data prepared by Statistics Canada using the *Survey of Labour and Income Dynamics (SLID)* masterfile data (1993 - 2006) and by Social Planning and Research Council of British Columbia (SPARC BC) using Statistics Canada's *Income Trends in Canada*. These Statistics Canada sources exclude those on First Nations reserves, in the Yukon, Northwest Territories and Nunavut, and children living in institutions. A child is defined as a person under 18 years living with parents(s) or guardian(s). Poor children are those living below the low-income Cut-Off (LICO) as defined by Statistics Canada. LICO before tax is a measure of income from market sources and transfers delivered outside the tax system. LICO after-tax is a measure of disposable income. LICOs vary by the size of the family and of the community. For example, the after tax LICO for a lone parent with one child in a large urban centre (population over 500,000) was \$21,384 in 2006.

⁴ Assembly of First Nations. (2006). *Make Poverty History for First Nations*; First Nations Centre, National Aboriginal Health Organization. (2005). *First Nations Regional Longitudinal Health Survey (2002 - 2003)*. Ottawa: National Aboriginal Health Organization.

⁵ OECD. (2006). *Starting Strong II: Early Childhood Education and Care*. (<http://213.253.134.29/oecd/pdfs/browseit/9106031E.PDF>)

⁶ Canadian Labour Congress. (2008). *Women in the Labour Force: Still a Long Way From Equality*. (www.canadianlabour.ca)

⁷ Friendly, M., Beach, J., Ferns, C., & Turiano, M. (2007). *Early Childhood Education & Care in Canada. 2006*. Toronto, ON: Childcare Resource & Research Unit.

⁸ Innocenti Research Centre. (2008). *The child care transition: A league table of early childhood education and care in economically advanced countries*. Florence: UNICEF.