The Nova Scotia Child Poverty Report Card 2005

1989-2003

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The contents and opinions expressed in this paper belong to the authors and do not necessarily represent the views of the Canadian Centre for Policy Alternatives.

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DATA SOURCES

Much of the information presented in this report is drawn from three key sources:

- 1. Statistics Canada, <u>Income Trends in Canada 1980–2003</u>, 13F0022XCB, 2005.
- 2. Data tables prepared by the Canadian Council on Social Development for Campaign 2000 using Statistics Canada's Survey of Labour and Income Dynamics, masterfile.
- 3. National Council for Welfare, Welfare Incomes 2004.

During 2004–2005 Statistics Canada revised income- and labour-related data from 1980 forward to account for adjustments in population projections (based on the 2001 Census), new methods of deriving benchmark wages and salaries, and revisions to an earlier family expenditure survey. Generally, these revisions caused upward adjustments to the numbers and rates of children and families in poverty.

Figures, tables and related calculations in this report have been prepared by the authors. Sources used to produce figures and tables are noted in the listings of Figures and Tables.

The Low-Income Cutoff (LICO) used in this report is the before-tax, or base LICO. Since 1989 this LICO has been used as a measure of poverty in tracking progress on the government's promise to eliminate child poverty by the year 2000. The base LICO is widely accepted as a fair and relative measure that identifies those substantially worse off than average and more likely to encounter greater difficulty in achieving healthy outcomes.

Low-Income Cutoffs differ according to the number of members in a family (adults and/or children) and the size of the population in the family's local area. LICOs are established using data from Statistics Canada's Survey of Household Spending.

A family with income below the LICO level will spend a greater proportion of its income on the necessities of shelter, food and clothing than will the average family of the same size. When family income falls below the LICO a family can face great difficulty covering many important expenses such as transportation, dental and personal care, school supplies, continuing education, household maintenance, insurance and/or recreation.

For a full discussion of Poverty Measures see <u>Defining and Re-Defining Poverty: A CCSD Perspective</u>, Canadian Council on Social Development, Ottawa. 2001.

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Introduction

Child poverty rates in Nova Scotia have worsened for the fourth year in a row. More than 20 percent of our children now experience poverty, despite a strong national economy and a provincial economy that is healthy by regional standards. Our performance nationally and provincially on child poverty is shameful: the poverty rates are higher today than in 1989, when the Canadian government pledged to eradicate child poverty by the year 2000.

Nova Scotia Child Poverty Report Cards have been produced every year since 1999. Through the application of a simple poverty-line approach, they track the Canadian government's progress toward fulfilling its 1989 promise.

To more fully inform the discussion on eliminating child poverty more resources and data are needed to bring attention to a wide variety of relevant measures and policy areas. Clearly, poverty has many roots and many faces, and the policy changes needed to bring about economic security for all families with children in Canada would require strategic efforts by federal and provincial leaders alike.

Although we should be able to rely on government to report progress on poverty reduction on a regular basis, in fact neither level of government currently does this. Nor have they tabled any strategies in sufficient detail for us to discern how or when they will fully address poverty and its harmful effects for children, families and communities.

This year's report card examines the period 1989–2003. The period began with several years of economic recession followed by economic growth that has remained strong. As the economy strengthened, government introduced child tax benefits, most notably the Canada Child Tax Benefit (CCTB) and the National Child Benefit Supplement (NCBS).

Yet despite these measures, the rates and numbers of children living in poverty remain high across Canada, and in some provinces are considerably higher than when the 1989 promise was made. In 1989, child poverty rates among Canadian provinces ranged from 11.6 to 22.5 percent. In 2003, a similar range held (11.3–23.9 %), although the ranking among the provinces has changed.

Nova Scotia was among five provinces that lost ground. Indeed, this province's rate of child poverty has been on the increase since 1999. It now stands at 20.7 percent compared to 16 percent in 1989. The average rate of child poverty across Canada has also begun to increase after several years of decline (1996–2001). Like Nova Scotia, Canada experienced an increase in its rate between 1989 (15.1%) and 2003 (17.6%).

Each year, authors of provincial and national child poverty report cards point to the need for a strategically drafted plan that outlines specific reductions within a set timeframe. Such a plan is recognized by other nations as a prerequisite for success.

