

**Manitoba Child and Family Poverty
REPORT CARD 2015:
A Crisis that has Become Chronic**

**“How can we justify allowing one in every three
Manitoba children to grow up in poverty?”**



END CHILD AND FAMILY POVERTY IN CANADA

November 24, 2015

INTRODUCTION

This is the twenty-sixth annual Manitoba Child and Family Poverty Report Card. When we wrote the first one in 1992, we were naively optimistic, and were sure that the rising tide of public and political concern would lead to the elimination or near elimination of child poverty from our province within a decade or so.

And why shouldn't we have been optimistic? The House of Commons had unanimously passed a resolution in 1989 to end child poverty by the year 2000. It is a testament to our collective failure that in 2009 they passed an even more ambitious motion to "develop an immediate plan to eliminate poverty in Canada for all".

Optimism might also flow from the fact that in 2009 the Government of Manitoba issued the All Aboard Poverty Reduction Strategy and in June, 2011 the Manitoba Legislature passed the Poverty Reduction Strategy Act.

But the problem with all these resolutions, motions, strategies and acts is that they stop at declaring intent. They do not make clear commitments through establishing targets to reduce the rate and depth of poverty by specific amounts, and they do not commit to timelines to reach these targets. In short, they do not demonstrate the political will involved in tying the intent to a public promise.

As a result, what looked like a crisis in 1992 has become a chronic nightmare. Too many Manitoba children have grown up in poverty in the intervening years. The evidence tells us that they are more likely to have experienced impaired cognitive, emotional, and social development, to have suffered from poor health status and increased risk of poor health in childhood and throughout their lives, to have poor school performance, and less satisfying careers, to have been victims of child maltreatment, and to be involved in youth and adult crime.

And all this would have been and could be prevented for many, if we lower the child and family poverty rate.

Eradicating child and family poverty is the morally right thing to do. It recognizes children's rights to a happy childhood and fulfillment of their potential. It is also the smart thing to do. It saves costs in health care, social services, remedial education and criminal justice; and it will increase the contribution of these children to the economy and society.

Given all of this, we Manitobans have a hard question to ask ourselves. How can we justify allowing 1 in every 3.5 Manitoba children to grow up in poverty?

THE FACTS

In this section we report on the rate of child poverty, its distribution by family structure, and the role of income transfers in preventing poverty. In addition, we report on the depth of poverty, and children’s use of foodbanks as an indicator of the inadequate incomes of their families.

The poverty measure used is Statistics Canada’s Low Income Measure After-Tax (LIM-AT). Statistics Canada¹ describes LIM as a “fixed percentage (50%) of median adjusted household income, where ‘adjusted’ indicates that household needs are taken into account.” This kind of relative measure correlates most strongly with health and developmental outcomes.²

Estimates of low income families are based on the ‘census family’, which is defined as “... a married couple (with or without children of either and/or both spouses), a common-law couple (with or without children of either and/or both partners) or a lone parent of any marital status, with at least one child.”³ The data from the T1 Family File (T1FF) is derived from personal income tax returns and Canadian Child Tax Benefit administrative data. Statistics Canada⁴ reports that “the T1FF approximates the total Canadian population”, so that it provides valid estimates of poverty rates.

