

# THE NOVA SCOTIA CHILD POVERTY REPORT CARD 2009

1989–2007

November 24, 2009



Canadian Centre for Policy Alternatives–Nova Scotia  
PO Box 8355, Halifax, N.S., B3K 5M1  
Tel: (902)477-1252; Fax: (902)484-6344  
E-mail: [ccpans@policyalternatives.ca](mailto:ccpans@policyalternatives.ca)

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## ABOUT THE AUTHORS

Pauline Raven holds a B.A. (Honours) in Psychology and an M.A. in Sociology from Acadia University. Ms. Raven has published in the area of child and family health, program evaluation and policy change. For many years she worked directly with families living in Low Income circumstances. Ms. Raven is the author of ten previous Child Poverty Report Cards for Nova Scotia. She is a CCPA-NS Research Associate.

Lesley Frank holds a B.A. in Sociology from Dalhousie University and a Masters in Sociology from Acadia University. Ms. Frank has worked as a community-based researcher in the area of women's health, family poverty and food security. She spent several years providing pre-natal services to women living in low income circumstances, is currently a Sociology Instructor (Acadia University), and a Ph.D., candidate at the University of New Brunswick. This is the eighth year Ms. Frank has co-authored the Child Poverty Report Card for Nova Scotia. Lesley Frank is a CCPA-NS Research Associate and member of its Research Advisory Committee.

Rene Ross holds a B.A. in Political Science from Acadia University. Ms. Ross was the Project Coordinator of Moving Forward – a Woman Positive Public Policy Agenda, which focused on the reform of Nova Scotia's Social Assistance Program. Currently, she is Executive Director of Stepping Stone Association, an organization that provides supports to former and current sex workers. This is the fourth year Ms. Ross has co-authored the Child Poverty Report Card for Nova Scotia. Rene Ross is a member of the CCPA-NS steering committee.



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Tel: (902)477-1252; Fax: (902)484-6344  
E-mail: [ccpans@policyalternatives.ca](mailto:ccpans@policyalternatives.ca)

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## DATA SOURCES

Unless otherwise noted the information in this report is drawn from two key sources:

1. Statistics Canada, Income Trends in Canada 1980–2007, 13F0022XCB, 2009.
2. National Council of Welfare, Welfare Incomes 2006 and 2007 (Vol. 128), Winter 2008.

The authors have prepared all figures, tables and related calculations in this report. Sources used to produce figures and tables are noted.

Statistics Canada reports two sets of Low Income Cut Offs and their corresponding rates. The before-tax (base) Low Income Cut Off (LICO) is based on total annual income. It includes earned income and/or all government transfers, before the deduction of income taxes. The after tax LICO provides data regarding the income of individuals or families after taxes have been deducted. All figures are adjusted for inflation using 1992 as the base year. Unless otherwise noted, dollar figures are reported in constant 2007 dollars.

It is important for readers to note that 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 living in the same community. 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, child care, insurance and recreation. Low Income Cut Offs differ according to the number of members in a family and whether they are adults 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 (see Appendix 1 and 2 for details of the 2007 LICOs reported here).

The before-tax LICO is used by many organizations as a measure of poverty to track progress on the government's promise to eliminate child poverty by the year 2000. The before-tax 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. However, the practice of most government departments when reporting rates of poverty is to use the after tax LICO, which reports lower rates of poverty because of the impact of taxes. To ensure readers can compare "apples with apples," this report, unlike previous years, is highlighting the after tax LICO. In a few instances, before and after tax LICO information is included. Importantly, the same trend is seen across time regardless of whether the before-tax LICO, after tax LICO, or the newer Market Basket Measure (MBM) is chosen as a measure of poverty. The authors have not used the Market Basket Measure in this report because data is only available for more recent years. For a fuller discussion of Poverty Measures see Defining and Re-Defining Poverty: A CCSD Perspective, Canadian Council on Social Development, Ottawa, 2001.

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## SUMMARY

Since 1999, Nova Scotia Child Poverty Report Cards have recorded changes in child poverty rates to track progress on the government of Canada's 1989 promise to end child poverty. This year's report card examines the period 1989–2007. It also reviews changes for a later period (1997 to 2007) to assess the impact of the 1998 National Child Benefit initiative aimed at preventing and reducing child poverty.

This examination of rates across periods of time makes it clear that Canada's parliament has not achieved its 1989 commitment to eradicate child poverty by the year 2000.

First we witnessed a period of general increases in child poverty rates. For Canada the after tax LICO peaked at 18.4 percent in 1996 (1,135,000 children), while for Nova Scotia this rate peaked at 18.9 percent (40,000 children) in 1997. By 2007, however, rates dropped significantly. For 2007, the after tax LICO rate of poverty for Canadian children rested at 9.5 percent (637,000 children) while the Nova Scotia rate was 8.4 (15,000 children).<sup>1</sup>

The downward trend of child poverty rates in recent years is welcome news and evidence that the vehicle chosen by governments to transfer income to families (the Canada Child Tax Benefit introduced in 1993 and, even more effectively, the National Child Benefit in 1998) is an effective one for lowering child poverty. Appendix 3 shows the steady increase in the tax transfers to families with children through the CCTB and the NCB from 1998 to 2007. These significant decreases warrant thankful attention, but cannot be celebrated while so many families with children in Nova Scotia and across Canada remain in the grips of poverty. Notably, no plan has been announced by governments to further develop these tax transfers or to eliminate child poverty altogether, as promised in 1989.

This year's report also brings news of improvement in the rates of poverty for children in female lone-parent families. By 2007 child poverty rates for children in female lone-parent families in Nova Scotia had decreased from 50.6 percent (1989) to 19.9 percent (2007). However, children in female, lone parent families remain at much greater risk than their counterparts in families with two parents. In 2007, children in female, lone parent families were 4 times more likely to live below the after tax LICO, than children in two-parent families.

Other facts counter the good news of overall decreases in child poverty rates in Canada and Nova Scotia. The worst news relates to the most vulnerable children in Nova Scotia — those living in households that depend on welfare for their household income. These Low Income households struggle with an average after tax family income gap ranging from \$3,755 (lone parent, one child family) to \$8246 (couple, two child family). This is the amount that these families would need just to reach the after tax LICO. Shockingly, lone parents in Nova Scotia, like their counterparts in British Columbia, Ontario, the North West Territories and the Yukon received lower welfare incomes in 2007 (adjusted

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<sup>1</sup> These rates and numbers do not include children in the North West Territories or the Yukon.

to 2007 constant dollars) than in 1997 (the year before the National Child Benefit initiative was introduced). Similarly, the welfare income of couples with two children in Nova Scotia — like welfare income in Alberta, British Columbia, Ontario and the Yukon — declined between 1997 and 2007.

