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High Quality Early Childhood Education and Care

Poverty reduction can't succeed
without it

As Canadians survey the issues in the upcoming 2015 federal election, families with children should be encouraged that children's issues, in particular child care and child poverty, are solidly on the agendas of most federal political parties and definitely on the list of 'items to watch' for the media. For child care advocates and anti-poverty activists, there is cautious optimism and active mobilization to ensure that progressive change for children and families is a key outcome of the vote on October 19th.

Campaign 2000: End Child and Family Poverty in Canada has long advocated a system of high quality, universally accessible child care services as a key component of a broader plan to end child and family poverty. An ECEC program has the potential to: enhance children's well-being, healthy development and lifelong learning; support parents in education, training and employment; help to build strong, inclusive communities; help to provide inclusive environments for children with disabilities; strengthen women's equality and definitely prevent and reduce child poverty. Campaign 2000 shares the view that an early childhood education and care (ECEC) policy for Canada should be guided by the over-arching principles of universal entitlement, high quality and comprehensiveness as the discussion paper for the 4th national child care policy conference in Winnipeg proposed.

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Following this spirited and strategic gathering that engaged a new generation of child care advocates, Campaign 2000 issued its 23rd annual monitoring report marking 25 years since the House of Commons unanimously vowed to end child poverty in Canada by the year 2000. As a broad network of national, provincial and community partners, including the Canadian Child Care Federation (CCCCF) and the Child Care Advocacy Association of Canada (CCAAC), Campaign 2000 partners were saddened and distressed by the abysmal lack of progress in reducing child poverty in Canada. The latest data indicate that 19% of children in Canada, nearly one in five, live in poverty, and a staggering 40% of Indigenous children are in low-income families.² The economy has more than doubled in size, yet the incomes of families in the lowest decile have virtually stagnated. The gap between rich and poor families remains very wide, leaving average-income families also struggling to keep up.

With considerable evidence from academic, community-based and government research and from extensive testimony of people with lived experience of poverty, we know more about how to eradicate poverty than we did 25 years ago. Together, the 120 partner organizations in Campaign 2000 have advocated tirelessly to keep child poverty on the public's radar screen for more than two decades. On behalf of low-income families, women, people with disabilities, food banks, Indigenous organizations, racialized people, newcomers, service-providers in health, child care and affordable housing, many faith communities, teachers, social workers, unions and many others, Campaign 2000 partners have helped to highlight the unacceptable situation for low-income children and have proposed practical solutions.

As a result of on-going discussion and dialogue with government officials and representatives, the media and people with lived experience of poverty, some important initiatives have been achieved. Public policies such as the Canada Child Tax Benefit/ National Child Benefit Supplement and the Child Disability Benefit have made a difference to families — but not a big enough difference to dial down the child poverty rate substantially or to sustain less child poverty. The erosion of the labour market resulting in fewer good, full-time jobs with benefits that prevent poverty and enable parents to lift themselves out of poverty remains a major deficit in many parts of Canada.

There are compelling reasons for the federal government to take leadership: first, it is the right thing to do for our children and for all of us and it helps to meet obligations to uphold the Convention on the Rights of the Child and other international agreements; second, poverty is expensive and child poverty produces disease throughout the life cycle, impairs educational attainment, presages employment vulnerability and contributes to the lack of women's equality. Finally, Canada has the fiscal capacity to act. Now is the time for the federal government to take on its rightful role. If the costs of poverty are ignored, this constitutes nothing less than mismanagement of the economy for which we will all continue to pay in financial and other costs.

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What the child poverty data tell us

More children and their families live in poverty as of 2012 than they did when the House of Commons unanimously resolved to end child poverty in Canada by the year 2000. Over 25 years, child and family poverty has increased to 1,331,530 children (19.1%) in 2012 from 1,066,150 children (15.8%) in 1989 according to most recent taxfiler data.³ It is most disturbing that four in 10 of Canada's Indigenous children live in poverty.⁴ Indigenous children include Métis, Inuit, non-status First Nations who live off-reserve and status First Nations children on reserve. In First Nations communities where the federal government has the major role in funding income support and community services, one out of two status First Nations children lives in poverty. The 23-year period that yielded the sharp increase in child poverty of almost 25% included both an unprecedented period of economic growth from 1998 through 2008 and the following economic recession and slow growth period which continues.

