

BRITISH COLUMBIA

# 2022 BC CHILD POVERTY REPORT CARD



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26<sup>TH</sup> ANNUAL REPORT CARD ON CANADA'S COMMITMENT TO END CHILD POVERTY BY 2000

## 2022 BC CHILD POVERTY REPORT CARD

February 2023

PRODUCED BY



IN COLLABORATION WITH



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First Call acknowledges that we live and work on the traditional territories of the xʷməθkwəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and selilwítlh (Tsleil-waututh) Nations. We also acknowledge First Nations across BC, and Métis and Inuit partners and friends.

### putting children and youth first

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# Introduction

## BC'S CHILD POVERTY RATE DOWN, BUT WILL IT LAST?

The COVID-19 pandemic's first year was one of hardship for many families. 2020 also marked a record low for child poverty rates in Canada and in BC. This year, the data tells us that a variety of short-term pandemic benefits, one-time financial benefits, and changes to the Canada Child Benefit, dramatically reduced the number of poor families.

### 1 out of 8

BC children in BC lived in poverty in 2020.



**Our 26th annual BC Child Poverty Report Card found that 1 in 8 children, or 116,500 children, in BC lived in poverty in 2020.**

As life was greatly disrupted for families with children in 2020, government can be credited with nimble action to ensure low and middle-income families avoided financial ruin and deep poverty in the first year of the pandemic.

Through a combination of federal and provincial benefits, BC saw a decrease of 40,600 children living in poverty compared with 2019. This represents 116,500 children (0–17 years old) who lived in poor households in 2020.

For the first time in the 2000–2020 period with data available, based on CFLIM-AT, BC had a slightly lower child poverty rate (13.3%) than Canada (13.5%). BC's early years (0–5 years old) child poverty rate, at 13% in 2020, was also lower than Canada's early years child poverty rate at 14.2%, while BC's all-ages poverty rate, at 13.2%, was similar to Canada's all ages poverty rate at 13.3%.

On-reserve child poverty data available for 2020 indicates dramatically higher rates compared to the provincial rate of 13.3%. The overall child poverty rate on 59 BC First Nations reserves in 2020 was 29.2%, more than twice as high as the overall child poverty rate, with at least 3,900 children living

in poverty. And the child poverty rate on rural reserves was 33.9%, much higher than the 25.2% rate on urban reserves.

The continuing legacy of colonialism is still very apparent in these numbers. First Call also recognizes that reserves do not reflect the larger traditional territories of BC's First Nations where many First Nations children and families live.

As the data on child poverty on First Nations reserves shows, the overall child poverty statistics hide the fact that some children in BC are more at risk of living in poverty than others. Governments at all levels must meaningfully collaborate with First Nations, Métis and Inuit governments to develop and implement plans to prevent, reduce and eradicate child and family poverty.



2021 Census data based on the LIM after tax measure showed that most visible minority (racialized) children's poverty rates in BC were higher than the poverty rate for non-racialized children. Arab, Korean and West Asian children had more than double or triple the risk of poverty compared to non-racialized children. The census data also showed more than one in five (21%) recent immigrant children (0-17) lived in poverty in BC in 2020.

While it is apparent that government support played a critical role in reducing child poverty in 2020, in 2023 families are facing record high inflation rates. Progress made towards decreasing both the rate and depth of family poverty in 2020 may be all but wiped out by increasing costs in 2023.

First Call's previous 25 BC Child Poverty Report Cards demonstrated government's too-slow approach to ending child poverty in BC. Over the past decades, too many children have grown up poor.

Now, more than ever, it is critical for governments at all levels to ensure that public services are robust and reach those most in need, that families can access affordable housing and that inflation is curbed.

# RECORD LOW RATES

The COVID-19 pandemic's first year was one of hardship for many families. 2020 also marked a record low for child poverty rates in Canada and in BC.

PHOTO ANNIE SPRATT/UNSPLASH



# One in Eight BC Children Living in Poverty

## BC's CHILD POVERTY RATES

In 2020, the child poverty rate in British Columbia was 13.3% as measured by Statistics Canada's Census Family Low Income Measure after income taxes (CFLIM-AT), using taxfiler data. This represents 116,500 children (0-17 years old) who lived in poor households in 2020, a decrease of 40,600 children from 2019.