This year's report card is a bad news/good news story. The goal of ending child poverty in Canada by 2000 was not achieved. Yet significant progress has been made in a number of areas. The Canada Child Tax Benefit and the National Child Benefit initiative have developed into a ready and effective tool for reducing poverty for some families with children (i.e., the working poor). However, while families that depend on welfare for family income do receive the National Child Benefit they also receive very low welfare payments causing their total family income to always be below the LICO whether the after tax or before tax measure is applied. Further, while the rate of poverty among female lone parent families has declined significantly, this rate remains much higher than that for two parent families with children.

This data supports the continued call to both the provincial and federal governments for a comprehensive plan to reduce poverty among families with children — a plan that is long overdue. On April 3, 2009 the Conservative Government in Nova Scotia released a poverty reduction strategy to address: “the needs of those most vulnerable and those at greater risk for falling into poverty, while promoting the prosperity necessary for Nova Scotia to grow.”<sup>2</sup>

Yet, this plan is missing essential ingredients — clear timelines, actions, goals and measures for progress including a schedule of increases in tax transfers to low income families with children. Without these ingredients, families with children cannot be assured that Canada and Nova Scotia is headed towards a time when all children will be adequately supported and ready for happy, healthy and productive childhoods and futures.

In June 2009, a majority New Democratic Party government was elected in Nova Scotia. There is no ambiguity in the Nova Scotia New Democratic Party's constitution. From the constitution's preamble onwards “the abolition of poverty and the elimination of exploitation” are noted as “achievable goals” that “must be the priority of any thinking and compassionate government.”<sup>3</sup> Therefore, with this specific party in power for the next 4-years or more, substantive change for the better in the lives of the poor should be seen. The challenge and the power for change reside with this majority government.

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<sup>2</sup> Government of Nova Scotia website. ( <http://www.gov.ns.ca/govt/povertystategy/>).

<sup>3</sup> Nova Scotia New Democratic Party Constitution, available through the NDP Provincial Office, Halifax, NS.



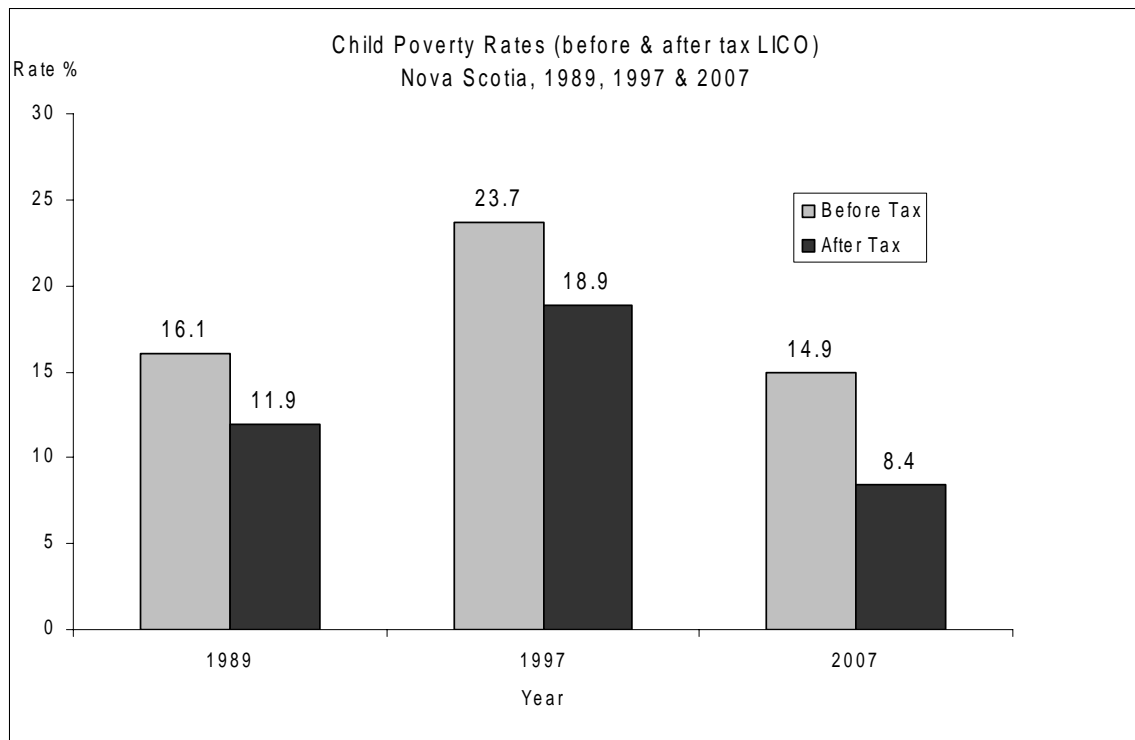
## THE RECORD 1989-2007

The answer to what has happened to child poverty rates in Nova Scotia since 1989 is similar regardless of which of two key measures is used. See Figure 1. Child Poverty Rates (before and after tax LICO, Nova Scotia, 1989, 1997 and 2007).

The before tax and the after tax Low Income Cut Off (LICO) both show an increase in child poverty between 1989 and 1997 and a decline between 1997 and 2007.

The average decline in rates among families during this later period can largely be attributed to the positive impact of two new tax transfers — the Canada Child Tax Benefit (CCTB) and the National Child Benefit (NCB). The NCB was announced in 1997 as a joint federal, provincial/territorial and First Nations initiative aimed at preventing and reducing child poverty through the provision of cost shared supplements to the CCTB for low income children. First payments were made to families with children in 1998, and payments were steadily increased until 2007 (see Appendix 3).

Figure 1.



Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009

Table 1 provides before and after tax child poverty rates for key years, along with the overall percentage change from 1989 and 2007 and demonstrates significant progress (much made between 1997 and 2007) while Table 2 provides information regarding the number of children living in poverty for the key years.