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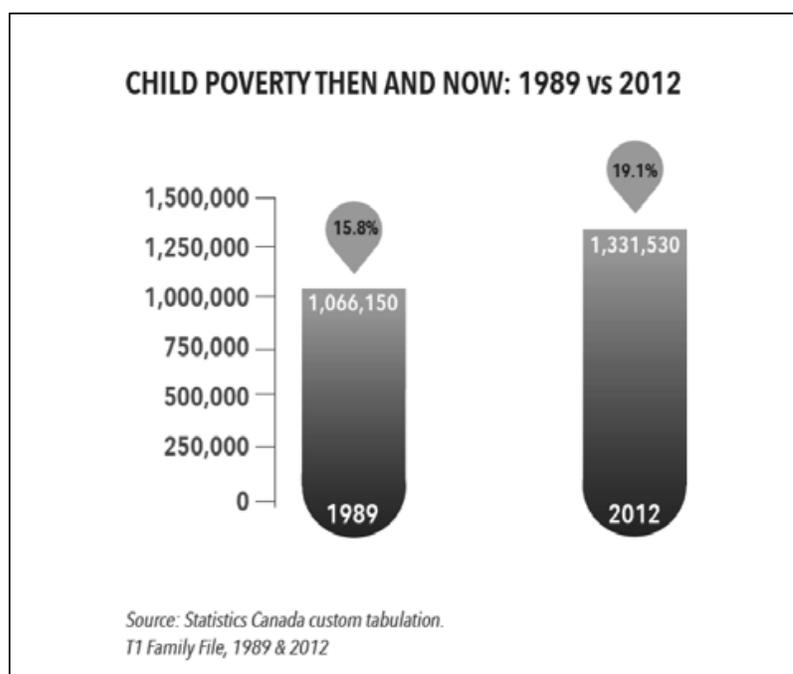
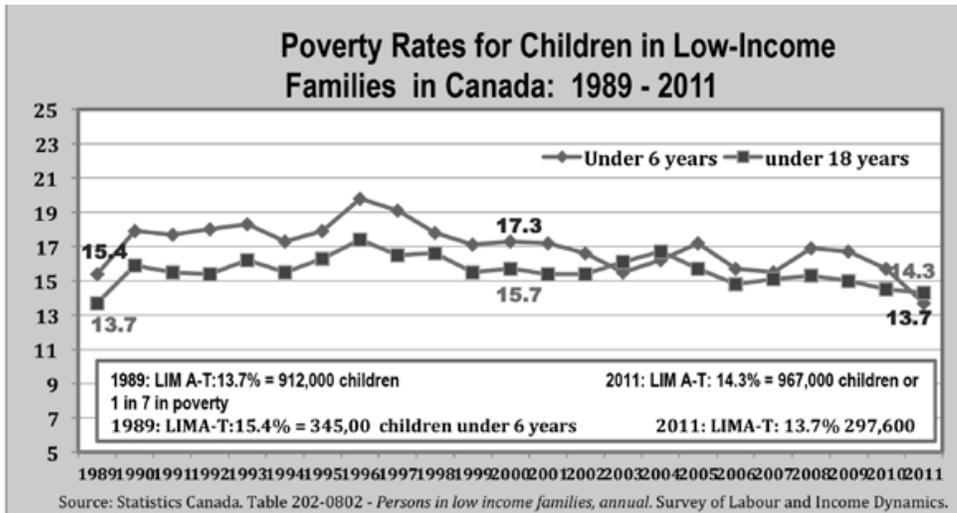


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Children under six more likely to be in poverty

It is noteworthy that for most of this 25-year period, the rate of child poverty among children under six years was about two percentage points greater than the rate for all children under 18.⁵ Factors that contribute to this trend include the availability/lack of appropriate child care services that are accessible in terms of cost and location; the level of and accessibility of child care fee subsidies for parents; levels of income transfers such as the Canada Child Tax Benefit/National Child Benefit Supplement initiated in 1998 and the Universal Child Care Benefit (primarily an individual transfer of funds to families not directly related to child care services in any concrete way) implemented in 2006; changes to the level and scope of provincial income security programs that are the main source of income for many families with young children, and the increasing growth of precarious and low wage work.



Child poverty varies across Canada

Prosperity has not solved persistent poverty, but established poverty reduction strategies and economic growth have helped to reduce poverty rates in several provinces. Explicit poverty reduction initiatives in Québec (legislated in 2002) and Newfoundland and Labrador (2006) have contributed to reductions in child poverty. Twelve out of 13 provinces and territories have a poverty reduction strategy in place or are in the process of developing one. British Columbia is the only province or territory that has not committed to a poverty reduction strategy.