For the first time in the 2000-2020 period with data available, BC had a slightly lower child poverty rate (13.3%) than Canada (13.5%). BC's early years (0-5 years old) child poverty rate, at 13% in 2020, was also lower than Canada's early years child poverty rate at 14.2%, while BC's all-ages poverty rate, at 13.2%, was similar to Canada's all ages poverty rate at 13.3%.

Following the trend in the last couple of years, in 2020, the child poverty rate in BC (13.3%) was similar to the all-ages poverty rate at (13.2%). There is a welcome change reflecting greater federal and provincial government investments in child poverty reduction primarily through income supports to low income families.

In total 35,230 out of the 644,990 people living in poverty in BC in 2020 were young children under the age of 6. This is a decrease of 12,600 from 2019, where data found 47,830 young children were growing up in poor households.

Largely as a result of the many temporary pandemic benefits and enhancements during 2020, all provinces and territories saw large decreases in their child poverty rates between 2019 and 2020, including a 4.2 percentage point decrease in Canada and a 4.7 percentage point decrease in British Columbia. Without continuing investments into children and families, the rate of child poverty will likely increase in subsequent years.

### All-Ages, Child (0-17) and Young Children (0-5) Poverty Rates, BC and Canada, CFLIM After Tax, 2020

Young children (0-5 years) poverty rate	BC	35,230 young children	13%
	Canada	327,550 young children	14.2%
Child (0-17 years) poverty rate	BC	116,500 children	13.3%
	Canada	999,110 children	13.5%
All ages poverty rate	BC	644,990	13.2%
	Canada	4,868,950 people	13.3%

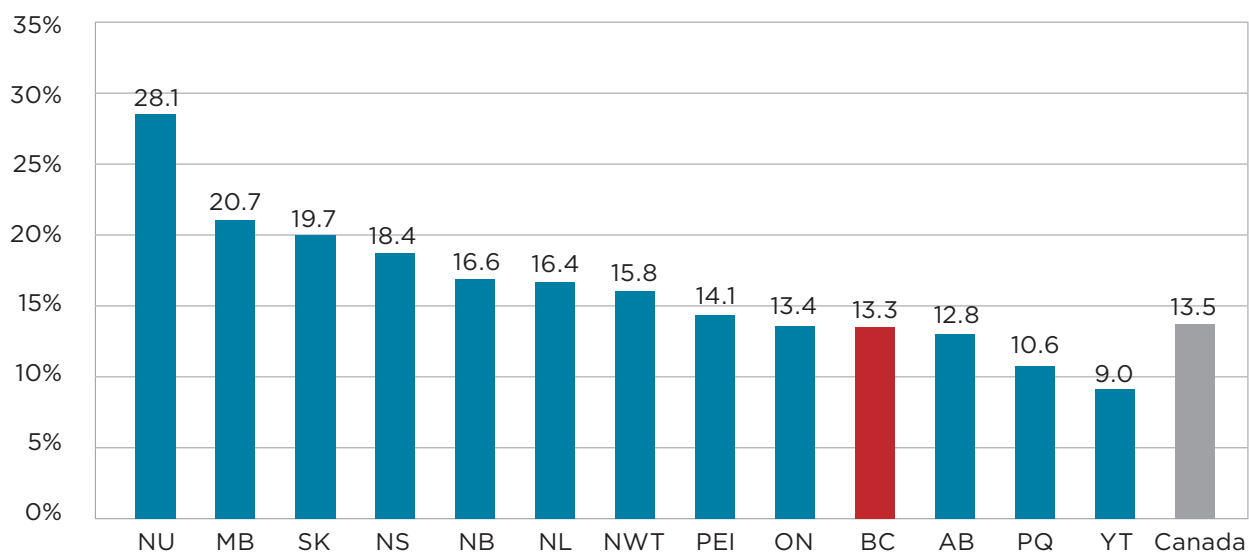
Source: Statistics Canada. Table: 11-10-0018-01, 2020

## CHILD POVERTY A CANADA-WIDE PROBLEM

Despite the significant drop in child poverty rates in all provinces in 2020, child poverty remains a Canada-wide problem affecting nearly one million children. In 2020, BC's comparative position continued to improve, moving to the fourth lowest child poverty rate among the 13 provinces and territories (13.3%) from fifth lowest in 2019. Alberta, Quebec, and the Yukon Territory all had lower child poverty rates than BC in 2020.