	Rate of Poverty (%)			1989-2007	
	1989	1997	2007	Difference	% Change
Canada Before Tax	15.3	21.7	15.0	-0.3	-2.0
Nova Scotia Before Tax	16.1	23.7	14.9	-1.2	-7.5
Canada After Tax	11.9	17.4	9.5	-2.4	-20.2
Nova Scotia After Tax	11.9	18.9	8.4	-3.5	-29.4

Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009

In 2007, 15,000 children in Nova Scotia lived in households where the family income fell below the after tax Low Income Cut Off. This is a decrease of 11,000 children since 1989 when the number of children in was 26,000. It is important to note that this represents a rate decrease of only 29.4 percent (from 11.9% in 1989 to 8.4% in 2007) because the total number of all children was greater in 1989 (218,000) than in 2007 (179,000).<sup>4</sup> With the number of children living in poverty peaking in 1997, again we see that reductions in the number of children experiencing poverty largely occurred during the period 1997 – 2007.

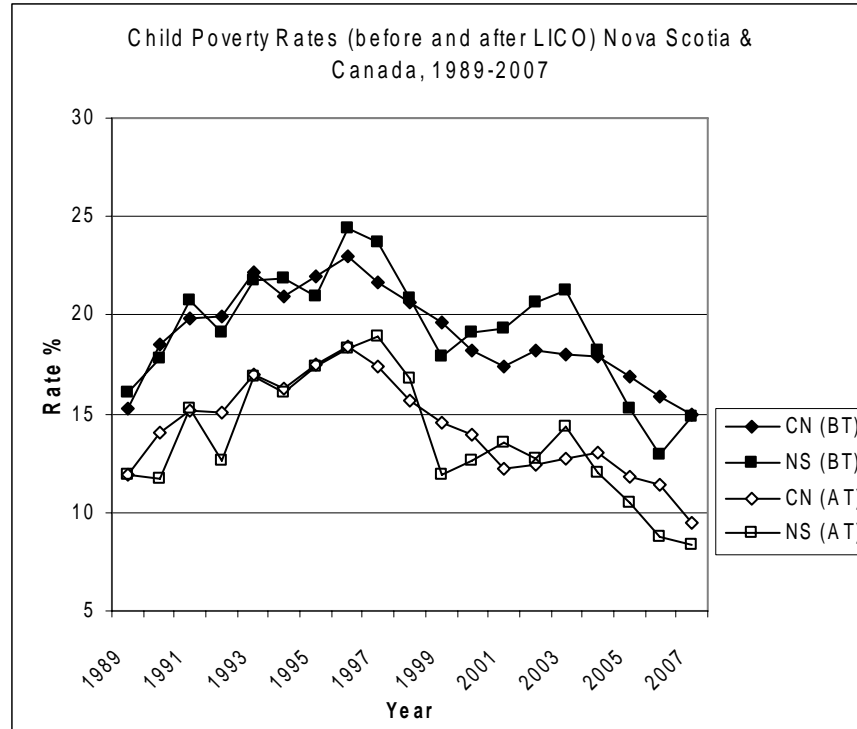
	1989	1997	2007
Canada Before Tax	1,020,000	1,526,000	1,009,000
Nova Scotia Before Tax	36,000	50,000	26,000
Canada After Tax	792,000	1,220,000	637,000
Nova Scotia After Tax	26,000	40,000	15,000

Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009

Figure 2 shows the average before and after tax LICO rates of child poverty. While these rates were lower in Nova Scotia than the average rates for Canada — Nova Scotia's rate clearly follow a national trend that demonstrates steady decreases in rates during the most recent years.

<sup>4</sup> Additional research would need to be undertaken to assess the degree to which the overall decrease in the number of children in Nova Scotia can be attributed to potential causes. For example, the trend for families to have fewer children or the choice of families to raise children in other provinces where employment prospects or community supports are, or are perceived to be, better for families with children.

Figure 2.



Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009

Table 3 uses the after tax LICO to record the overall increase or decrease in child poverty rates over the period spanning 1989 and 2007. It ranks the performance of each province and provides averages for Canada.

1989			2007			Change 1989–2007		
Province	%	Ranking	Province	%	Ranking	Province	%	
PE	6.9	Best	PE*	4.7	Best	AB*	-57.4	Greatest Decrease
ON	9.5		AB*	6.3		NF*	-54.5	Decrease
BC	11.6		NF*	6.5		SK*	-44.0	Decrease
NS	11.9	<b>4th Best</b>	NS*	8.4	<b>4th Best</b>	MB*	-35.5	Decrease
<b>QB</b>	12.6		SK*	8.9		PE*	-31.9	Decrease
NB	13.3		ON	9.4		NS*	-29.4	Decrease
NF	14.3		NB*	9.4		NB*	-29.3	Decrease
AB	14.8		<b>QB*</b>	9.5		<b>QB*</b>	-24.6	Decrease
SK	15.9		MB*	11.1		ON	-1.1	Decrease
MB	17.2	Worst	BC*	13	Worst	BC*	12.1	Only Increase
Canada	11.9		Canada	9.5		Canada	-20.2	Decrease

Between 1989 and 2007, child poverty rates decreased in every province except British Columbia. Five provinces had greater decreases in child poverty rates (31.9 to 57.4%) than Nova Scotia’s decrease of 29.4 percent. The net result for Canada was a 20.2% decrease in the child poverty rate (from 11.9 percent in 1989 to 9.5 percent in 2007).

By 2007, most provinces recorded single digit child poverty rates (4.7 to 9.5%) with the exceptions being Manitoba (11.1%) and British Columbia (13%). Nova Scotia’s 2007 child poverty rate of 8.4 percent was fourth best among all provinces — the same rank held by Nova Scotia in 1989.

## DEPTH OF POVERTY IN NOVA SCOTIA

On average the income gaps experienced by families with children in Nova Scotia who live below the poverty line are severe. Table 4 provides examples of the size of annual income gaps (the gap in family income is a measure of the depth of poverty or the amount of income required to bring a family up to the LICO) experienced by two types of families based on the most reliable data currently.

Table 4. Depth of Poverty (before tax LICO) Families with Children, Nova Scotia, 2007 <sup>6</sup>			
Family Type	Before tax (LICO) Rate of Family Poverty	Number of Families	Before tax (LICO) Average Gap in Family Income
Female Lone Parent Family*	28.7% (2006)	7,000 (2006)	\$8,800
Two Parent Families*	6.6% (2005)	6,000 (2005)	\$9,700
Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009 *Use with caution <sup>7</sup>			

## WHO IS AT GREATEST RISK OF RAISING CHILDREN IN POVERTY?

While average child poverty rates based on the after tax LICO have dropped to single digits for both Nova Scotia and Canada, certain types of families continue to experience much higher rates of child poverty compared to other family types.