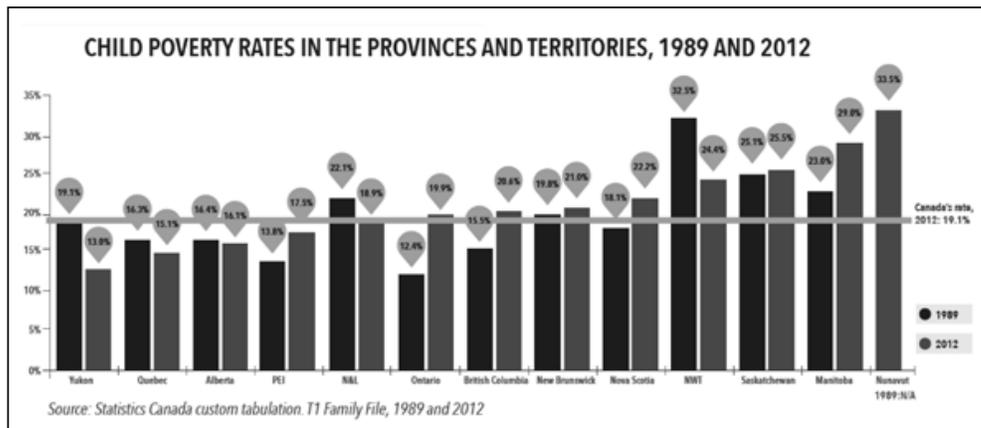


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All levels of government (federal, provincial, territorial, municipal and First Nations) need to collaborate in order to develop a coordinated poverty eradication strategy.

The unique situation of Indigenous children and their families

...When I was a child growing up as an Aboriginal in the Ontario of the day I was one of those statistics. . . . Grinding poverty remains the major barrier to leading fulfilling lives for Native children across the country...

*~ Honourable James Bartleman,
27th Lieutenant Governor of Ontario (2002–2007)⁶*

Indigenous children and their families remain at high risk of poverty in Canada. The umbrella term 'Indigenous' includes the three primary groups with Aboriginal rights as outlined in Canada's constitution. They are: First Nations or Indian, Métis and Inuit. The conditions that Indigenous peoples now experience are rooted in the legacy of colonialism and harmful policies that separated children from their families for many decades.⁷

Canada's Aboriginal population is young and growing rapidly — more than four times faster than the non-Aboriginal population from 2006 to 2011.⁸ Recent statistics show that nearly 60% of Aboriginal peoples lived in urban areas.⁹ More than one in four (27%) of urban Aboriginal peoples were 15 years of age or younger, compared to about 17% of the urban Canadian population.

Poverty is a critical issue for Indigenous communities. Recent research confirms that the average child poverty rate for all Indigenous children is 40% in contrast to the average child poverty rate for all children at 17%. The status of Indigenous children as well as their location is linked to their poverty rate. One in two (50%) of Status First Nations children lives in poverty in First Nations communities.¹⁰

In First Nations communities, the federal government is mandated to fund the health care, education, social services, housing and income support programs. The cap on transfers for community services and health expenditures from the federal government to First Nations

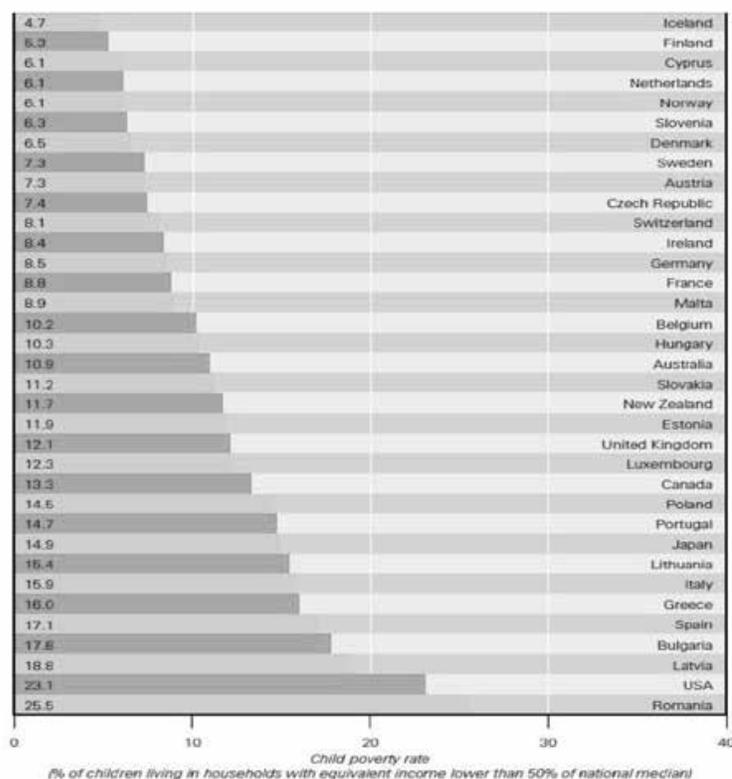
since 1996 has had the distressing effect of limiting the capacity of First Nations communities to meet the needs of their rapidly growing populations.¹¹