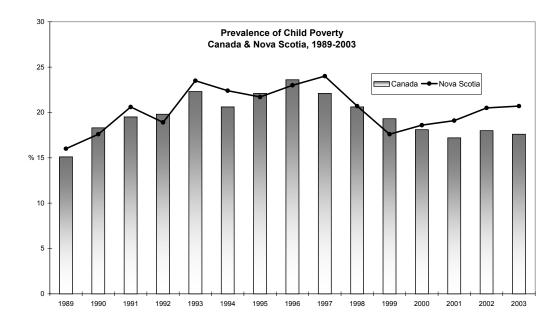
For example, through a strategic multi-pronged plan, the United Kingdom is committed to ending child poverty by the year 2020. Current estimates show that the UK will likely meet its interim target of reducing child poverty by 25 percent by 2005.

Success relies on fundamental political priorities. Canadian attempts to reduce child poverty point to an absence of political will with regard to redistributing our nation's considerable wealth more equitably. Clearly, this nation's promise to end child poverty is not being achieved. In these times of great economic strength, our political leaders need to tell us why this is.

THE RECORD 1989–2003

Figure 1 shows the prevalence of child poverty in Canada and Nova Scotia during the period 1989–2003. The chart displays rates for Nova Scotia that are generally above the national average. This trend has been consistent since 2000, with the gap between child poverty rates in Nova Scotia and Canada widening over the last four years. This should greatly concern governments and citizens alike as it blatantly indicates that child poverty reduction needs our urgent attention.

Figure 1



Notably, even during periods of economic recovery and strength (beginning in 1996) no substantial gains have been made with regard to the Government of Canada's 1989 promise to eliminate child poverty by the year 2000. The highest rate recorded for Nova Scotia in the last two decades was 24 percent in 1997. Ironically, the lowest rate recorded since 1980 was 14.4 percent in 1988, the year before Canada's historic promise to its children.

The current period of economic prosperity in Canada has now been enjoyed for almost a decade, but this has not led to declines in the child poverty rate. In fact, Nova Scotia's child poverty rate has increased steadily over the last four years from 17.6 percent (1999) to 20.7 percent (2003). In 2003, approximately 1 in 6 Canadian children and 1 in 5 Nova Scotian children lived below the Low-Income Cutoff.

Figure 1 also shows that while the national average has decreased since 1996 (until the most current two years); Nova Scotia's rate has been steadily increasing since 1999.

Changes since 1989 in the prevalence and numbers of children experiencing poverty in Canada and the Atlantic Provinces are shown in Table 1. In Atlantic Canada, Prince Edward Island is the only jurisdiction that has experienced a substantial decline in its child poverty rate.

Table 1

| NUMBER & PERCENTAGE OF CHILDREN LIVING IN POVERTY: | | | | | | | | |
|--|--|------|-----------|------|--|--|--|--|
| CANADA & ATLANTIC PR | CANADA & ATLANTIC PROVINCES, 1989 & 2003 | | | | | | | |
| | 1989 |) | 2003 | | | | | |
| | Number % Number % | | | | | | | |
| Canada | 1,002,000 | 15.1 | 1,201,000 | 17.6 | | | | |
| Nova Scotia 36,000 16.0 40,000 20.7 | | | | | | | | |
| New Brunswick 33,000 17.7 26,000 17.3 | | | | | | | | |
| Prince Edward Island 5,000 13.2 * 11.3** | | | | | | | | |
| Newfoundland & Labrador 33,000 20.0 23,000 21.8 | | | | | | | | |
| *Figure too unreliable to be published. **Use with caution – figure derived from a sample where the quality of data is less reliable. | | | | | | | | |

Table 2 records the overall increase or decrease in child poverty rates over the 15-year period that spans 1989 and 2003 and ranks performance for all ten provinces and Canada.