### *Female Lone Parent Families*

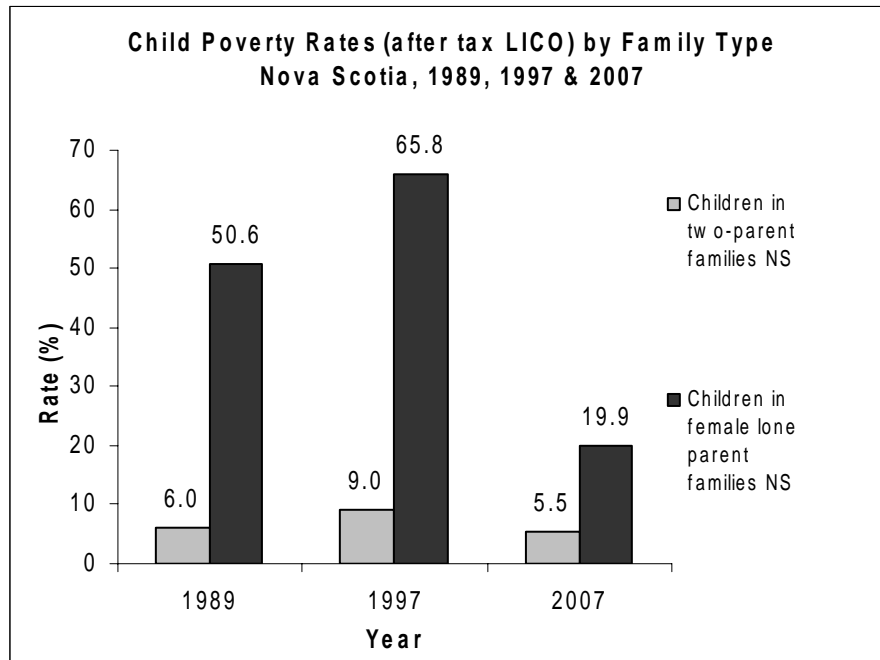
Figure 3 shows that children living in female lone-parent families — despite significant decreases in child poverty rates for this group since 1997 — continue to experience a much greater likelihood of living in poverty than children in two-parent families.

<sup>5</sup> This caution originates with Statistics Canada. Because of rounding to the nearest thousand and/or small sample size in survey data figures can become less accurate. In cases where the data is deemed too inaccurate Statistics Canada does not publish the data affected.

<sup>6</sup> Data for the After Tax LICO is too unreliable to be published.

<sup>7</sup> Ibid.

Figure 3.



Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009

While the degree of risk is dropping this difference between women and men still presents a very significant challenge:

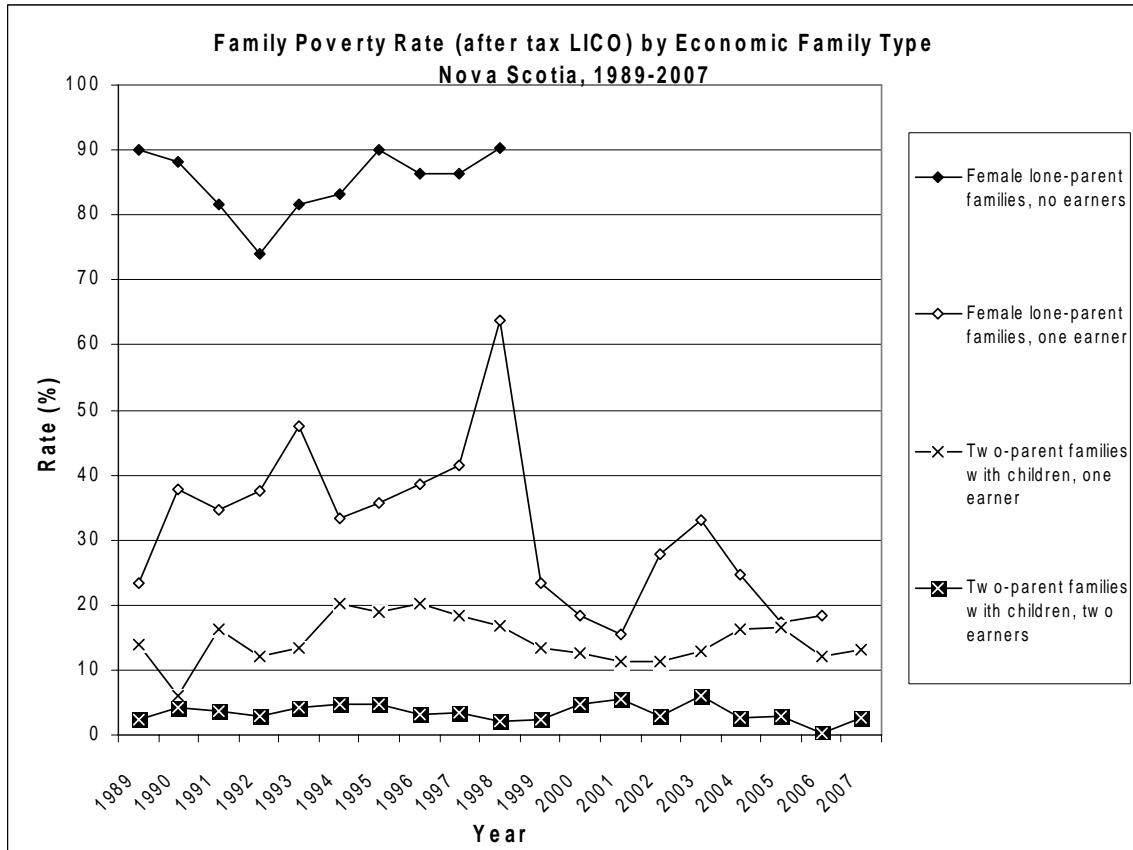
- In 1989, children in female, lone parent families were 8 times more likely to live in a family with income below the after tax Low Income Cut-off, than children in two-parent families.
- In 1997, this likelihood was 7 times.
- In 2007, this likelihood dropped to 4 times (50% less than in was in 1989).