A plan to prevent, reduce and eventually eradicate child and family poverty in Indigenous families, developed in conjunction with Indigenous organizations, is desperately needed. Recently the Report of the Truth and Reconciliation Commission urged the federal, provincial, territorial and Aboriginal governments to establish culturally appropriate early childhood education and care services, noting that culturally appropriate ECEC services enhance both the development of young children and also support parents, many of whom suffer from the legacy of residential schools, in strengthening their child rearing skills.¹²

Canada's international ranking on child poverty needs improvement

To achieve sustained poverty reduction and eventual eradication of child poverty, Canada needs to learn from the European countries that have succeeded in both preventing and reducing child poverty to low or non-existent levels.

Child poverty in rich nations



Recent UNICEF reports confirm that the seven countries with the lowest child poverty rates (less than 7%) in the OECD almost all have developed, robust systems of ECEC. Those countries with low child poverty and strong ECEC systems are: Iceland, Finland, Norway, Slovenia and Denmark. Sweden, France and Germany are just behind them. In European ECEC systems, the norm is to serve low, modest and advantaged families. European commentators tout this approach as effective for several reasons, including its contribution to social inclusion.¹³

Labour market abandons families

Currently, finding work is not an assured pathway out of poverty. Most recent figures show that more than one in three low-income children had at least one parent working full-time during the year but were still in poverty. The rise in temporary and precarious employment over the last few years has meant that many parents who do find work are

increasingly employed in jobs that are part-time, insecure, and do not provide a decent wage or essential benefits. Between 2009 and 2012, the number of Canadians in temporary jobs grew at more than triple the pace of permanent employment.¹⁴ When parents complete those temporary jobs, they are unlikely to be eligible for Employment Insurance (EI) and may have to rely on social assistance, the program of last resort.

Employees in temporary and precarious employment relationships are less likely to receive employee benefits such as health insurance and pensions, often don't know their work schedules or hours in advance, frequently have unexpected schedule changes, and are more likely to not get paid at all.¹⁵ Employment in some precarious jobs is so unstable that people don't know if they will have work the following day, next week or next month. A well-resourced system of ECEC would, ideally, be best positioned to plan flexible responses to these erratic work schedules that parents increasingly face.

Families with children are particularly at risk in this changing labour market. A 2014 UNICEF report pointed out that the presence of a child or children in a household translates into an increased risk of 'working poverty' (working, but below the poverty line) for families — from 7% to 11%.¹⁶ As many jobs are part-time and low-wage, parents may have to work multiple jobs at one time. The nature of this type of work makes it difficult for workers to schedule child care for their children, budget for household expenses, and spend time with family. In 2012, about one in four part-time workers in Canada stated that they would prefer to work full-time but that full-time jobs were not available.¹⁷

A recent Southern Ontario study on employment precarity and household well-being illustrates the consequences of variable and unpredictable work on workers and their families.¹⁸ More than 25% of those in insecure employment living in either low- or middle income households reported difficulty in finding child care compared to less than 15% of those in secure employment.

Canada still needs that national child care program ... now more than ever

Since Campaign 2000 published its first report card in 1992, a child care program for all has been part of its plan to eradicate child and

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family poverty. While a well-developed program of early childhood education and care (ECEC) is much more than a poverty reduction strategy, poverty reduction cannot be achieved or sustained without this critical set of services to support parents and enhance child development.

Although the rapid rise in numbers of working mothers is considered to be one of the key social changes of the last century, Canada still has no societal response to the need for child care. Although at least seven provincial/territorial governments have begun expanding public early childhood education (kindergarten), the terms “patchwork” and “woefully inadequate” still apply to ECEC across Canada. It is most regrettable that in 2014, none of the 14 Canadian jurisdictions (10 provinces, three territories and the federal government) has a plan to develop high quality ECEC for all.