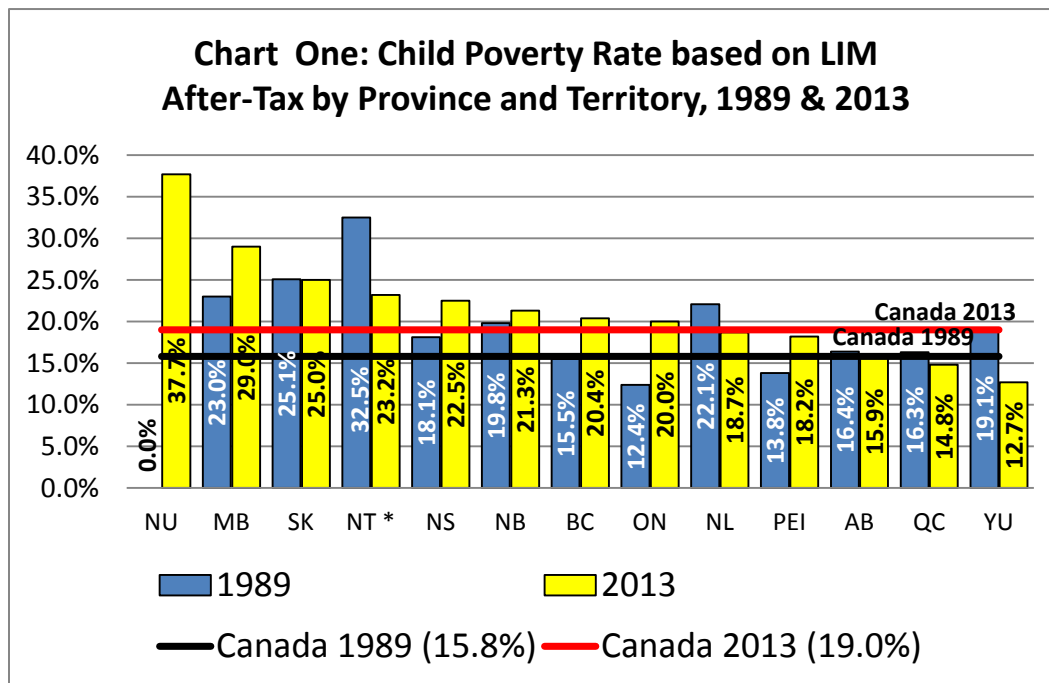
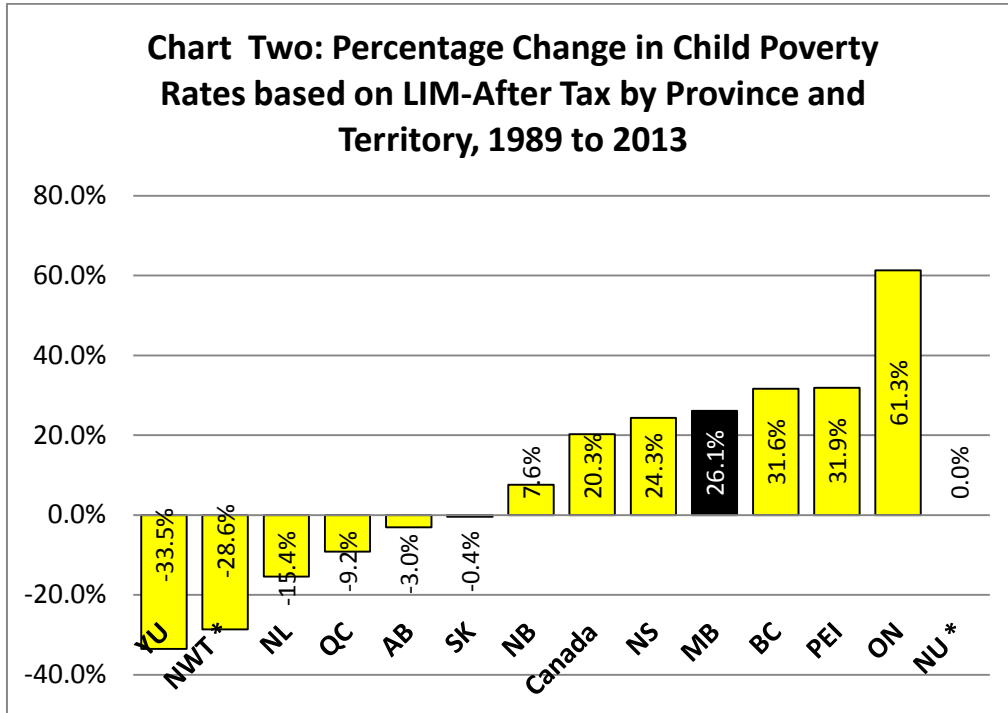
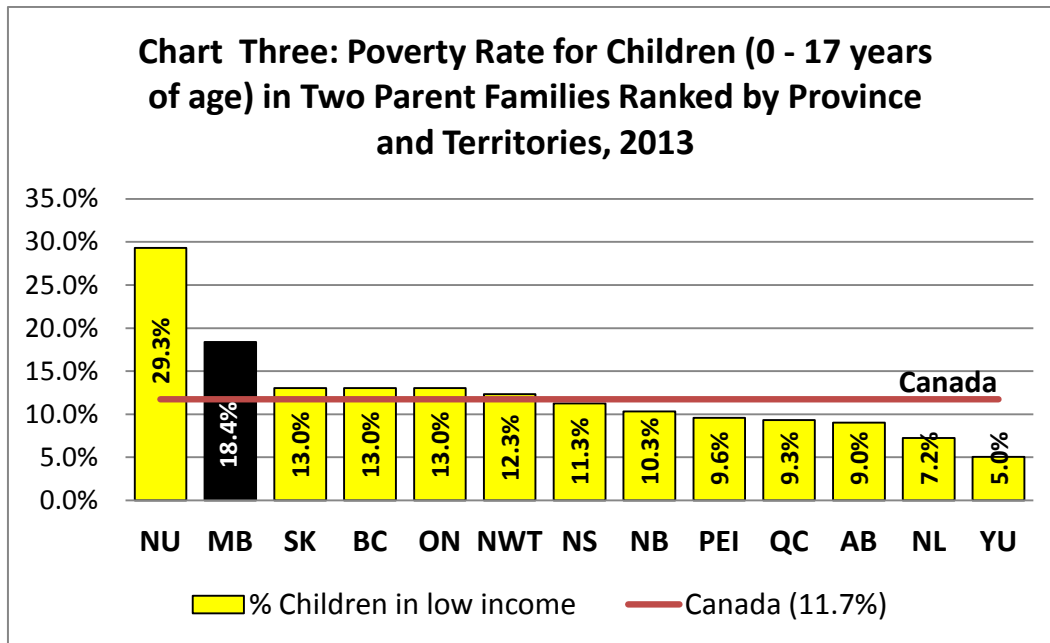