Table 2

| Prevalence | Prevalence and Changes in Child Poverty Rates: Canada & Provinces, 1989 & 2003 | | | | | | | |
|------------|--|----------|-----|------|-----------|----------|------------|----------------------|
| | | 1989 | | | 2003 | Cha | ange 1989- | -2003 |
| Province | % | Ranking | Pro | % | | Province | % | |
| ON | 11.6 | Best | PE | 11.3 | Be | AB | -17.9 | Greatest Decrease |
| PE | 13.2 | | AB | 15.6 | | SK | -15.7 | Decrease |
| BC | 14.3 | | ON | 16.1 | | PE | -14.4 | Decrease |
| QB | 15.9 | | QB | 16.7 | | NB | -2.3 | Decrease |
| NS | 16.0 | 5th Best | NB | 17.3 | | MB | -1.8 | Decrease |
| NB | 17.7 | | SK | 18.3 | | QB | 5.0 | Increase |
| AB | 19.0 | | NS | 20.7 | 4th Worst | NF | 9.0 | Increase |
| NF | 20.0 | | NF | 21.8 | | NS | 29.4 | Increase |
| SK | 21.7 | | MB | 22.1 | | ON | 38.8 | Increase |
| | | | | | | | | Greatest |
| MB | 22.5 | Worst | BC | 23.9 | Worst | BC | 67.1 | Increase |
| CN | 15.1 | | CN | 17.6 | | CN | 16.6 | Increase |

Between 1989 and 2003, child poverty rates decreased in five provinces while increasing in the other five. However, the net result for Canada was an overall increase of 16.6 percent from 15.1 percent (1989) to 17.6 percent (2003). Nova Scotia lost much more ground between 1989 and 2003 when compared to Canada as a whole, with an increase of 29.4 percent in its child poverty rate from 16 percent (1989) to 20.7 percent (2003). Nova Scotia's performance on child poverty between 1989 and 2003 was the worst in the Atlantic Region.

FEMALE LONE-PARENT FAMILIES AT GREATEST RISK

Figure 2 charts differences in child poverty rates for families headed by female lone parents and those living in two-parent households. The Low-Income Cutoff rates displayed in this chart clearly demonstrate that children living in a female lone-parent family are four times more likely to experience poverty than children in two-parent families. This is likely linked to the potential numbers of earners in a family. For example, the family poverty rate where there are two earners in a two-parent family with children is 7.3 percent compared to a rate of 25.1 percent in this same family type with one earner.

For both Nova Scotia and Canada, the prevalence of child poverty in female lone-parent families has gone down. However, with more than 50 percent of children in such families still at risk of living in poverty much remains to be done.

Until 2003, when the gap almost closed between the rate of poverty for Nova Scotia children in female lone-parent families and the national average for this group, those in Nova Scotia were at a consistently higher risk of poverty than the average Canadian child. This chart also shows that for many years Nova Scotia children in two-parent families were at slightly less risk of poverty. Beginning in 2000 this slight lead was lost; this was likely due to cuts in provincial welfare payments made during that year.

Figure 2

Prevalence of Child Poverty: Children in Female Lone-Parent & Two-Parent Families, Canada & Nova Scotia, 1989–2003

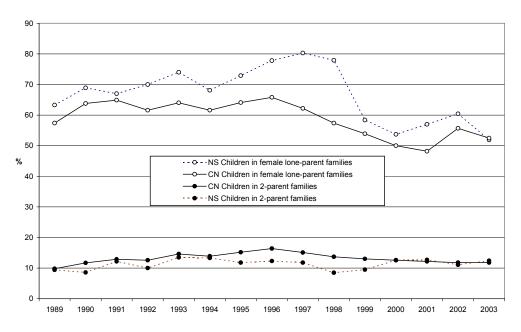


Table 3 shows the changes in child poverty rates within the two family types. The substantial reduction over this 15-year period of 18 percent for the child poverty rate

within female lone-parent families is overshadowed by the fact that greater numbers of children were affected.

A 31.9 percent increase in the rate for children in two-parent families from 9.4 percent (1989) to 12.4 percent (2003) brought Nova Scotia rate of child poverty into close alignment with the Canadian average.