### ***Family Earnings***

Figure 4 shows that households headed by female lone parents experience higher risks of poverty, even when an earner is present in the household. This figure also demonstrates that having an earner in a family with children does not necessarily protect a family from high risks of poverty. The rate of family poverty for female lone-parent families with one earner is 18.4 percent (2006) while the rate for a two-parent family (where the gender of the earner is unspecified) is 13.1 percent (2007). The greatest protection is achieved when there are two earners. The family poverty rate for families with two earners dips to 2.5 percent (2007). These numbers show that despite participation in full time/full year work, families can still experience poverty at significant rates. Full time participation in the workforce, for low-wage work, brings into play onerous challenges (e.g., accessing affordable transportation and child care) which in turn is likely to place constraints on the ability of parents to maintain a happy, healthy household.

Figure 4 shows family poverty rates by economic family type. It shows that on average families with earned income are less likely to experience poverty than those without an earner within the household.

Figure 4.<sup>8</sup>



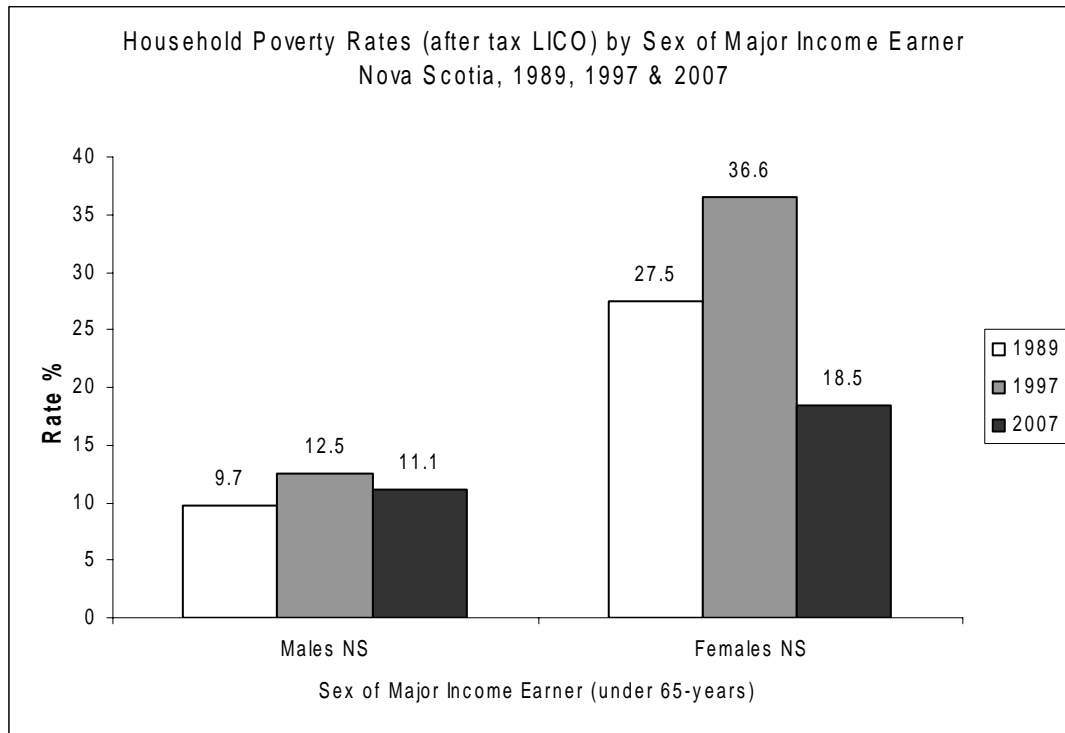
Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009

Figure 5 further demonstrates the risk of poverty associated with the major income earner in a household being female. This increased likelihood — while much greater in 1989 and 1997 — did show improvement by 2007.

In 1989 and 1997 Nova Scotia persons living in households where the major earner was female were 3 times more likely to live below the after tax LICO than households with males as the major earner. By 2007 the likelihood for females fell to 1.7 times greater than the likelihood for males — a welcome improvement but still an unacceptable level of risk for women relative to men.

<sup>8</sup> Rates for 1999-2007 are not available for female lone-parent families with no earners due to sampling shortfalls. Rates are not available for two-parent families with no earner. Also the rate for 2007 is not available for female lone-parent families with one earner due to sampling shortfalls.

Figure 5.



Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009

### *Children in Families Who Depend on Welfare for Household Income*

In Nova Scotia and across Canada, with the sole exception of lone parents with one child in Newfoundland and Labrador, welfare incomes for families are set below the after tax Low Income Cut-off. Therefore, by definition, those who depend on welfare payments for family income will live below the poverty line. For Nova Scotia families in 2007, a lone parent one child family received welfare payments that were 80 percent of the after tax LICO. Couples with two children were even worse off receiving welfare payments equal to only 71% of the after tax LICO.

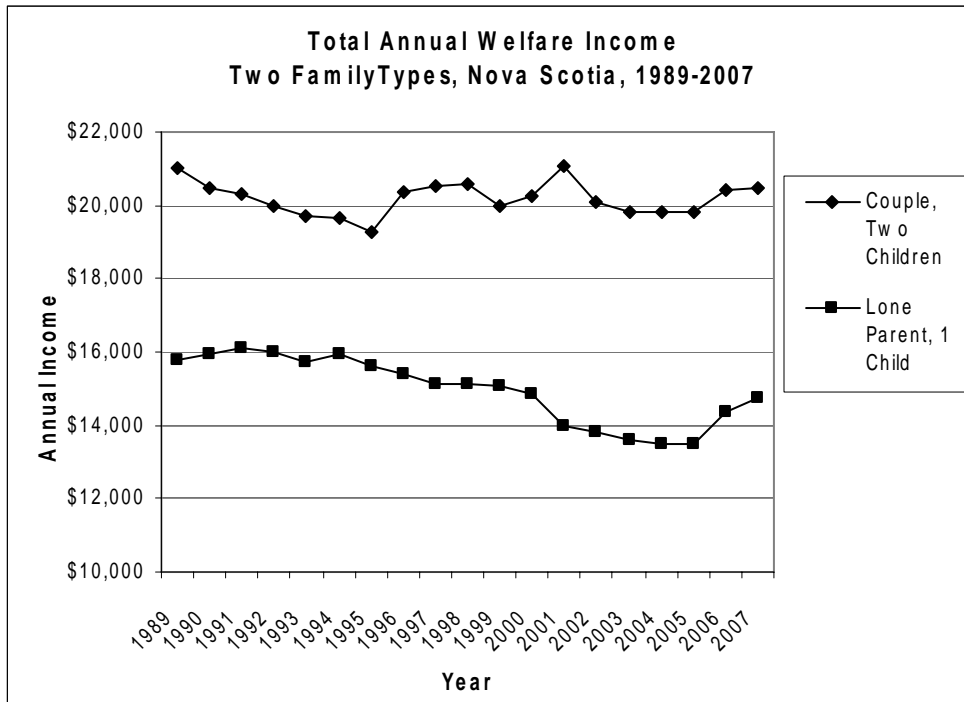
The National Council of Welfare reports that lone parents in Nova Scotia, like their counterparts in British Columbia, Ontario, the North West Territories and the Yukon, “had lower welfare incomes in 2007 than in 1997 — the year before the National Child Benefit initiative was introduced.”