Despite the significant drop in child poverty rates in all provinces in 2020, child poverty remains a Canada-wide problem affecting nearly one million children.

### Child Poverty Rates, by Province/Territory, CFLIM After Tax, 2020



Source: Statistics Canada. Table: 11-10-0018-01, 2020

## HIGH LEVELS OF ON-RESERVE CHILD POVERTY

On-reserve child poverty data available for 2020 indicates dramatically higher rates compared to the provincial rate of 13.3%. The following data is based on only 59 First Nations reserves with child poverty data available through taxfiler data; there were many reserves without child poverty data available.

The overall child poverty rate on 59 BC First Nations reserves in 2020 was 29.2%, more than twice as high as the overall child poverty rate, with at least 3,900 children living in poverty.

The child poverty rate on 31 rural reserves was much higher (33.9%) than on 28 urban reserves (25.2%), with 2,090 children on rural reserves living in poverty and 1,810 children on urban reserves living in poverty. Rural is defined as being outside of a Census Metropolitan Area or Census Agglomeration.

The 2020 on-reserve child poverty rate for these 59 BC reserves (29.2%) was 11.7 percentage points lower than the rate for the 64 BC reserves (40.9%) captured in the 2019 BC Child Poverty Report Card.

The child poverty rate on 59 BC First Nations reserves was more than twice as high as the overall BC child poverty rate.

## Child (0-17-year-old) Poverty Rate, 59 BC First Nations Reserves, CFLIM-AT, 2020



Source: Statistics Canada. Table I-13, Community Data Program, 2020

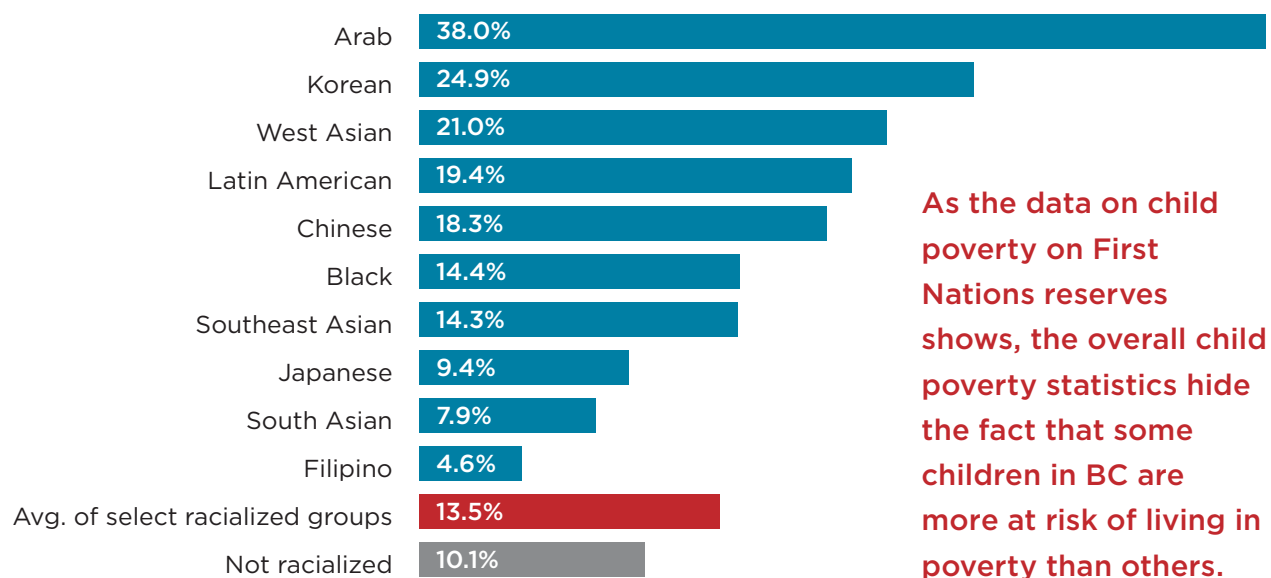
According to 2021 Census data based on the LIM after tax measure, Métis children (0-17) in BC had a child poverty rate of 12.8%, representing 3,275 children. There were 990 poor Métis children under the age of 6, a 13.4% poverty rate.<sup>1</sup>

## SOME CHILDREN ARE AT MUCH HIGHER RISK OF GROWING UP IN POVERTY

As the data on child poverty on First Nations reserves shows, the overall child poverty statistics hide the fact that some children in BC are more at risk of living in poverty than others.