Table 3

| Child Poverty Rates and Numbers within Female Lone-Parent and Two-Parent Families: Nova Scotia, 1989 & 2003 | | | | | | |
|---|-------|-------------------------------------|--------------------------|--------|-----------|--|
| Type of Family | 19 | 89 | 20 | 03 | 1989–2003 | |
| | Rate | Rate Number Rate Number Rate Change | | | | |
| Female lone-parent | 63.3% | 15,000 | 15,000 51.9% 17,000 -18. | | | |
| Two-parent | 9.4% | 18,000 | 12.4% | 19,000 | +31.9% | |

Other groups of children are also at higher risk of being poor. Most notable are visible minority, immigrant and disabled children who experience rates of one in three or greater.¹

AVERAGE INCOME SHORTFALLS FOR FAMILIES

Rates of poverty tell us about the likelihood that people will be exposed to the risks associated with being poor. To examine the relative severity of poverty, we also need to look at other data. Key to this is the "low income gap" which provides a picture of average shortfalls between family incomes and the Low-Income Cutoff (LICO).

LICOs vary according to both the size of the family and the size of the community where the family lives. Table 4 provides examples of these levels for a family of two (e.g., a female lone-parent mother and child) and a family of four (e.g., two parents and two children).

Table 4

| Low-Income Cutoff Levels 2003: Rural or Urban Areas, 2003 | | | | | | |
|---|-------------|-------------|--|--|--|--|
| Population of Area | Family of 2 | Family of 4 | | | | |
| Under 30,000 | \$19,462 | \$29,050 | | | | |
| 30,000 – 99,999 | \$21,269 | \$31,748 | | | | |
| 100,000 – 499,999 | \$21,401 | \$31,945 | | | | |

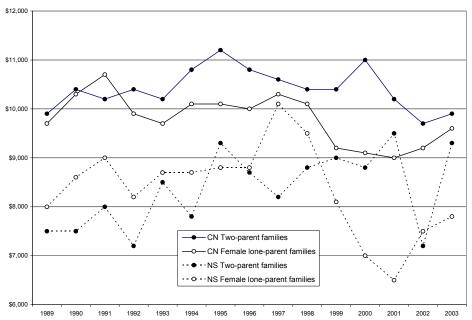
Figure 3 shows the range of income gaps experienced by poor families between 1989 and 2003. With few exceptions, income gaps for poor families with children range between \$7,000 and \$11,000. When the gaps charted in Figure 3 (e.g., \$7,800 - \$9,900 in 2003) are considered in light of the LICO levels in Table 3, it is evident that for many families living "below LICO" represents severe income shortfalls.

¹ Unfortunately, the most current Nova Scotia statistics available to the authors at time of publication were those reported in the Nova Scotia Child Poverty Report Card 2004 (this publication can be accessed at www.policyalternatives.ca). The 2004 card provides 2001 rates for immigrant, visible minority population, aboriginal identity population and disabled children from the 2001 Census.

Figure 3

Depth of Poverty 1989 - 2003

Families with Children, Canada & Nova Scotia



Average income gaps, along with overall changes between 1989 and 2003, are shown in Table 5. While income gaps peaked and fell during the 90s, no great gains have been made in reducing income gaps during the last 15 years. Indeed the greatest change is represented by a 24 percent increase in the gap for two-parent families with children in Nova Scotia. This family type experienced an additional \$1,800 shortfall in 2003 compared to 1989.

Table 5

| Average Income Gaps for Two-Parent & Female Lone-Parent Families with Children: Canada & Nova Scotia, 1989 & 2003 | | | | | | | |
|---|---------|---------|----------------|--|--|--|--|
| 1989 2003 Change 1989–2003 | | | | | | | |
| CN Two-parent families | \$9,900 | \$9,900 | \$0 (0%) | | | | |
| NS Two-parent families | \$7,500 | \$9,300 | \$1,800 (24%) | | | | |
| CN Female lone-parent families | \$9,700 | \$9,600 | -\$100 (-1%) | | | | |
| NS Female lone-parent families | \$8,000 | \$7,800 | -\$200 (-2.5%) | | | | |

REDISTRIBUTION OF WEALTH TO REDUCE CHILD POVERTY

It would be reasonable to assume that governments that intend to reduce child poverty would work toward:

- 1. Improving economic support to all families with children; and
- 2. Adequate redistribution of wealth from those families in upper income brackets to families in poverty.

The first strategy would reduce the likelihood of children falling into poverty, while the second would lift children out of poverty.