The Council also notes that for couples with two children welfare income in Nova Scotia — like welfare income in Alberta, British Columbia, Ontario and the Yukon — declined between 1997 and 2007.

Figure 6 provides examples of levels of welfare payments (in constant 2007 dollars) over time. With welfare payments of \$14,725 a lone parent, one child family would have a

shortfall of \$3,755 each year, while a couple with two children would receive \$20,464 (an after tax income shortfall of \$8,246 each year).

Figure 6.



Prepared using data from National Council of Welfare, *Welfare Incomes 2006 and 2007* (Vol. 128), Winter 2008

It is also notable that welfare incomes for both types of families (the lone parent with one child and a couple with two children) were lower in 2007 than in 1989 — the year Canada’s parliament resolved to eliminate child poverty by the year 2000.

***Children of Aboriginal Identity, Racialized Children and Immigrant Children***

According to Canada’s 2006 Census children with aboriginal identities, racialized children, and children who are immigrants (especially those who are recent immigrants) are at a three-fold risk of living in poverty when compared to the average Canadian child.<sup>9</sup> Recent information specific to Nova Scotia was not available at the time this report was written.

<sup>9</sup> Statistics Canada. 2006 Census.



## ENDING CHILD POVERTY

### *Ratcheting the Tax Transfers to All Families with Children Upwards*

It is clear that programs like the Canada Child Tax Benefit and the National Child Benefit initiative are playing an important role by reducing and preventing child poverty.

Unfortunately the budget allotted to these programs is insufficient to close the income gap that thousands of Nova Scotia families with children experience. A fuller tax transfer to low income families with children is essential if the goal to end child poverty is to be realized. The average transfer level for Canada is currently \$3,271 per child per year.<sup>10</sup> Campaign 2000 and its partners estimate that the combined child benefit needs to be increased to a minimum of \$5,200 per child per year.

The National Council of Welfare reports that the Nova Scotia provincial contributions to the National Child Benefit (the Nova Scotia Child Benefit-NSCB) was higher in 2007 (\$445/year) than the other Atlantic provinces. However this has not translated to lower rates of child poverty in Nova Scotia relative to all other Atlantic provinces. Comparisons of provincial welfare entitlements reveal higher levels of income assistance to families in Newfoundland and Labrador, and Prince Edward Island, both of which show lower child poverty rates than Nova Scotia. New Brunswick has both lower welfare entitlements and lower provincial contributions to the NCB and higher rates of child poverty relative to all other Atlantic provinces.<sup>11</sup>

### *Increasing Welfare Payments*

Clearly tax benefit payments are not the only measure required to reduce child poverty. Welfare incomes continue to be set at low levels and families dependent on welfare incomes experience severe income gaps (see Table 5 below).

Family & Income Type	Total Welfare Income	Before tax LICO	Before tax LICO Gap	Welfare Income as Percent of Before tax LICO
Lone Parent, One Child, Before tax	\$14,725	\$23,228	-\$8,503	63%
Couple, Two Children, Before tax	\$20,464	\$34,671	-\$14,208	59%
	Total Welfare Income	After Tax LICO	After Tax LICO Gap	Welfare Income as Percent of After Tax LICO
Lone Parent, One Child, After Tax	\$14,725	\$18,480	-\$3,755	80%
Couple, Two Children, After Tax	\$20,464	\$28,709	-\$8,246	71%

Welfare Incomes, 2006 and 2007, Volume #128, National Council of Welfare, Canada, 2008.

<sup>10</sup> Campaign 2000 website: [www.campaign2000.ca](http://www.campaign2000.ca)

<sup>11</sup> See, National Council of Welfare, *Welfare Incomes 2006 and 2007 (Vol. 128)*, Winter 2008, pg.23.

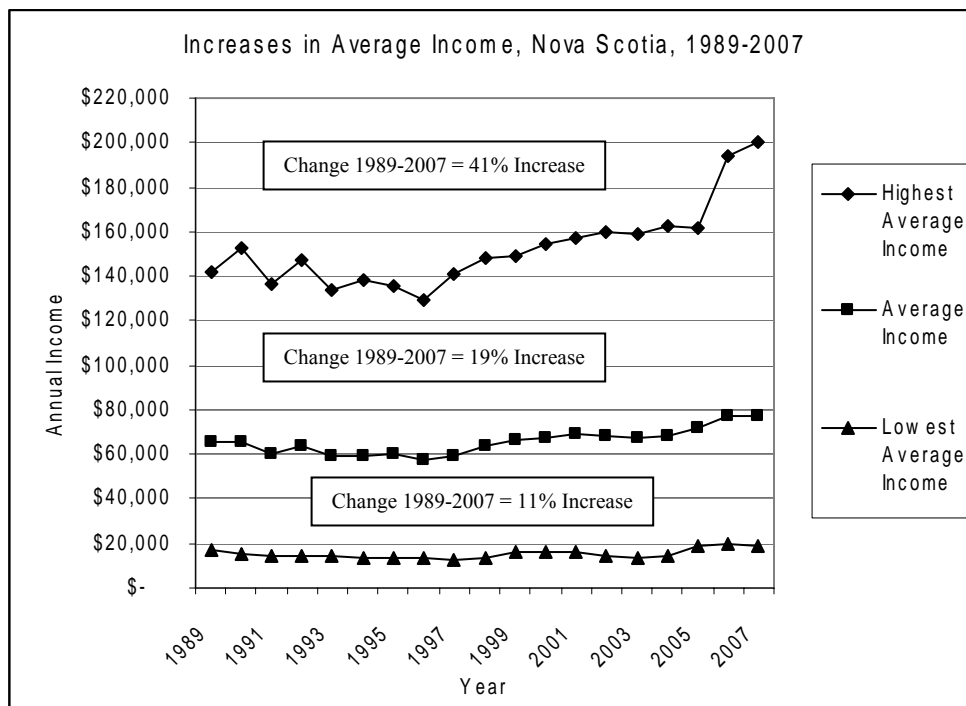
Information regarding the total number of lone parent families and two parent families receiving social assistance in Nova Scotia are not yet available for 2007. However in 2006, it was twice as likely that lone parent families would receive social assistance (10,115 families) than two parent families (5,010 families).<sup>12</sup>

An increase to welfare spending of approximately eighty million dollars would be required to raise these two types of welfare families out of poverty. In Newfoundland and Labrador the welfare rate in 2007 for lone-parent one child families was set at 102 percent of the after tax LICO, demonstrating that it is possible for governments to establish a type of guaranteed annual income for those families most in need.