Table one demonstrates that in 2013, the latest year for which statistics are available, Manitoba had the highest child poverty rate of any province at 29.0%, a full 10 percentage points above the national rate. It is exceeded only by the territory of Nunavut. Approximately 84,350 (or 1 in every 3.5) Manitoba children live in poverty. Manitoba’s 2013 rate is exactly the same as its 2012 rate.

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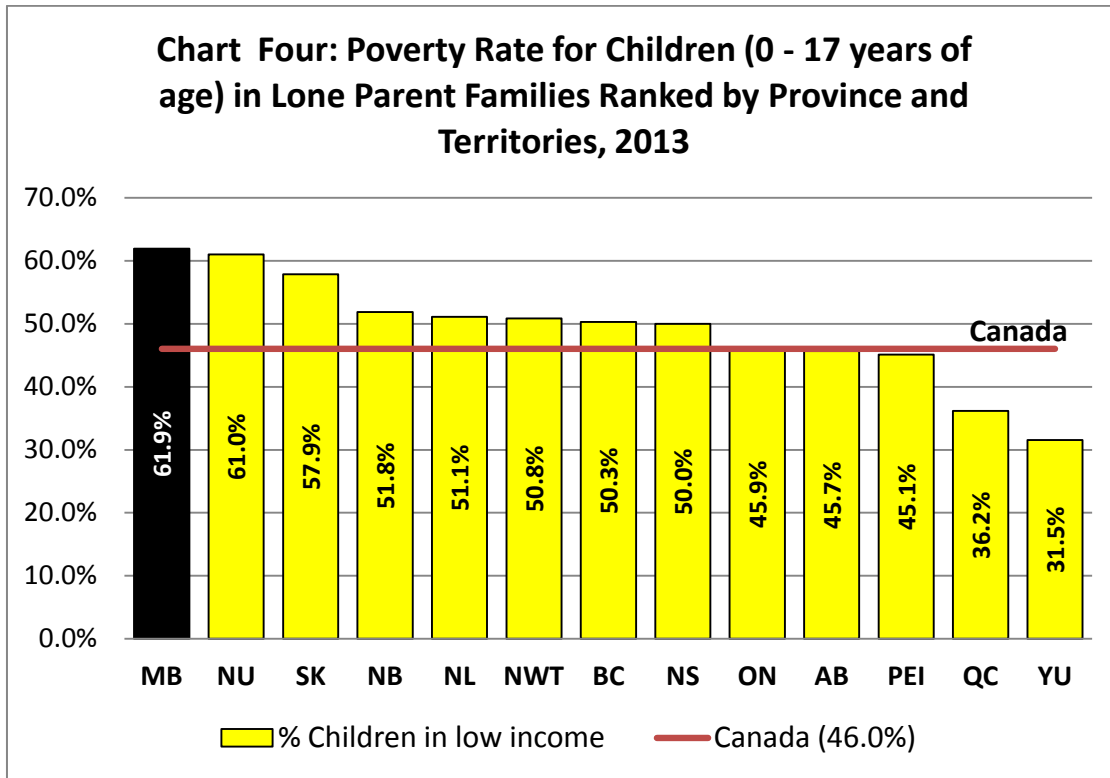