Data and research, media reports and parents’ accounts are in agreement that Canada is failing to meet the early childhood education and child care needs of the majority of children and families. Canadian parents are desperate for high quality child care spaces in all provinces; outside Quebec, they pay sky- high fees.

Mothers’ labour force participation continues to rise year after year while child care expansion and growth in public funding have slowed to a crawl despite a substantial increase in the birthrate. The number of children aged four and under rose 11% between the 2006 and 2011 censuses, marking the biggest increase in 50 years.¹⁹ Most families are presumed to rely on unregulated arrangements that are sometimes legal, sometimes not (data detailing this are not collected).

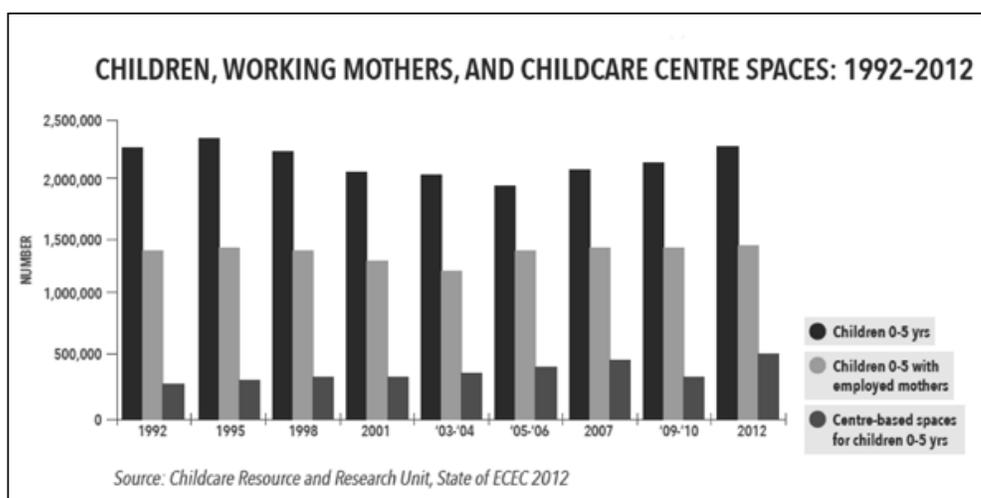


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As the data show, in the last two years, availability of regulated child care spaces has only increased slightly to cover only 22.5% of 0–5 year olds in centres (full and part-day) and 20.5% of 0–12 year olds in all regulated spaces, with much lower coverage for infants and toddlers.²⁰

Space availability alone, however, doesn't mean that child care is accessible. To be accessible, fees must be affordable. In most provinces, the fees that parents pay for child care are greater than the cost of attending university.²¹ Data from 2012 show Canada-wide median monthly fees of \$761 (infant); \$701 (toddler) and \$674 (preschooler). However, the medians don't tell the whole story; Quebec fees are \$152/month for all ages.²²

Child care services still beyond the means of low-income families

Low-income families are poorly served. All provinces/territories except Quebec provide fee subsidies for low and modest income families, but these frequently fail to make child care financially accessible even to eligible parents. Ontario's subsidy rationing means long waiting lists while in some other provinces, even very low-income families are expected to pay hefty surcharges above the rate provincial fee subsidies cover — these can be as much as \$500/month. Data from 2010 showed that since 2001, the percentage of children subsidized has generally been static or even dropped in some instances.

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What needs to happen?

Campaign 2000's overarching recommendation is that the Government of Canada introduce a federal action plan with targets and time lines to reduce and eradicate poverty in consultation with provincial and territorial governments, Aboriginal governments and organizations, non-governmental organizations and people living in poverty. Secured in legislation, this plan should identify key roles for all levels of government and recognize the particularities of how Québec pursues social policy in the Canadian context.

To be most effective in reducing child and family poverty, this action plan must address the need for high quality early childhood education

and care services. To that end, Campaign 2000 continues to emphasize that the best way to support low and modest income parents in securing child care services is within a universally accessible system that meets the wide range of community needs. Campaign 2000 explicitly rejects a separate or parallel set of services for low-income families that has evolved in the U.S.

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The other major child-specific measure that must be put in place is an enhanced child benefit. To prevent families from falling into poverty and also to support other families in their efforts to lift themselves out of poverty, Canada needs a two-track approach: strengthening the public policies that have a direct impact on family incomes and improving the labour market opportunities for parents. Together these strategies build on the government of Canada's central role in managing the economy and its historic leadership in creating and sustaining a resilient social safety net.