2021 Census data based on the LIM after tax measure showed that most visible minority (racialized) children's poverty rates in BC were higher than the poverty rate for non-racialized children. Arab, Korean and West Asian children had more than double or triple the risk of poverty compared to non-racialized children, followed by Latin American and Chinese children. The census data also showed more than one in five (21%) recent immigrant children (0-17) lived in poverty in BC in 2020.

## BC Child (0-14) Poverty Rates (LIM-AT), Select Racialized Groups, 2020



Source: Statistics Canada, Census of Population 2021

<sup>1</sup> Statistics Canada, Table 98-10-0283-01 Individual low-income status by Indigenous identity and residence by Indigenous geography, Canada, provinces, and territories, [statcan.gc.ca/t1/tbl1/en/tv.action?pid=9810028301](https://statcan.gc.ca/t1/tbl1/en/tv.action?pid=9810028301)



# BC's Child Poverty Rates Over Time

## PERCENTAGE OF POOR CHILDREN OVER TIME

It's been 33 years since the House of Commons made a unanimous commitment to end child poverty by the year 2000. In 1989, the child poverty rate was 22.0% in Canada and 21.9% in B.C. In 2000, B.C.'s child poverty rate reached a thirty-year high at 27.6%.

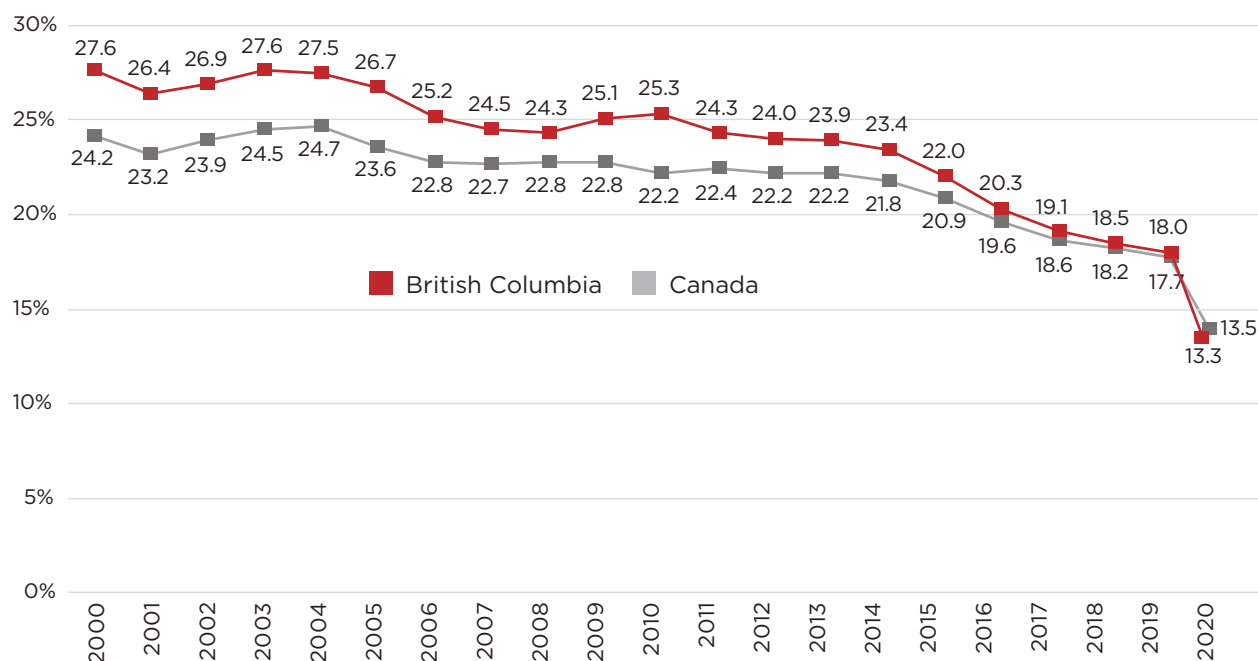
In 2020, BC's child poverty rate hit a record low of 13.3%, less than half the rate in the year 2000 (27.6%). Canada's child poverty rate also hit a record low of 13.5% in 2020.