Since 1989, when the House of Commons moved to end child poverty by the year 2000, it has increased by just over 20% (20.3%) in all of Canada. But alarmingly, it has increased by even more (26.1%) in Manitoba. In 1989, Manitoba had the third highest rate of any province. In 2013 it had moved to the province with the highest rate.



Manitoba has the highest rate of child poverty in two parent families of any province, 6.7 percentage points above the national rate. Only the territory of Nunavut has a higher rate.

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Alarming, almost 62% of children living in single parent families in Manitoba live in poverty. This is 15.9 percentage points above the national rate.

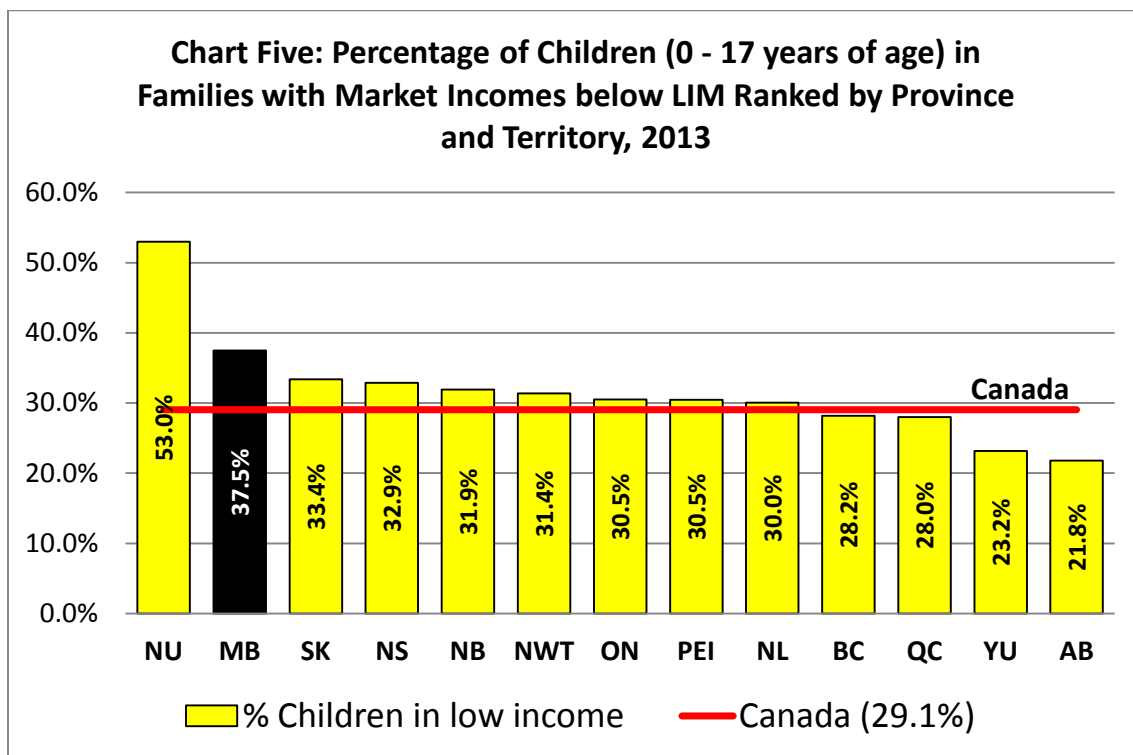
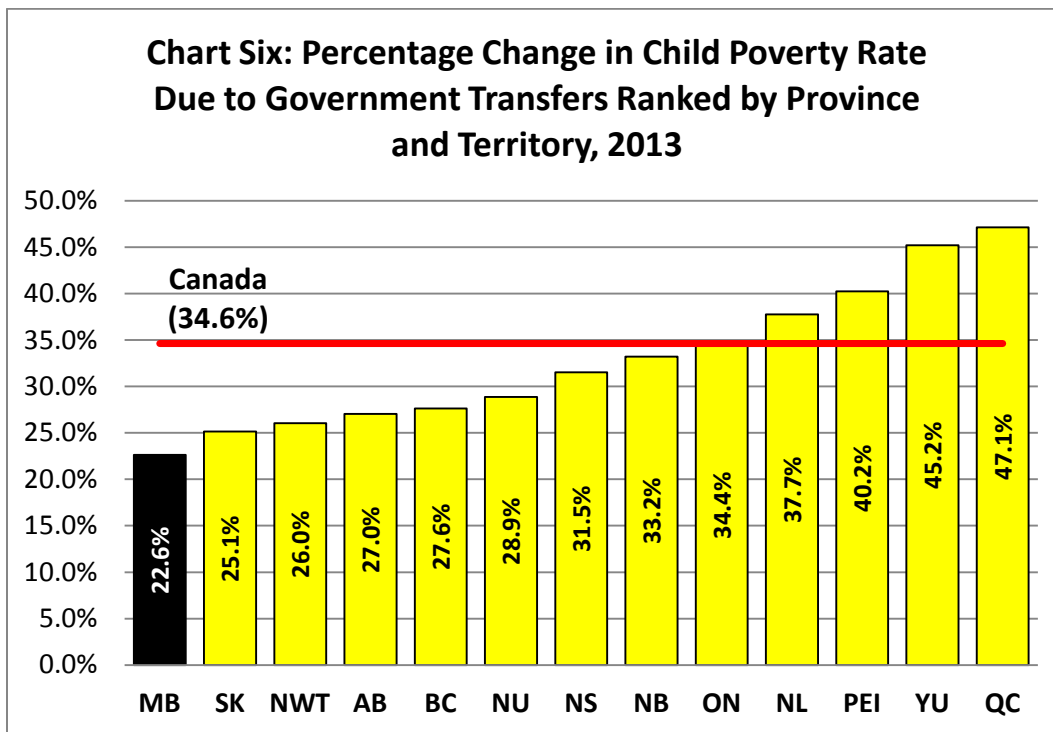
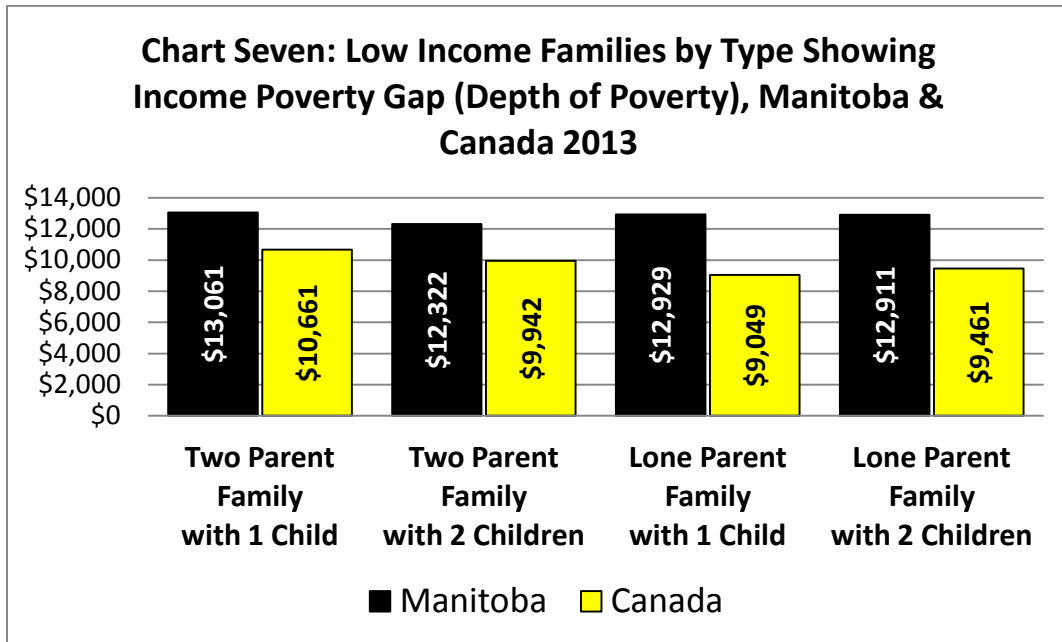


