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TIME TO STOP THE NEGLECT AND INVEST IN OUR CHILDREN

Submission to Select Standing Committee on Finance and Government Services BC Budget 2013 Consultation, October 2012 By First Call: BC Child and Youth Advocacy Coalition

INTRODUCTION

First Call is a broad, non-partisan coalition of over 90 partner organizations and hundreds of individuals in communities around the province focused on children and youth rights and well-being. We are looking for a provincial budget that respects our treaty obligations as a signatory to the UN Convention on the Rights of the Child to give children “first call” on society’s resources in order to help them grow up to reach their full potential.

Canada’s performance on living up to our obligations to uphold and promote children’s rights under the UNCRC has just been reviewed last week by the UN at hearings in Geneva. The UN review committee, made up of knowledgeable representatives from countries around the world, again chastised us for the level of inequality and the resulting inequities we not only tolerate, but sustain among different groups of children through our lack of investment and lack of remedial action.

In this submission we draw attention to the role BC has played in contributing to these inequities and the responsibility of the provincial budget to reflect a true commitment to placing the best interests of the child principle at the centre of our decision-making and our budgeting. We offer our recommendations for action and provide you with some of the evidence on which these recommendations are based. We would welcome your inquiries, if you require more evidence.

INEQUALITY AND ITS EFFECTS ON BC CHILDREN

BC has the largest gap of all provinces between the top 20% and the bottom 20% of income earners.¹ And the gap is growing.

CHANGES OVER 20 YEARS IN AVERAGE TOTAL INCOMES FOR ALL BC FAMILIES WITH CHILDREN (in constant 2009 dollars²)			
Decile	1989	2009	Difference
Richest 10%:	\$164,644	\$253,762	\$89,118
4th poorest 10%	\$ 60,677	\$ 59,283	-\$ 1,394
3rd poorest 10%:	\$ 50,104	\$ 45,580	-\$ 4,524
2nd poorest 10%:	\$ 35,306	\$ 35,077	-\$ 229
Poorest 10%:	\$ 17,987	\$ 18,815	\$ 828

This inequality is reflected in our embarrassingly high child poverty rates:

CHILD POVERTY RATES BY PROVINCE, 2010³

	Before-Tax LICO	After-Tax LICO
Manitoba	17.6%	11.1%
BC	14.3%	10.5%
Quebec	14.3%	8.2%
Ontario	14.2%	8.0%
Nova Scotia	13.1%	8.9%
Newfoundland and Labrador	12.1%	9.3%
Alberta	11.5%	6.1%
Saskatchewan	11.2%	7.9%
PEI	8.9%	2.3%
New Brunswick	6.9%	3.0%
CANADA	13.7%	8.2%

Note that BC had the worst child poverty rate in among all provinces for 8 years in a row 2001-09, our rate has been higher than the national average since 1999 and we are still at the wrong end of the comparative scale.

¹ Dan Schrier, Business Indicators, January 2012, Mind the Gap: Income Inequality Growing, BC Stats, p 3;
<http://www.bcstats.gov.bc.ca/Publications/AnalyticalReports.aspx>

² First Call: BC Child and Youth Advocacy Coalition. 2011. *BC Campaign 2000: 2011 Child Poverty Report Card*. Vancouver.
<http://www.firstcallbc.org/pdfs/economicquality/3-reportcard2011.pdf>

³ Statistics Canada, Income in Canada 2010, Table 802, Cat. no. 75-202-X

Our inequality is also reflected in the increasing levels of vulnerability in young children as they reach school age, now reaching 31% for the province as a whole, and much higher for children in many communities and neighbourhoods.⁴

It is reflected in the disproportionate risks of vulnerability for youth living in the northern and interior regions of the province on indicators such as:

- ◆ rates of income assistance recipients
- ◆ unemployment rates
- ◆ school graduation rates
- ◆ teen pregnancies
- ◆ motor vehicle accidents
- ◆ other preventable injuries
- ◆ suicide rates and
- ◆ homicide rates

The data and information in the BC Stats Socio-Economic Profiles indicate that in certain areas of the province, youth seem to be more vulnerable in terms of high rates of income assistance, employment insurance, non-graduations, provincial exams non-completions, teen pregnancies and hospitalization rates due to motor vehicle accidents. Other data also suggest that a significant proportion of youth in BC have a greater chance of dying from a preventable injury, suicide or homicide.

