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**Submission to Select Standing Committee on Finance and Government Services
BC Budget 2011 Consultation, October 2010
By First Call: BC Child and Youth Advocacy Coalition**

First Call is a non-partisan, cross-sectoral, provincial coalition of 90 partner organizations and numerous individual British Columbians who share a commitment to ensuring children and youth receive “first call” on the resources of government and society. We want to see the rights and well-being of our children and youth given the highest priority in government’s budget deliberations. We promote the importance of prevention, and supporting healthy child development from pre-conception to safe passage into adulthood.

Our recommendations are drawn from the expertise and first-hand knowledge of our coalition partners. They also reflect the growing mountain of empirical research, both Canadian and international, about human brain development, the causes and consequences of health inequities, the life-long harmful effects of growing up in poverty, the importance of public education in a democracy, the value of the social services sector to a healthy, productive society and the cost effectiveness of prevention.

Even more fundamentally, we remind the Committee that children have rights, and that by signing the UN Convention on the Rights of the Child British Columbia has committed to be responsible for promoting, protecting and supporting the implementation of those rights.

Reduce Child and Family Poverty

For the third year in a row, one of our overarching recommendations is a call for this committee to recommend that BC adopt a comprehensive **poverty reduction strategy** with legislated targets and timelines for the reduction of child and family poverty. Growing up in poverty is known to be one of the most significant risk factors to children’s long-term success and well-being. BC’s had an unconscionably high rate of child poverty for several decades, through good economic times and bad and through various governments. We have yet to bring it down to 1980 or 1989 levels. While we have seen a decline in child poverty rates from the peak of 2003 to the 2008 figures (the most recent available), we know that with the impacts of the recession, unemployment rates, welfare caseloads and personal bankruptcies have spiked since 2008.

We also know that the heightened vulnerability created by living in poverty is disproportionately affecting Aboriginal families, lone mother families, immigrant and refugee families and families raising children with disabilities. Any poverty reduction strategy must include actions specifically targeted to the needs of these populations, and general measures must be examined to make sure they are effectively benefiting them.

As Dr. John Millar said in his presentation to the Selecting Standing Committee on Children and Youth in May of this year,

“The issue of child and family poverty is causing people to be unnecessarily ill, and dying. I might not have said this so definitively ten years ago, but the evidence is now in.

If you haven't seen the WHO Commission report on the social determinants of health, I would recommend it to you. It makes a very clear statement that the health inequities we see in our society are caused by (...) the inequitable distribution of money, resources and power. What we are seeing in British Columbia (...) is that people on low incomes have three, four, five times the prevalence of all the chronic diseases.” (See: [Inequities in British Columbia \(2008\)](#), and [Closing the Gap in a Generation, Health Equity through Action on the Social Determinants of Health](#))

Dr. Millar went on to say,

“We have a major issue here where we are driving up health care costs. We are getting increasingly unwell. That's going to compromise our productivity and, therefore, our ability to compete economically and sustain economic growth, so it's a vicious downward cycle that we're in. It's costing us. The point here is that it is costing us a great deal not to take action to invest in a comprehensive poverty reduction strategy.” ([Hansard](#))

A recent headline in The Province newspaper read: [British Columbia: 'The province that doesn't look after its kids'](#). We can shed this reputation by moving on the following recommendations to bring down the rate of child and family poverty in BC:

- Raise the provincial minimum wage to \$11 per hour, index it and get rid of the \$6 “training wage;”
 - Increase income assistance rates to allow an adequate standard of living and index them; restore earnings and child support exemptions too;
 - Put in place a publicly-funded, high-quality and accessible child care system;
 - Increase the supply of affordable housing for families;
 - Reduce financial barriers for getting a post-secondary education, and
 - Assign a cabinet minister with the authority and responsibility to ensure that the poverty reduction strategy, when adopted, is implemented and achieving its targets.
- (See [BC Campaign 2000 Child Poverty Report Card \(2009\)](#), Fact Sheet #10)

The “Training Wage” is exploiting youth who need work to gain experience, help their family or help them live on their own.
(Youth quote from Victoria's Vital Signs 2010)

This list of recommended actions is remarkably similar to the recommendations to be found in the December 2009 Senate report, [In From the Margins, A Call To Action on Poverty, Housing and Homelessness](#).