Table five indicates the rate of child poverty if only market income from earnings or investment is considered. Manitoba has the highest rate of any province, 8.4 percentage points above the national rate. Only the territory of Nunavut is higher. In Manitoba, much child poverty is produced in the labour market. Manitoba ranked 10th among provinces and territories in average hourly earnings from all industries in 2013. Only Prince Edward Island, Nova Scotia and New Brunswick were lower. Average hourly earnings were \$21.01 in Manitoba, much below the \$22.85 in all of Canada. Manitoba maintained this 10th position in 2014. Having a low unemployment rate is positive; but jobs can only prevent poverty if they are stable, well-paying jobs.

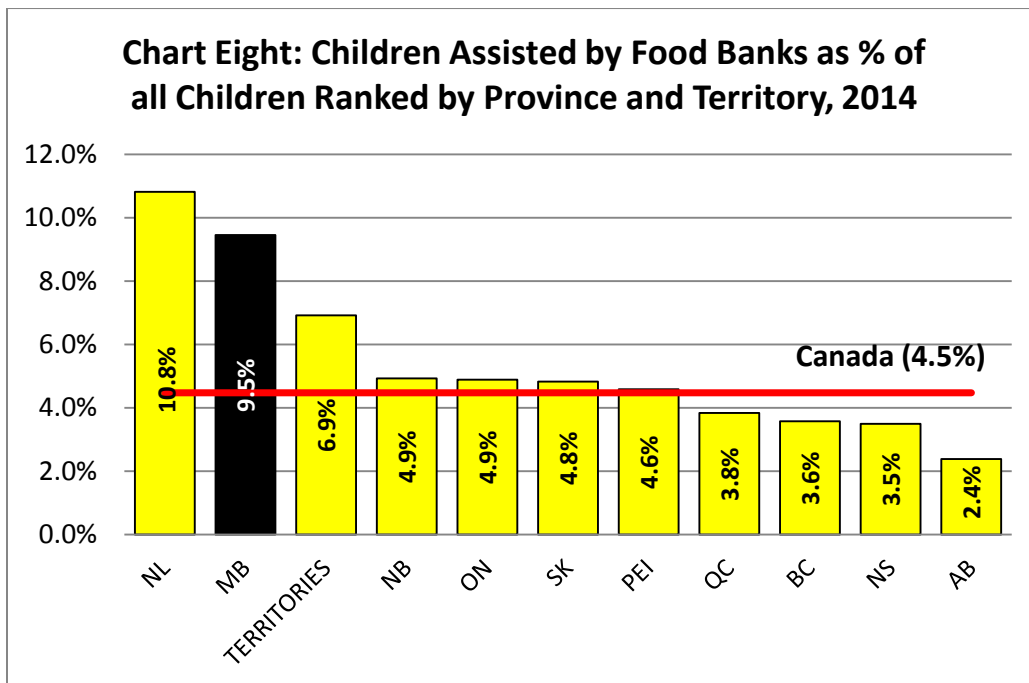


Manitoba demonstrates the lowest percentage reduction in the child poverty rate due to government transfers, 12 percentage points below the national percentage. Federal benefits are consistent throughout Canada, although differences in parental age or disability may account for some small differences. It is clear that both the labour market and provincial government transfers are failing Manitoba's children.