Between 2019 and 2020, child poverty in BC decreased by 26.1%, representing the largest one-year decrease in child poverty rates since 2000, and was larger than the 23.7% decrease in child poverty rates across Canada between 2019 and 2020. 2020 was also the first year in which BC had a lower child poverty rate than Canada during the 2000–2020 period.

While progress has been made, one in eight children in B.C. were still living in poverty in 2020. Additionally, we are warned that the number of children in poverty will likely increase after 2020 because temporary pandemic supports have been withdrawn and inflation is dramatically increasing the cost of living for Canadian families. There is still much work to be done to fulfill both governments' promises and our obligation to children and their families.

**Between 2019 and 2020, the number of BC children living in poverty dropped by 40,060.**

### Child Poverty Rates, Canada and British Columbia, CFLIM After Tax, 2000–2020



Source: Statistics Canada, Table: 11-10-0018-01

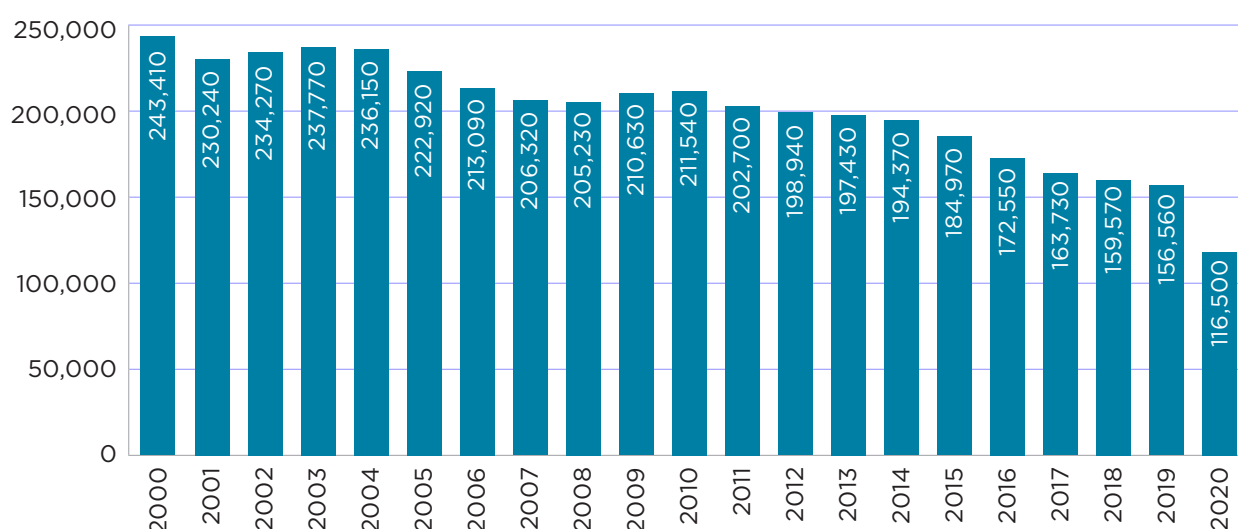
## NUMBER OF POOR CHILDREN OVER TIME

The number of poor children (0-17) in British Columbia based on the Census Family Low Income Measure (CFLIM), after tax, declined every year from 2010 to 2020. Across Canada, 2020 was the first year in which the number of poor children numbered fewer than 1,000,000, with 999,110 children living in poverty, a decrease of 314,290 from 2019.

In 2020, there were 116,500 poor children in BC, a decrease of 40,060 children from 2019. There were 95,040 fewer poor children in BC in 2020 compared with the year 2010.