***Decreasing Gaps in Income Potential Between High and Low Earners***

Since the mid nineties those with the highest earnings in Nova Scotia have experienced a steady increase in income. See Figure 7. Increases in Average Income, Nova Scotia, 1989 – 2007 (Lowest = families in first decile. Highest = families in highest decile Average = Average Income of families in all deciles).

Figure 7.



Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009

For the highest earners, a total increase of 41 percent was realized (in 2007 constant dollars), between 1989 and 2007.

<sup>12</sup> National Council on Welfare

For the average person on the income ladder a smaller increase was seen (19%) while the smallest increase (11%) was realized by earners with the greatest need — earners with the lowest average income (this data is provided in constant 2007 dollars).

Tax reform and/or changes to employment standards are both tools that need to be used by government. Action in both these areas is essential if all earners are to be afforded an equal opportunity to improve their earnings. Without such action the growing gap between the richest and the poorest will not narrow.

### ***Increasing Women’s Earnings***

Earlier, Figure 5 demonstrated that family poverty rates are higher in households where the major income earner is female. Similarly, we see that the child poverty rates are many times higher in female lone-parent families than in two-parent families.

Table 6 provides a breakdown of median earnings by sex in Nova Scotia. It shows that in contrast to men, more women are now engaged in full time/full year work than in 1989. It also shows that women’s median earnings in 1989 were 63.3 percent of men’s earnings. Rather than seeing an improvement twenty years later, this gender-wage gap worsened by a few points to 61.8 percent in 2007. In addition increases to median earnings of women and men over this period continue to display a wage difference. Women’s earnings increased by 11.7 percent between 1989 and 2007 while men’s median earnings increased by 14.3 percent.

Table 6. Distribution of Earnings, Men and Women with Full time/Full year work, Nova Scotia, 1989 & 2007 (2007 Constant Dollars)				
Sex	Number of Earners	Median Income 1989	Median Income 2007	Change 1989-2007
Women	102,000 (1989); 123,000 (2007)	\$28,300	\$31,600	\$3,300 (11.7%)
Men	154,000 (1989); 136,000 (2007)	\$44,700	\$51,100	\$6,400 (14.3%)

Prepared using: Statistics Canada, Income Trends in Canada 1976–2007 (Base LICO 1992), 13F0022XIE, 2009 (Table 101)

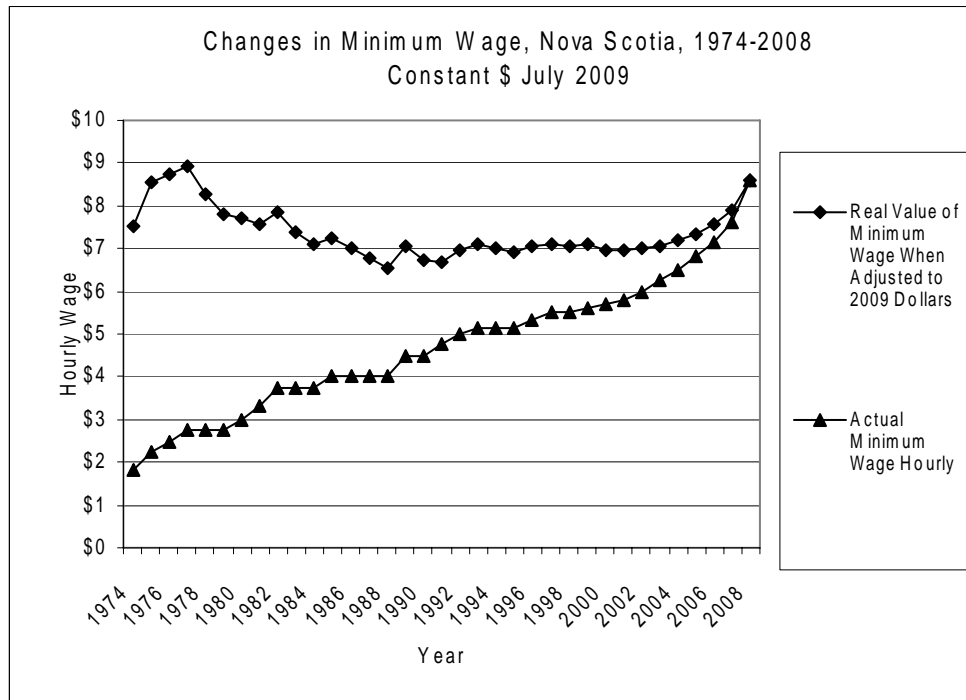
The ability of women, regardless of their family composition, to earn a fair wage, is critical to protecting women and children from poverty and to the creation of a fair and just society.

Systemic policy changes, across key institutions, businesses and industries are needed. These policy changes need to encourage women to enter non-traditional work and to ensure that women are fairly paid for the work they currently choose to undertake.

### ***Increasing Minimum Wage Rates***

Figure 8 shows that very little progress has been made with regard to establishing a steady increase in minimum wage rates year-over-year. Shamefully, when minimum wage rates are adjusted to 2009 dollars, we see that the rate was higher in 1977 than in 2008.

Figure 8.



Prepared using: [http://www110.hrdc-drhc.gc.ca/psait\\_spila/lmnc\\_esc/eslc/salaire\\_minwage/index.cfm?fuseaction=english](http://www110.hrdc-drhc.gc.ca/psait_spila/lmnc_esc/eslc/salaire_minwage/index.cfm?fuseaction=english)

In the most recent years (2004 – 2008) sharper increases are seen but for many years the minimum wage rate did not keep pace with the cost of living, causing it to fall far below the highs experienced in the mid seventies.

We have also seen in the mid seventies that progress was reversed during the years that followed with the lowest rate being recorded in 1987. To address the critical need of those working for the lowest hourly pay rates it is necessary for the minimum wage rate to continue to be indexed.