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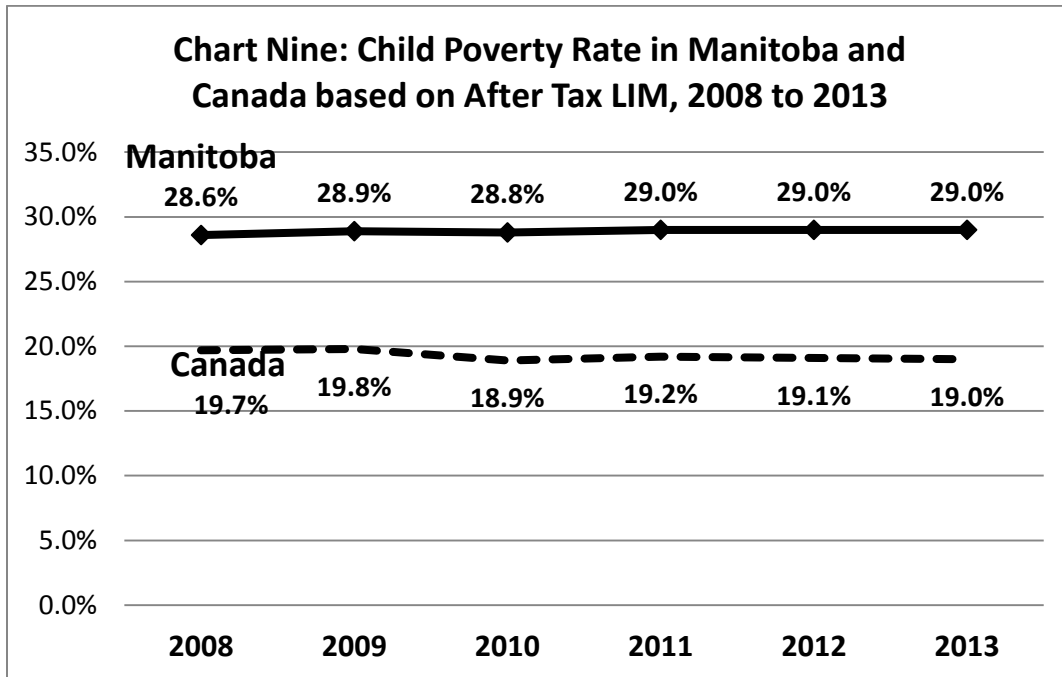


Poor Manitoba families are living in deep poverty, compared to those in all Canada. The poverty gap is the amount needed to reach the poverty line. In Manitoba half of poor two parent families with one child are living \$13,061 or more below the poverty line.



Food bank use is an indicator of food insecurity, closely related to family poverty. In all of Canada, 4.5 percent of children used foodbanks in 2014. More than double (9.5%) in Manitoba used food banks, second only to Newfoundland.⁵

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In May 2009, the Government of Manitoba introduced All Aboard, its poverty reduction strategy. As of the end of 2013, we have almost five years' experience with this strategy. As indicated in chart nine, since the introduction of the strategy, Manitoba has never achieved the rate of 2008, the year before the strategy was introduced. Child poverty in 2013 was .4 percentage points higher than in 2008.

Meanwhile, in all Canada there has been a small decline (.7) in child poverty between 2008 and 2013.