Table 6 provides information regarding average changes in economic circumstances for all female lone-parent as well as two-parent families with children. It shows that gains in average market income from 1989 to 2003 for female lone-parent families in Nova Scotia (18.7%) are well above those for the Atlantic Region (7.9%). Average market income gains for two-parent families in Nova Scotia (9%) were closer to Atlantic Region averages (11.5%).

These substantial gains in market income provide the government of Nova Scotia with an advantage with regard to reducing child poverty rates. Table 6 also shows the ways in which government transfers and/or income tax can erode or flatten the positive influence of improvements in market income on the average after-tax income of families.

Table 6

| Market and Government Interventions Related to the Income of Families with Children: | | | | | | | |
|--|------------|---|----------------|-----------------|----------|----------|--|
| Nova Scotia, Atlantic Region & Canada, 1989 & 2003 (2003 Constant Dollars) | | | | | | | |
| Trova Scotia, Attainte Region & | Canada, 17 | Female lone-parent families with children | | | | | |
| | | 1989 | | | 2003 | | |
| | NS | AT | CN | NS | AT | CN | |
| Average market income | \$18,200 | \$16,500 | \$23,100 | \$21,600 | \$17,800 | \$23,800 | |
| Average government transfers | \$8,600 | \$9,000 | \$7,900 | \$8,600 | \$10,400 | \$8,700 | |
| Average total income | \$26,900 | \$25,500 | \$31,000 | \$30,200 | \$28,200 | \$32,500 | |
| Average income tax | \$2,300 | \$2,200 | \$3,500 | \$2,400 | \$2,000 | \$2,500 | |
| Average after-tax income | \$24,600 | \$23,400 | \$27,500 | \$27,800 | \$26,300 | \$30,000 | |
| Implicit government transfer rate* | 32.1% | 35.2% | 25.6% | 28.5% | 37% | 26.7% | |
| Implicit income tax rate* | 8.6% | 8.4% | 11.4% | 8% | 6.9% | 7.8% | |
| | | Tv | vo-parent fami | lies with child | en | | |
| | | 1989 | | 2003 | | | |
| | NS | AT | CN | NS | AT | CN | |
| Average market income | \$60,700 | \$55,800 | \$71,300 | \$66,200 | \$62,200 | \$80,400 | |
| Average government transfers | \$5,500 | \$7,600 | \$4,800 | \$5,900 | \$7,500 | \$5,100 | |
| Average total income | \$66,200 | \$63,400 | \$76,100 | \$72,100 | \$69,700 | \$85,600 | |
| Average income tax | \$12,300 | \$11,400 | \$15,500 | \$13,300 | \$12,700 | \$16,200 | |
| Average after-tax income | \$53,900 | \$52,000 | \$60,600 | \$58,800 | \$57,000 | \$69,400 | |
| Implicit government transfer rate* | 8.3% | 12% | 6.3% | 8.2% | 10.7% | 6% | |
| Implicit income tax rate* | | | | | 18.9% | | |
| *Implicit rates refer to the size of government transfers or taxes as a portion of average total income. | | | | | | | |

Figure 4 shows the net gain or loss for 2003, in comparison to 1989, for all female lone-parent or two-parent families between government transfers to, and income taxation of, these families. This allows us to see the changes solely related to government's actions in relation to the finances of these families with children.

In all Atlantic Provinces other than Nova Scotia, female lone-parent families experienced a considerable net gain in reference to government transfers and income tax. On the

other hand, two-parent families in all Atlantic Provinces experienced losses, with the greatest losses being in Newfoundland and New Brunswick. The Canadian average reflects the more common trend.

Figure 4

Average Net Gain/Loss in Government Transfers & Income Tax
Canada & Atlantic Provinces 1989 - 2003

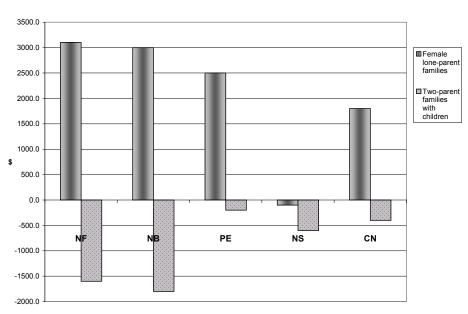


Table 7 provides insight into the impact of the changes in government transfers and income tax on government budgets for the fiscal year 2003 in comparison to 1989 by estimating overall gains/losses. It shows a net gain to governments' budgets (federal and/or provincial) that totals approximately \$2 billion across Canada and \$209 million in relation to Nova Scotia.