Zhila Kashaninia, Infoline Report: A Profile of Youth in British Columbia through the BC Stats Socio-Economic Lens, January 17, 2012, BC Stats, p. 12.
<http://www.bcstats.gov.bc.ca/Publications/AnalyticalReports.aspx>

It is reflected in the social and economic statistics on the health and life chances of Aboriginal children and youth in BC.⁵

- ◆ More than half of BC's children in care are Aboriginal, despite the fact that they represent only 8% of BC's child population. The large majority of these children in care are in urban areas of BC. An Aboriginal child is 14 times more likely to have been in care during her/his school years than a non-Aboriginal child.
- ◆ Aboriginal youth between 12 and 18 are more than 8 times more likely to be in custody than the non-Aboriginal population (2006-07 data).
- ◆ Aboriginal youth ages 15 to 24 experience lower high school graduation rates and higher unemployment rates.
- ◆ Census data indicated urban Aboriginal families experienced nearly double the poverty rate of non-Aboriginal urban families (21% vs. 11% respectively).

⁴ <http://earlylearning.ubc.ca/maps/edi/bc/>

⁵ Zhila Kashaninia, ABORIGINAL POPULATION IN BRITISH COLUMBIA: A Study of Selected Indicators for Off-Reserve and Urban Aboriginal and Non-Aboriginal Populations, November 2011, BC Stats <http://www.bcstats.gov.bc.ca/Publications/AnalyticalReports.aspx>

THE IMPORTANCE OF GOVERNMENT POLICY

This inequality is driven by a combination of public policy trends that have reduced government effectiveness in redistributing income, compared to previous decades. Here we are referring to things like:

- ◆ A high percentage of low wage and precarious jobs;
- ◆ An erosion of the Employment Insurance benefits system, so a smaller percentage of unemployed people are eligible for benefits and benefit rates are at or below poverty levels for many families;
- ◆ Welfare rates that have been allowed to fall significantly below poverty lines;
- ◆ A growing child care crisis for parents, affecting the family budget both through astronomical fees and lack of availability, meaning they can't go back to work after the birth of a child;
- ◆ Continually increasing post-secondary tuition fees and the loss of grant programs resulting in rising debt levels for students and graduates, and barriers to accessing necessary education and training for low income youth.

The provincial government does not have control over all these policy areas, for instance the EI system, but they do have jurisdiction over child care, welfare policy, minimum wages, post-secondary fee structures and public sector contract procurement practices.

In 2012, the BC Government cannot claim to be ignorant of the abundant evidence of the harms done to children's health and development by growing up in poverty. Nor can Government claim ignorance of the data on the huge additional costs in health care, education, the justice system and lost productivity we are already paying by keeping poverty rates so high. There is no shortage of countries and even other Canadian provinces that are doing a better job of keeping income inequality in check and reducing poverty rates. Yet the BC Government has failed to act decisively.

While our coalition is appreciative that Government has finally responded to community advocacy by restoring earnings exemptions and making some other positive changes to income assistance rules that may help a portion of families on assistance, welfare rates remain abysmally inadequate to support a healthy diet and cover the actual costs of housing and other basic living expenses. This is legislated poverty and could be changed.

We were also glad to see the minimum wage finally raised, as this decreases the depth of poverty for some families. But we remind the Committee that a full time, full year job at \$10.25 an hour does not pay enough to adequately support a family raising children.