Campaign 2000 and its partners recommend a minimum wage rate of at least \$11 per hour with indexation of this wage in order to protect it from the losses that occur due to increases in the cost of living.

## CONCLUSIONS & RECOMMENDATIONS

A poverty free Canada is both achievable and desirable. The Government of Canada, in collaboration with the provinces and territories, has achieved substantive decreases in the rates of child poverty in all but a few provinces.

While Nova Scotia remains within the group of provinces with lower rates of child poverty, policymakers and elected representatives (those with the power to legislate the end of poverty) must act quickly and decisively to expand the progress achieved in recent years. Specific, targeted policies are needed to ensure that poverty rates and gaps are

reduced for particular groups where there is greater risk of children and their families being exposed to poverty and the potential harm it carries. Most notably, income assistance rates need to be increased to a level that will provide families with children, who depend on welfare income, an annual income that will raise families out of poverty.

The recent review of minimum wage needs to be upheld and the increases recommended need to occur sooner, rather than later.<sup>13</sup>

Over periods of economic growth we have seen poverty rates rise and/or fall. And data presented in this as well as previous child poverty reports, demonstrates that the market place is unreliable with regard to society's goal of raising and/or keeping, children out of poverty. This is particularly so for parents who work for a low-wage.

What does appear to be effective is targeted tax transfers to families most in need. The Canada Child Tax and National Child Benefits need to be significantly increased in the years immediately ahead.

And the recently introduced Working Income Tax Credit, another tool whose potential to help those working for low wage, needs to be maximized.

This report provides the most recent data on child and family poverty rates available and includes information up to and including 2007. It is therefore notable that this doesn't cover the years 2008 and 2009 when the impact of a deep recession began to be felt worldwide.

Multiple actions are needed and leadership is the key.

Recently in the United Kingdom, following a decade's work at reducing child poverty, Gordon Brown's Labour Government has enacted a Child Poverty Bill. This Bill enshrines in legislation that nation's commitment to eradicate child poverty by the year 2020. It provides an accountability framework to drive the government's work steadily forward.<sup>14</sup>

Here in Nova Scotia, community activists must continue to challenge the majority New Democratic Government of Darrell Dexter by highlighting that his party's constitution points to the elimination of poverty as a government's greatest priority.

Dexter's majority government can act swiftly to strengthen this province's poverty reduction strategy. Dexter, like Brown, can and should provide the leadership and legislation needed to set a date for the end of poverty here. The presence of clear timelines, actions, goals and measures for progress, including a schedule of increases in tax transfers to low income families with children, will indicate that our new government

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<sup>13</sup> <http://www.gov.ns.ca/lwd/employmentrights/MinimumWageReview.asp>

<sup>14</sup> <http://www.dcsf.gov.uk/everychildmatters/strategy/parents/childpoverty>

is committed to, “the abolition of poverty” and determined to see all children in Nova Scotia thrive.<sup>15</sup>

### APPENDIX 1. AFTER TAX LOW INCOME CUT OFFS (2007 CURRENT DOLLARS)

AFTER TAX LOW INCOME CUT OFFS 2007					
	Rural	Rural/Urban communities, population under 30,000	Rural and Urban areas, population 30,000 to 99,999	Rural and Urban areas, population 100,000 to 499,999	Urban areas, population 500,000 and over
1 person	\$11,745	\$13,441	\$14,994	\$15,184	\$17,954
2 persons	\$14,295	\$16,360	\$18,250	\$18,480	\$21,851
3 persons	\$17,800	\$20,370	\$22,725	\$23,011	\$27,210
4 persons	\$22,206	\$25,414	\$28,352	\$28,709	\$33,946
5 persons	\$25,287	\$28,940	\$32,285	\$32,691	\$38,655
6 persons	\$28,044	\$32,095	\$35,805	\$36,255	\$42,869
7 persons or more	\$30,801	\$35,250	\$39,324	\$39,819	\$47,084

CUT OFFBASE: 1992 after tax Low income Cut Offs.  
Statistics Canada (CANSIM) Table 202-0801 - Low Income Cut Offs before and after for Rural and Urban Areas

### APPENDIX 2. BEFORE TAX LOW INCOME CUT OFFS (2007 CURRENT DOLLARS)

BEFORE TAX LOW INCOME CUT OFFS 2007					
	Rural	Rural/Urban communities, population under 30,000	Rural and Urban areas, population 30,000 to 99,999	Rural and Urban areas, population 100,000 to 499,999	Urban areas, population 500,000 and over
1 person	\$14,914	\$16,968	\$18,544	\$18,659	\$21,666
2 persons	\$18,567	\$21,123	\$23,084	\$23,228	\$26,972
3 persons	\$22,826	\$25,968	\$28,379	\$28,556	\$33,159
4 persons	\$27,714	\$31,529	\$34,457	\$34,671	\$40,259
5 persons	\$31,432	\$35,760	\$39,081	\$39,322	\$45,662
6 persons	\$35,452	\$40,331	\$44,077	\$44,350	\$51,498
7 persons or more	\$39,470	\$44,903	\$49,073	\$49,377	\$57,336

CUT OFFBASE: 1992 Base-Low income Cut Offs.  
Statistics Canada (CANSIM) Table 202-0801 - Low Income Cut Offs before and after tax for Rural and Urban Areas

<sup>15</sup> The New Democratic Party Constitution, available through the NDP Provincial Office, Halifax, NS, states that the abolition of poverty “must be the priority of any thinking and compassionate government.”

**APPENDIX 3. MAXIMUM CANADIAN CHILD TAX BENEFIT (1998-2007) :  
CANADIAN CHILD TAX BENEFIT AND THE NATIONAL CHILD BENEFIT  
SUPPLIMENT**

MAXIMUM CANADIAN CHILD TAX BENEFITS (1998-2007): CCTB and NCBS		
Jan 1-Dec 31	Lone parent with one child, Age 2	Couple with two children, Ages 10 and 15
1998	\$1,535	\$2,545
1999	\$1,928	\$3,230
2000	\$2,159	\$3,683
2001	\$2,447	\$4,250
2002	\$2,633	\$4,613
2003	\$2,768	\$4,869
2004	\$2,911	\$5,139
2005	\$3,076	\$5,451
2006	\$3,196	\$5,928
2007	\$4,435	\$6,244
National Council of Welfare, <u>Welfare Incomes 2006 and 2007 (Vol. 128)</u> , Winter 2008. *does not include the NSCB		