This gain for governments of substantial "ready money" increases their opportunity to reduce child poverty by, for example, earmarking adequate funds for redistribution to low-income families with children.

Table 7

| Net Loss/Gains to Families in Relation to Net Loss/Gains to Governments: Canada & Atlantic Provinces, 1989 & 2003 | | | | | | | |
|---|------------|------------|----------------------------------|------------|--------------------------|--------------------------------|--|
| Type of | Number of | Families | | 1 | Net Loss/Gain to Gover | ain to Governments | |
| Family | 1998 | 2003 | Net Loss/ Gain to a Family | Per Family | Total for Family Type | Total for Both Family Types | |
| CN Female Lone-Parent | 1,352,000 | 1,652,000 | \$1,800 | -\$1,800 | -\$2,973,600,000 | | |
| CN Two- Parents | 12,450,000 | 12,268,000 | -\$400 | \$400 | \$4,907,200,000 | \$1,933,600,000 | |
| NB Female Lone-Parent | 44,000 | 39,000 | \$3,000 | -\$3,000 | -\$117,000,000 | | |
| NB Two- Parents | 348,000 | 275,000 | -\$1,800 | \$1,800 | \$495,000,000 | \$378,000,000 | |
| NF Female Lone-Parent | 34,000 | 34,000 | \$3,100 | -\$3,100 | -\$105,400,000 | | |
| NF Two- Parents | 322,000 | 190,000 | -\$1,600 | \$1,600 | \$304,000,000 | \$198,600,000 | |
| PE Female Lone-Parent | 7,000 | 8,000 | \$2,500 | -\$2,500 | -\$20,000,000 | | |
| PE Two- Parents | 67,000 | 56,000 | -\$200 | \$200 | \$11,200,000 | -\$8,800,000 | |
| NS Female Lone-Parent | 53,000 | 60,000 | -\$100 | \$100 | \$6,000,000 | | |
| NS Two- Parents | 414,000 | 338,000 | -\$600 | \$600 | \$202,800,000 | \$208,800,000 | |
| 2003 Constant Dollars | | | | | | | |

Tax cuts alone are not enough. Taxation for families in the lowest income brackets is already low: the average income tax for families of two persons or more in the lowest income quintile in Nova Scotia was \$500 in 1989 and now stands at \$700 (2003). Increased government transfers are therefore more crucial to raising the incomes of poor families

ADDRESSING INCOME GAPS FOR FAMILIES WITH CHILDREN BELOW LICO

Table 8 provides the estimated cost of raising the income level of all Nova Scotia families with children to the Low-Income Cutoff for 2003. The cost would have been about \$171 million. This is less than the 2003 net annual gains within Nova Scotia, (\$208.8 million) for both federal and provincial governments, regarding transfers to female lone-parent families and two-parent families with children, and the income tax received from those families (see Table 7 above).

Table 8

| Average Income Gap for Two-Parent & Lone-Parent Families: Nova Scotia, 2003 | | | | | | | |
|---|---------|--------|---------------|--|--|--|--|
| Income Gap Number of Families Aggregate G | | | | | | | |
| Lone-parent families | \$7,900 | 11,000 | \$86,900,000 | | | | |
| Two-parent families | \$9,300 | 9,000 | \$83,700,000 | | | | |
| | Totals | 20,000 | \$170,600,000 | | | | |

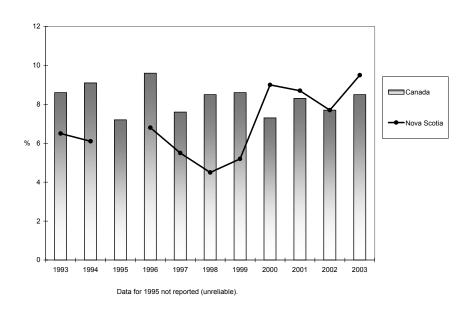
Figure 5 shows that full-time work for a parent does not necessarily raise children out of poverty (families included here are those where at least one parent is employed full-time for 49 of 52 weeks in the year). The number of poor children in Nova Scotia who live in families that have full-year full time employment was 8,800 (6.5%) in 1993; however, this had increased to 11,400 (9.5%) by 2003.