Parents with dual roles as breadwinners and caregivers require the necessary supports to achieve a situation of decency and dignity for their families. Labour markets do not distinguish between workers

who are parents and those who are not, but public policies that recognize the value of child-rearing and help to reduce poverty can make a significant difference.

A full child benefit of at least \$5,600 (2014 dollars, indexed to inflation) annually coupled with fair minimum wages are needed to achieve a substantial reduction of child and family poverty. It is important to note that the child benefit is progressive; those with lower incomes receive a larger benefit while those with higher incomes receive a lower benefit. In a sense, the CCTB/NCB begins to address the inequality that many families face. In 2014 eligible families with net incomes of up to \$26,021 received \$3,750, the maximum CCTB/NCB while families in the net income range of \$26,021 to \$44,701 may receive the full CCTB and part of the NCB. At higher net incomes families may receive some portion of the CCTB. Families with children under six who receive the CCTB/NCB may also receive the Universal Child Care Benefit (UCCB) which is a taxable payment of \$100. Per month and will be increased and expanded to all children under 18 as of July 1, 2015.

What are the prospects for change?

In this pre-election period, child care and child benefits are on the front burner as many families scramble to put together a patchwork of child care arrangements while struggling to make ends meet in a changing labour market with a withered social safety net. The federal Conservatives, NDP and Liberals have laid out plans to provide parents with extra income through child benefits and tax credits and at least one child care proposal is bold and responsive to community recommendations.

The NDP has trumpeted its plan to make available child care services at no more than \$15 per day for parents. Liberals commit to "...work to ensure that all Canadians are able to access affordable, high-quality child care spaces in every region of this country."

The Conservative Party's proposals include increasing and expanding the Universal Child Care Benefit (UCCB) and introducing income splitting, neither of which address Canada's child poverty problem nor the lack of high quality child care. The UCCB is a taxable transfer that delivers the same monthly amount to families with

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annual earnings of \$20,000 or \$200,000. By 2015-16, the UCCB will balloon in cost to \$6.7 billion while coming nowhere close to covering the monthly cost of child care for most families. Income splitting is aimed at high income earners and is projected to benefit only 15% of families at a cost of \$2.4 billion in lost tax revenue.

To date, the NDP has pledged to end a tax benefit that allows those receiving stock options to pay tax on only 50% of the value and would direct that 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 in order to target children most in need is promising, but more details about the benefit amount are needed to understand the proposal's poverty reduction potential.

The Liberals have released a detailed proposal for a new 'Canada Child Benefit' (CCB) that provides the highest benefit to families with the lowest incomes and ends the UCCB as it is now structured and, in effect, includes the UCCB funds in the new CCB. The plan is progressive in that the benefit amount gradually decreases as family incomes increase but middle income families would receive the largest increase in the child benefit, while low income families receive the most money annually at \$6400/child under six/year. The plan also entails re-tooling the tax system by creating a new tax bracket for middle income families and raising taxes on Canadians with incomes above \$200,000.

While their proposals differ in the potential to reduce poverty and strengthen child care, dollar amounts and definitions of fairness, each party believes families need support to raise children. In this election, child benefits and child care will be toyed with, but they are anything but child's play.

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- 5 Major changes to the collection of statistics in Canada make 2014 the most difficult year since 1989 to report on child and family poverty. The discontinuation of the Survey of Labour and Income Dynamics in 2013 and the 2010 cancellation of the Mandatory Long-Form Census Key contribute to a situation in which it is difficult to compare and assess trends in child poverty rates. As a result, there are several statistics on child poverty that must rely on different sources.
- 6 Bartleman, J. (2014). Letter to Keep the Promise Student Summit.
- 7 First Nations people include those whose legal status is Indian and those who are non-status Indians. It is important to note that First Nations people with status are the primary residents living on reserve (also known as First Nations' communities) and are under the regulation of the Indian Act. The federal government is solely responsible for supporting or providing services and income support in First Nations communities. Métis is defined as a person who self-identifies as a Métis, is distinct from other aboriginal peoples, is of historic Métis Nation ancestry, and is accepted by the Métis Nation. The Métis people were born from the marriages of Cree, Ojibwa and Salteaux women, and the French and Scottish fur traders, beginning in the mid 17th century and later Scandinavian, Irish and English stock was integrated as western Canada was developed. The Inuit are Aboriginal peoples whose ancestors the Thule were hunters and gatherers. Most Inuit people continue to live in the Arctic.
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