The Committee is no doubt aware of the research produced by Dr. Paul Kershaw and Lynell Anderson from the Human Early Learning Partnership at UBC on how young families are being squeezed for money and time due to a lack of supportive public policy.⁶

The key area of early childhood care and education has suffered a level of public policy neglect for decades that is having huge repercussions on our current economy and our future productivity. As noted in the Surrey Board of Trade's recently-release position paper, currently BC has among the highest child care fees in the country, eroding the take-home pay of parents more than taxes do.⁷

First Call is among the growing number of organizations and individuals around the province who have endorsed the Community Plan for an Integrated System of Early Care and Learning developed by the Coalition of Child Care Advocates and the Early Childhood Educators of BC.⁸ The plan points a rational way forward out of the current state of crisis for parents and, if implemented, would serve as a key part of a family poverty reduction strategy.

Public investments have also fallen short on the supply of affordable housing, the private sector has not stepped up to fill the gap, and cost of housing has soared. This has caused great instability and insecurity for many families with children, over-crowding in shared living quarters, health hazards from poorly maintained rental suites, and an increase in youth and family homelessness.

The decade-long hollowing out of the public education system is also having consequences for BC children, and of course it is low income children who most rely on public resources that suffer the most.⁹ Growing numbers of special needs students who can't get the supports they need in school, empty and shuttered school libraries, growing class sizes, pressure on parents

⁶ Kershaw, P. and L. Anderson. 2011. *A New Deal for Families*. Vancouver, BC: Human Early Learning Partnership, University of British Columbia. http://earlylearning.ubc.ca/media/uploads/publications/Family%20Policy%20Reports%20and%20Resources/does_canada_work_for_all_generations_fact_sheet.pdf

⁷ Surrey Board of Trade and Children's Partnership of Surrey-White Rock. 2012. *Business and Families Position Paper*. http://www.businessinsurrey.com/storage/advocacy_docs/BUSINESS%20%20FAMILIES%20POSITION%20PAPER.pdf

⁸ http://www.ecebc.ca/news/integrated_project.html

⁹ <http://www.bctf.ca/uploadedFiles/Public/Issues/EdFinance/TheNumbersTellTheStory2010.pdf>

to fundraise for basic supplies and equipment, and the latest attack on adult education program funding, are just some of the signs of a system that has been seen as place to cut government spending regardless of the consequences for children's futures. Public school funding should be viewed not as a cost but as one of the most important investments our society can make if we aim to have a functioning democracy and a productive economy for the long term.

Similarly the vital network of social services that government and communities rely on to deliver so much of the critical caring and support work for children, youth and families in need has been continually denied stable and adequate funding. Contracts that contain no increases year after year mean these agencies spend inordinate amounts of time and energy chasing philanthropic and unstable donations and losing qualified staff to better employment opportunities in other fields.

"I have never seen such significant cost pressures," [executive director Dale] Cuthbertson said. "While the news you read in the general media may be positive, and hint that the economy is strengthening, the truth is that for CCS [Chilliwack Community Services], and many critical community organizations like us, government funding is being cut. Costs are going up. And fundraising has never been more challenging."

Henderson, Paul J. "CCS says cost & cuts are at crisis levels." *Chilliwack Times*. 12 March 2010.

We have also heard from our coalition partners that there has been an erosion of mental health and addictions services and that more targeted funding is needed for these two areas within health budgets.

First Call also hosts a Living Wage for Families Campaign because most poor children in BC live with parents who are working, many working full-time full-year.¹⁰ Communities, including municipalities and businesses, around BC are taking an interest in this as a new strategy to tackle family poverty.¹¹

All of these proposed solutions are consistent with the policy recommendations made by a recent OECD study on inequality:

¹⁰ First Call. 2011. Ibid. Fact Sheet 4 <http://www.firstcallbc.org/pdfs/economicquality/3-reportcard2011.pdf>

¹¹ <http://livingwageforfamilies.ca/>

“The top recommendation is to create more well-paying jobs that will give people a chance to escape poverty. In addition, the study suggests that education and training are key areas for investment. Finally, it suggests that tax and benefit policies should be reformed to increase redistribution and public services such as education, health and family care should be freely accessible.”¹²

These, then, are the kinds of measures that First Call would like to see in a comprehensive poverty reduction plan for the province and reflected in the 2013 budget. We were disappointed that recommended policy changes and new investments were not part of the “regional poverty reduction plans” in 7 communities announced last April under the auspices of the Ministry of Children and Family Development and the Union of BC Municipalities. Rather it seemed Government was again prepared to mark time instead of taking action on prevention.