Many politicians and economists point to labour market participation as a pathway from poverty to prosperity. However, in the absence of government policies that ensure fairer compensation within the marketplace and a balanced application of government taxation and transfers, employment alone is not enough to raise family incomes above the poverty line. In 2003, 11,400 children in Nova Scotia experienced poverty even though they lived in a family where at least one parent had fulltime, full year employment.

According to a recent study, only a small proportion (5%) of all Canadians with minimum wage jobs are heads of households. However, this research showed that nearly all these households had at least one child. The current minimum wage rate in Nova Scotia is \$6.80. A recent recommendation could increase this rate to \$7.15, but not until 2006. However, many anti-poverty activists argue that governments need to shift away from regulating minimum wage rates altogether and focus instead on ensuring that "living wage" standards are met.

Figure 5

Child Poverty Rate Families with Full-time/Full-Year Employment
Canada & Nova Scotia, 1993-2003



² Sussman & Tabi, <u>Minimum Wage Earners</u> in Statistics Canada, Perspectives on Labour & Income, Volume 5, Number 3, 2004.

³ Government of Nova Scotia. <u>Minimum Wage Poving Committee</u>: <u>Persect & Recommendations</u> <u>March</u>

³ Government of Nova Scotia. <u>Minimum Wage Review Committee: Report & Recommendations</u>, March 2005.

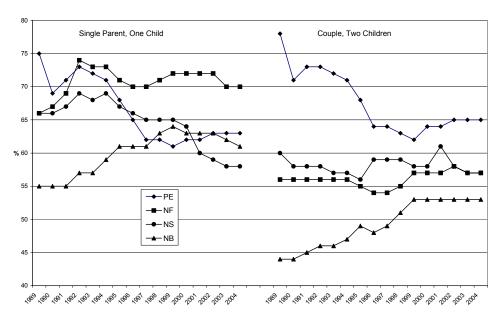
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Figure 6 highlights families with children whose income largely depends on government transfers. Across the Atlantic Provinces we see a narrowing of the range of welfare incomes with regard to single parent/one child as well as to two parent/two child families. In Nova Scotia, both family types experienced decreases in government transfers. Clearly, Nova Scotia families for whom government transfers represent family income have not benefited from the net fiscal gains to government that we have outlined.

Figure 6

Welfare Income as
Percentage of Base Low-Income Cutoff
Atlantic Provinces, 1989-2004 (2003 Dollars)

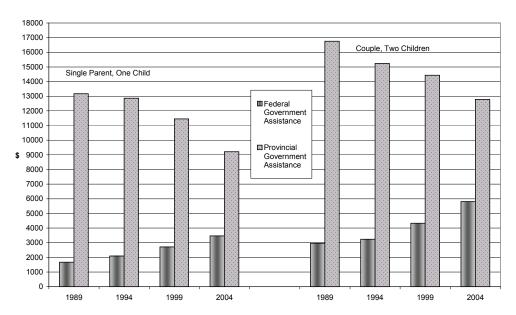


Figures 5 & 6 show the degree to which governments need to intervene if families with children are to be protected from poverty.

In Figure 7, we can see that as federal government transfers increased between 1989 and 2003, provincial government transfers decreased in Nova Scotia. While the federal government needs to commit much more to ensure economic stability for families with children who depend on welfare, much of the progress that could have been made was undermined by provincial decisions that decreased financial support to welfare families with children.

Figure 7

Provincial and Federal Components of Welfare Income Nova Scotia, 1989 - 2004



If provincial levels of government transfers had held at 1989 levels, single-parent families with one child in receipt of welfare would have had an average annual family income of \$16,638 versus \$14,840, and couples with two children would have had \$22,566 versus \$18,595. While these incomes would still place families below LICO, income gaps would be much less.