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RECOMMENDATIONS

This report card demonstrates that Manitoba has a serious chronic child and family poverty problem. The 2013 rate is significantly higher than the 1989 rate, having increased more than for Canada as a whole. Manitoba has the highest 2013 rate of any province, only exceeded by the territory of Nunavut. Manitoba children in poverty in every family type live in deeper poverty than poor children in Canada as a whole.

Manitoba children are failed both by the labour market, which leaves more of them in poverty than in any other province or territory, and by government income transfers, which lift fewer children out of poverty than in any other province or territory.

Since 2009, Manitoba has had a poverty reduction strategy. Unfortunately the rate of child poverty has been higher than in 2008 in every year since announcement of the All Aboard strategy.

As we approach a provincial election in April 2016 we urge all parties to acknowledge the serious and chronic problem of child poverty in their platforms by:

1. Including a poverty reduction plan with specific targets regarding reductions in the rate and depth of child poverty attached to a detailed timeline to accomplish these targets. The plan should also include a description of the policies and programs designed to operationalize accomplishment of the targets, along with a detailed budget of required expenditures.
2. Including in this plan increases in provincial government transfers to families with children so that the system of Manitoba benefits becomes more effective in decreasing child poverty by:
 - a. Doubling the Employment and Income Assistance Basic Needs Budget as recommended by Make Poverty History Manitoba. This budget has not been increased since 2004.
 - b. Immediately raising the Manitoba Child Benefit so that it commands the same purchasing power as when it was introduced in the early 1980s. The Manitoba Child Benefit is a supplement for working-poor families with children. It was introduced by the Sterling Lyon administration as the child-related income-support program. In 2008, the Doer government renamed it and increased its maximum by only \$5 per month. It has not even kept up with inflation. Significantly higher benefits are required to move the children of the working poor out of poverty.
 - c. Indexing the Manitoba Child Benefit so that it is not eroded by inflation over time
 - d. In the long term raising the Benefit as an essential part of an effective plan to reduce child and family poverty.

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3. Including in the plan measures to ensure that working parents are able to raise their children without them experiencing the damage resulting from living in poverty by:
 - a. Implementing a strategy to increase the supply of well-paying, non-precarious full-time jobs; and assisting parents living in poverty with the education, training and supports to attain and maintain these jobs;
 - b. Immediately increasing the minimum wage to \$15.53 per hour from its current \$11 per hour as recommended by Make Poverty History Manitoba. As they note, small regular increases have not led to significant decreases in poverty; and a new threshold is needed.

If Manitobans do not insist that these demands be placed on the political agenda, then we will have to continue to ask ourselves how we tolerate one in 3.5 of our children being damaged by poverty.

Sid Frankel
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End Notes:

1. Statistics Canada. 2012. *Low Income Lines, 2010 WR 2011*. Catalogue no. 75F0002M — No. 002. Ottawa: Statistics Canada.
2. Raphael, Dennis. 2011. *Poverty in Canada: Implications for Health and Quality of Life*. (second edition). Toronto: Canadian Scholars' Press.
Wilkinson, Richard G., and Kate E. Pickett. 2006. "Income inequality and population health: A review and explanation of the evidence." *Social Science & Medicine* 62 (7): 1768-1784.
Williamson, Deanna L., and Linda Reutter. 1999. "Defining and measuring poverty: Implications for the health of Canadians." *Health Promotion International* 14 (4): 355-364.
3. Downloaded from <http://www12.statcan.gc.ca/census-recensement/2011/ref/dict/fam004-eng.cfm>
4. Statistics Canada. 2014. "Annual Income Estimates for Census Families and Individuals (T1 Family File) Family Data - User's Guide –" Ottawa, ON: Information Statistics Division, Statistics Canada.
5. Statistics Canada (CANSIM) Table 051-0001 - Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (persons unless otherwise noted) The annual Hunger Count report provides statistics on the total number of people and percentage of children assisted by food banks across each province and territory. Hunger Count numbers were compared with population estimates prepared by Statistics Canada to calculate the total percentage and percentage of children in each province and territory assisted by food banks.
2015 HungerCount:
http://winnipegharvest.org/wpcontent/uploads/2011/04/HungerCount2015_singles.pdf