We know that tackling the issues of poverty requires the combined efforts of all levels of government, as well as the involvement of the business community and other civil society organizations. Provincial government action is not the only answer, but the Province has a key leadership role to play. We urge BC's government to look to the examples of the six or seven other provinces that now have adopted or are developing comprehensive poverty reduction plans.

The [Poverty Reduction Strategy for Newfoundland Labrador](#) originated from a 2003 Blueprint commitment and was formally launched in 2006. It mandates actions ranging from increased income supports to educational and early childhood investments. Their plan tracks 15 performance indicators to measure their progress. While they have been hit hard by the recession in recent

years, their initial progress report from 2003 to 2007 showed impressive gains in reducing the incidence and the depth of poverty for Newfoundlanders (see story below). They have continued to renew their financial investments and engage their communities in further developing the action plan.

Newfoundland and Labrador: One story highlighting the policy changes and social investments that made a huge difference in one single mother's life:

Elizabeth is a 29-year-old single mother of two who rents an apartment. She has a daughter in grade one and a son in kindergarten. Until three years ago, Elizabeth stayed at home with her children full-time and received Income Support benefits. With the cost of child care and concern about losing access to benefits such as prescription drug coverage, Elizabeth did not feel she could go to work and still meet her children's basic needs.

Improvements:

- Changed policy to allow Elizabeth to keep all of her Income Support benefits in her first month of work
- Increased basic individual and family Income Support rates by 11.6% and indexed to ensure they do not lose ground relative to inflation.
- Increased the additional assistance for shelter rate component of Income Support by \$39 a month.
- Implemented a one-time Job Start Benefit of \$250.
- Increased Income Support's private child care rates by \$75 a month per child.
- Increased NL Child Benefit.
- Increased earnings exemptions for Income Support clients now allow her to keep 20% of what she makes in addition to the initial \$150 monthly exemption
- Reduced provincial portion of her income tax through the Low Income Tax Reduction.
- Increased minimum wage by 50%.
- Increased access to employment counseling, labour market information and promotion of benefits and supports.

In 2003 Elizabeth had an annual income of about \$22,000 from all sources. If she had gone to work full-time for minimum wage, she would have been about \$9,500 better off, but feared the loss of her prescription drug coverage and other benefits, as well as the cost of child care. In 2009 if she was not working her annual income would be about \$23,500 from all sources. Now, with the barriers to employment removed, Elizabeth went to work and increased her income by over \$13,000 to more than \$36,500.

Quebec has invested \$4.5 billion over 6 years in their [plan to combat poverty and social exclusion](#). Data from their progress reports indicate significant progress on a number of fronts. We include some highlights for the Committee's information:

- Decreased low income rate for children and young people (under age 18)
2000: 15.8% 2007: 7.3%
- Decreased low income rate for lone-parent families
2000: 37.9% 2007: 19.7%
- Decreased number of children whose parents received last-resort financial assistance:
18.2% decrease from 2003 to 2009
- Decreased number of young people under age 25 who received last-resort financial assistance:
23.1% decrease from 2003 to 2009

Invest More in the Early Years

Again we remind the Committee of the compelling research evidence making the economic case for investing significantly more public dollars in supporting **early childhood development**. Last year we referenced the report by the Human Early Learning Partnership (HELP) for the BC Business Council (*15 by 15, A Comprehensive Policy Framework for Early Human Capital Investment in BC, 2009*) which costs out the lost GDP growth for BC when we allow young children's vulnerability rates to remain unnecessarily high.