Living in poverty in a wealthy society impacts children's health and well-being with lifelong consequences. Children who experience poverty are at a higher risk in later life of adverse health consequences, including cardiovascular disease, type II diabetes and death, and this elevated risk persists even if they experience improvements in later life circumstances.<sup>1</sup>

### Number of poor children, British Columbia, based on CFLIM-AT, 2000-2020



Source: Statistics Canada, 2020 Table



PHOTO BEN WICKS/UNSPLASH

1 Raphael, D. (2011). Poverty in childhood and adverse health outcomes in adulthood. *Maturitas*, 69(1), 22-26. <https://doi.org/10.1016/j.maturitas.2011.02.011>

# BC Child Poverty by Family Type

## CHILD POVERTY IN LONE-PARENT AND COUPLE FAMILIES

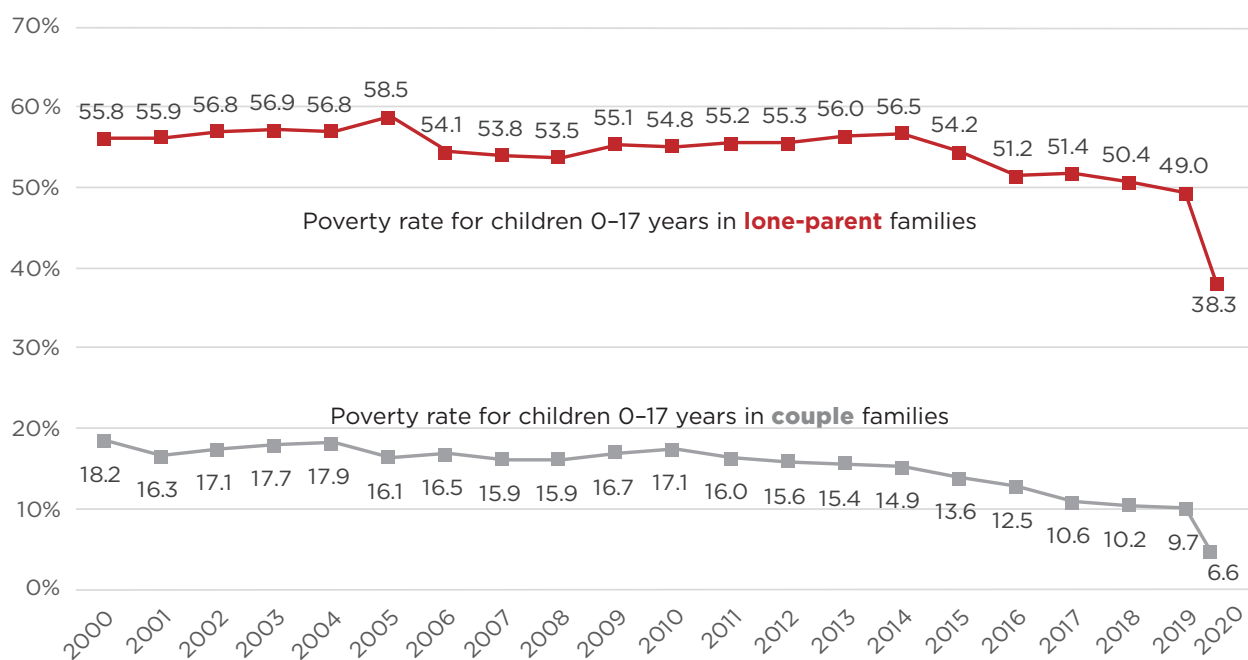
Children in lone-parent families in British Columbia have consistently suffered much higher poverty rates than their counterparts in couple families. In 2020, the child poverty rate for children in lone-parent families was 38.3%, nearly six times higher than the 6.6% rate for their counterparts in couple families.

The poverty rate for BC children in lone-parent families between 2019 and 2020 decreased by 10.7 percentage points (from 49% to 38.3%), the largest one-year decrease on record since 2000, representing a 21.8% drop in the rate. The annual decrease in the poverty rate for BC children in couple families was also significant, dropping 3.1 percentage points from 9.7% to 6.6%, representing a 32% drop in the rate.

Over these last twenty years, there has been more progress in reducing child poverty rates among children in couple families in BC than in lone-parent families: the child poverty rate among children in couple families decreased 63.7% between 2000 and 2020 (from 18.2% to 6.6%), while the child poverty rate among children in lone-parent families decreased only 31.4% (from 55.8% in 2000 to 38.3% in 2020).

Although BC's overall child poverty rate in 2020 was slightly lower than Canada's (13.3% vs 13.5%), the child poverty rate for children in couple families in BC (6.6%) was slightly higher than for the child poverty rate for children in couple families in Canada (6.3%).