THE STRUGGLE TO SURVIVE

The large income gaps underscore the struggle families must undergo to provide their children with basic necessities. For example, families with incomes below LICO are more likely to spend an inordinate amount of their family income on shelter than families with incomes above LICO.4

Just as worrisome is the fact that, family budgets often cannot be stretched to cover basic food costs. Nova Scotia food banks continue to serve high numbers of children. During the month of March 2005 alone, Nova Scotia food banks provided emergency food supplies to 8,361 children. These charitable organizations also recorded that the largest group served were lone parents – 34 percent of all those who were seeking help.⁵

⁴ The Nova Scotia Child Poverty Report Card 2004 provides an analysis of affordable housing issues in relation to child and family poverty.

⁵ Hunger Count 2005: <u>Canada's Annual Survey of Food Banks and Emergency Food Programs</u>. Canadian

Association of Food Banks. Toronto.

CONCLUSIONS

Previous report cards have outlined the negative impacts for children that relate to low family incomes.⁶ Most notable are the findings of Ross and Roberts (1999).⁷ They found that poor children have:

- less likelihood of having nutritious food
- less likelihood of visiting the dentist annually
- less opportunity to participate in extra-curricular activities
- more visits to the hospital emergency room
- delayed vocabulary scores
- low math scores
- increased failure at elementary and grade school
- poorer employment prospects.

Today it is broadly accepted that, when society assures adequate supports for its children, the benefits are great not only for those children but for future society; and that when we do not fulfill such responsibilities we create a costly social deficit.

We can therefore easily imagine the onerous burden society places on parents who must bear the responsibility of compensating for large gaps in the income needed to cover their family's basic needs. This burden is especially heavy for female lone parents in low-income circumstances. For them, participation in the workforce is marked by lower wages than men. For example, the Labour Force Survey showed the average hourly wage of women in the bottom 25 percent of earners was \$7.94 for 2002 compared to \$9.96 for men.

As well, for female lone parents, access to childcare is essential to their increased workforce involvement. In recent years, Nova Scotia has lagged behind all other provinces in relation to childcare spending. The per-child allocation for children aged 0–12 years ranged from \$980 in Quebec to only \$91 in Nova Scotia; the Canadian average is \$386 9

Parents should not have to contend with working wages that do not raise families out of poverty and a shortage of safe, affordable childcare.

In previous years, the Nova Scotia Child Poverty Report Card has made specific recommendations regarding minimum wage rates, taxation and government transfers, all aimed at providing a security net for lower-income families with children regardless of the degree to which families are capable of participating in the workforce. These

⁶ Raven, P., & Frank, L. <u>Promises to Keep: The 2003 Nova Scotia Child Poverty Report</u>. Canadian Centre for Policy Alternatives, Nova Scotia. 2003.

⁷ David Ross & Paul Roberts, <u>Income and Child Well-being: A New Perspective on the Poverty Debate</u>. Canadian Council on Social Development. Ottawa. 1999.

⁸ Statistics Canada, <u>Labour Force Survey</u>, 71M0001XCB, Ottawa, 2003.

⁹ Martha Friendly, Jane Beach & Michelle Turiano, <u>Early Childhood Education and Care in Canada 2001</u>, Childcare Resource and Research Unit University of Toronto, Toronto, 2002.

recommendations have called for special attention for particular groups, such as female lone-parent families, who disproportionately experience severe income shortfalls.

We continue to see poorer performance from Nova Scotia on a number of measures in comparison to Atlantic averages, despite the relative economic strength of this province in the region. We also continue to see a see-saw effect on the incomes of various family types of changes in provincial and government policies, taxation and transfers as gains in one place become losses in others.

The bottom line is that governments have not only failed to fulfill their 1989 promise to eliminate child poverty, their performance even to reduce it has been dismal and well evidenced by climbing rates and numbers. The many documented effects of poverty on children have surely affected too many children since 1989 both across Canada and here in Nova Scotia. Likewise, the social deficit produced by governments' inaction will just as surely be felt as the generations affected over the decades move into adulthood.

The evidence produced in this year's card points to a lack of political commitment to the goal of reducing child poverty. The call for increased social investments must be strengthened. Both levels of government must commit to drafting and legislating a detailed plan for the reduction of child poverty. Further, their plan must have firm timelines.

An approach that takes our nation and province's duty of care toward children more seriously is long overdue. It is more desperately needed with each additional child that falls into poverty.