CONCLUSION

First Call is asking this committee to make recommendations to government that are based on:

- ◆ Giving priority to the rights of all BC children to receive the support and protections they need to grow up safely and to reach their full potential.
- ◆ Recognizing that children’s development cannot wait, it will happen well or not, depending on the support we give them.
- ◆ Giving greater priority to public investments in prevention, in health promotion, in education, in reducing poverty levels, because this is the right thing to do and it enhances social sustainability. This will also help stop the hemorrhaging of public spending on remediating the social ills that accompany inequality and neglect.
- ◆ An understanding of the need to start the process of reforming BC’s tax system to make it more equitable and efficient in generating the revenue we need to support the public services and institutions that underlie a healthy society. Tax cuts have disproportionately helped the wealthy, not the poor, contributed to unconscionable levels of income inequality and reduced government’s fiscal capacity to unsustainable levels.

¹² Dan Schrier, Business Indicators, January 2012, Mind the Gap: Income Inequality Growing, BC Stats, p 4
<http://www.bcstats.gov.bc.ca/Publications/AnalyticalReports.aspx>

Our specific policy recommendations with budget implications referenced above include:

- ◆ Enact a full-fledged poverty reduction strategy with specific targets for reducing BC's poverty rate over time. All provincial and territorial governments in Canada except for British Columbia and Saskatchewan have endorsed this approach.
- ◆ Adopt and start implementing the Community Plan for an Integrated System of Early Care and Learning that has been presented to government.
- ◆ Restore funding for public schools to levels that enable all students, including those with extra challenges, to get the support they need.
- ◆ Remove barriers to post-secondary access for lower income people through tuition fee reductions, grants instead of loans and interest free loans.
- ◆ Continue to raise and index the minimum wage to bring it closer to a living wage.
- ◆ Make sure living wages are paid to all government employees and employees working for government-funded contractors, including in the health care sector and in the contracted social services sector.
- ◆ Reform BC's income assistance policies to allow parents to have enough money to support their children's healthy development. Raise inadequate shelter and support rates, index them to inflation, and restore child support exemptions. Revise the rates for parents/grandparents with children with disabilities to better reflect their extra needs.
- ◆ Change claw-back thresholds and tax rates for families with children in the \$35,000-\$50,000 income range to bring fairness to the marginal effective tax rate they pay. Many important government subsidies and benefits have income thresholds that are much too low, and are clawed-back so quickly that modest income families face some of the highest marginal effective tax rates in the province. Many modest-income families do not qualify for the low-income carbon tax credit, the sales tax credit, the Rental Assistance Program, MSP premium assistance, or provincial child care subsidies.
- ◆ Ensure the Ministry of Children and Family Development has a budget sufficient to carry out its child protection mandate with integrity, based on high standards of practice. The budget

should be enhanced to allow them to eliminate wait lists, reduce social workers' caseloads, and properly support the community-based agencies contracted to do the crucial prevention and intervention work with children and families – things like therapies for children with developmental challenges, parenting support, and specialized services for 'at-risk' youth.

- ◆ Inject funding into the child and youth mental health plan to enhance diagnostic, treatment, family support and prevention capacity.
- ◆ Allocate significant new investments to increasing the stock of affordable housing for families with children and work with the federal government to address the urgent housing needs on First Nations reserves.

First Call and our coalition partners are committed to working with government to build on existing public support for the investments in the province's children, youth and families that we are calling for. We are also ready and available to assist with fleshing out details of our recommendations for implementation, should they be adopted.