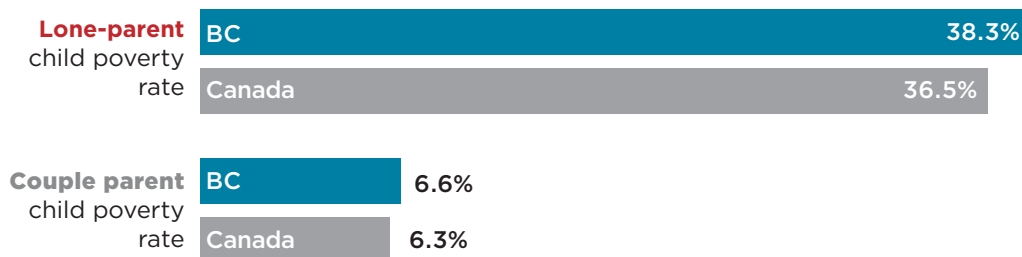
### Child Poverty Rate by Family Type, CFLIM-AT, British Columbia, 2000–2020



Source: Statistics Canada, Table 11-10-0018-01, 2020

Similarly, the child poverty rate for children in lone-parent families in BC (38.3%) was slightly higher than the child poverty rate for children in lone-parent families in Canada (36.5%).

### Child Poverty Rates by Family Type, Canada and BC, CFLIM-AT, 2020



Source: Statistics Canada: Table: 11-10-0018-01, 2020

### PROPORTIONS OF BC CHILDREN IN DIFFERENT FAMILY TYPES

While only one in five children (20%) in British Columbia were in lone-parent families in 2020, more than half (58.6%) of all children living in poverty in BC were in lone-parent families, an all-time high percentage for BC since 2000. In Canada this percentage was even higher at 61.7%. In 2020, there were 65,230 poor children in lone-parent families in BC, compared to 46,130 poor children in couple families. Between 2019 and 2020 there was a significant decrease in the number of poor children in both family types in BC: 21,390 fewer in couple families and 17,850 fewer in lone-parent families.

### Proportion of BC Children 0-17 in Couple Families and Lone-Parent Families, 2020



Source: Statistics Canada, Table 39-10-0041-01 and Table 11-10-0018-01, 2020

Child poverty rates for children in lone-parent families across 26 BC cities and towns ranged from a low of 31.8% in Victoria to a high of 42.6% in Prince Rupert, a 10.8 percentage point difference. The 6.6% provincial poverty rate for children in couple families in 2020 included a range from 2.6% in Cranbrook to 8.2% in Port Alberni, a 5.6 percentage point difference.

The 5,130 BC children under 18 who were not living in census families in 2020 had the most challenging situation of all, with a poverty rate of 97.5%. While the data definition indicates “they may be living with a family to whom they are related or unrelated, or living alone or with other non-family persons,” we know very little about the children, or likely youth, captured in this statistic.



## INCOME INEQUALITY IN MEDIAN INCOMES BY FAMILY TYPE

Couple families in BC had much higher incomes than other families in 2020, with a median after-tax income of \$119,070 for all couple families with two children, \$62,080 more than the median after-tax household income for lone-parent families with two children (\$56,990).

Low-income families with children had much lower incomes than families with children in general. For example, in BC in 2020, the median after-tax household income for low-income couple families with two children was only \$35,980, \$83,090 less than all couple families with two children. The median after-tax household income for low-income lone-parent families with two children was just \$29,420, \$27,570 less than all lone-parent families with two children.

### Median After-tax Incomes for BC Couple Families (with two children) and Lone-Parent Families (with two children), 2020

Low-income families after-tax income	Lone-parent families	\$29,420
	Couple families	\$35,980
All families after-tax income	Lone-parent families	\$56,990
	Couple families	\$119,070

Source: Statistics Canada. Table 11-10-0020-01, 2020



## WOMEN'S POVERTY

In BC in 2020, 80% of lone-parent families were female-led. These families' median annual income was \$54,620, just 75% of the male lone-parent median income of \$72,460. For many lone mothers, the difficulty of finding affordable quality child care—so they can sustain employment—remains one of the most common obstacles that leaves them raising their children in poverty.

Source: Statistics Canada.  
Table 11-10-0011-01, 2020

PHOTO JAVIER SANCHEZ MINGORANCE / NOUNPROJECT



## MELANIE'S STORY

**MELANIE LIVES IN THE LOWER MAINLAND** with her husband, Nick and their two daughters aged 4 and 7. She is originally from the Philippines and has been living here for nearly a decade.