The most recent Smart Family Policy 2010 Report Card from HELP indicates that BC risks having an overall young children's vulnerability rate that exceeds 30%. Within this data are neighbourhoods where young children's vulnerability rates in their Kindergarten year are over 50%. BC is at risk of missing its strategic goal of a 15% vulnerability rate by 2015. (See: <http://www.earlylearning.ubc.ca/research/initiatives/social-change/15-by-15-smart-family-policy/>)

Further evidence from yet another authoritative report on the importance of early childhood investments for crime prevention and productivity notes:

“There is already enough credible data to indicate that for many interventions, the cost is significantly less or greatly less than the benefits that can be achieved... Investing in these interventions is good public policy. Diverting children and youth from a life of crime achieves outstanding positive results in terms of both social and economic dimensions, including costs borne by government.” *Kids 'N Crime: Economic Aspects of the Development and Prevention of Criminality among Children and Youth* (2010), Vancouver Board of Trade and Justice Institute of British Columbia

We are strong supporters of the enhanced investment in full school day KG for 5 year olds. However, the combined federal and provincial investment in early childhood care and learning services for BC's children is currently only one fifth (0.2%) of the minimum 1% of GDP recommended by UNICEF. Based on the evidence of high rates of vulnerability among young children in BC and the strong business case for investments in early childhood development, we urge the Committee to recommend significant new provincial investments in early childhood programs and services. In particular, BC urgently needs to build an integrated system of early care and learning with expanded access and enhanced quality for children, supporting parents to enter and stay in the workforce.

Knowing also that a majority of BC's poor children have parents in the labour force, we are calling upon government to review its contracts for service with both non-profit and for-profit providers, to ensure living wages that can sustain healthy families are paid to all contractors' employees. Leadership on this issue is crucial to avoid the problem of government indirectly paying poverty level wages and contributing to the rise in children's vulnerability levels, while paying for services to reduce growing vulnerability.

“Cutting into child poverty and early vulnerability problems demands an official poverty-reduction strategy and commitment to raising family incomes through living-wage (salaries adjusted to real cost of living) legislation, McKnight argues.” [Michael McKnight, CEO, United Way of the Lower Mainland, quoted in The Province, September 12, 2010]

Acting on the Evidence

One obvious way to act upon this evidence is to make sure the dollars needed to maintain and enhance crucial supports for families raising children and for the direct services children need are there in the 2011 budget. Cutting social services or thinking that government spending on a social safety net is optional, discretionary funding to be trimmed when budgets are tight is exactly the wrong response. Government has a critical role to play as a funder of social services through the not-for-profit sector and directly in child protection, public education and health promotion. The wisdom of making these social investments of our tax dollars is clear.

Therefore, First Call is looking for the 2011 budget to place child, youth and family supports at the top of the priority list. The ministries most relevant to child and youth services have been forced to cut services when their budgets are insufficient to cover rising costs. This trend must be reversed with additional resources to reduce wait lists (e.g. for assessments and therapies), to reduce social workers' caseloads, to restore the services and supports in public schools that are essential to the success of vulnerable students, to expand specialized services for vulnerable youth, and to provide sustainability to essential community-based child, youth and family support programs.

"I am currently on an 8 month waiting list for mental health services, this is shameful...it is completely unacceptable..."
(Youth quote from Victoria's Vital Signs 2010)

The next budget should also include financial commitments for an ambitious poverty reduction plan, including significant additional investments in building an integrated, comprehensive system of early childhood development supports and services that is accessible to all families and children.

As a recent [poll by the Vancouver YWCA](#) demonstrated, there is huge popular support for increased public investments in quality child care, enhanced income supports for low income families, and other family supports, even when the price tag is over \$1 billion.

From [Vital Signs Vancouver 2010](#):
Citizen Priorities include:
▪ More affordable childcare
▪ Decrease child poverty
Citizen Grade on well-being of children and youth: C+

And lastly, we repeat our message regarding tax policy: tax cuts that reduce government's ability (our collective ability) to provide the supports and services children, youth and families need are not helpful or wise. It is top income earners who have benefited most from income tax cuts, while low income families benefit little and lose access to social supports. We all pay later.

First Call is heartened by Premier Campbell's words in his speech to the Union of BC Municipalities delegates this month:

"We are in danger of being the first generation in the history of the world whose children will not live as long as we do. (...) Our children deserve us to act on their behalf, think long-term and that's exactly what we intend to do ..."

We look forward to a 2011 provincial budget that serves this intention with action. Children are only young once and their development will not wait.