Melanie previously worked as a nanny and in a fast-food restaurant but stopped working after the birth of her second child. Nick is an electrician. During the pandemic he had his hours cut, but was lucky he was one of the employees kept on.

“I really would like to find a job with benefits so we can provide better for our family.”

Melanie and her family have lived in a two-bedroom apartment for 7 years. The building has mold in it, and they would like to find a better place, but they struggle to pay the rent as is. They have applied to join the BC Housing waitlist.

Melanie was planning on going back to work when her daughter turned 3. However, she didn't feel safe going back to work during the pandemic and her children required care while the schools were closed.

As a household, they rely heavily on Child Benefit and community food hampers. They had a little money in savings, but they had to use that to cover basic costs like food and bills.

Melanie is keen to get back to work at the fast-food restaurant or in a factory. She is worried about the cost of child care when she returns to work. *“I really would like to find a job with benefits so we can provide better for our family.”*

Melanie would like the government to provide more help for low-income families, including financial support for rent, child care, and other basic needs.

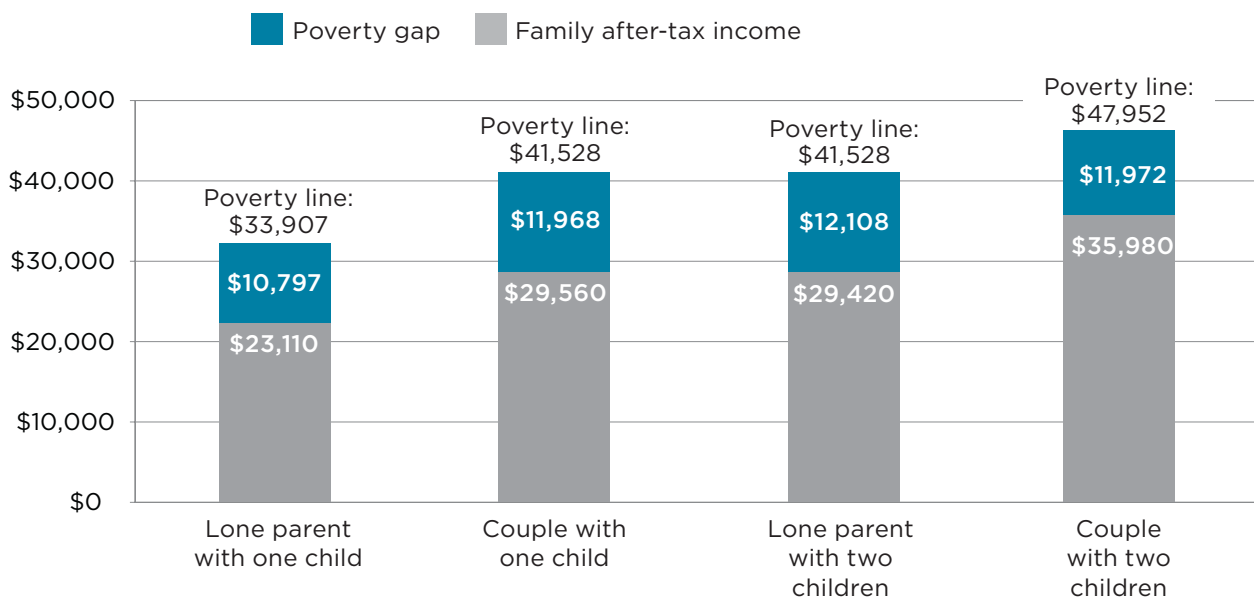
## Depth of Family Poverty

### POOR BC FAMILIES LIVING FAR BELOW THE POVERTY LINE

Living at the poverty line is a challenge, but many poor families live far below the poverty line. Not only were many families with children in BC living in poverty in 2020, these families were typically living far below the poverty line, based on the Census Family Low Income Measure (CFLIM) after tax.

- A low-income couple family with one child had a median after-tax family income of \$29,560, which was \$11,968 below the \$41,528 poverty line for a family of this type and size. This family **would need to earn \$997 more per month to reach the poverty line.**
- A low-income couple family with two children had a median after-tax family income of \$35,980, which was \$11,972 below the \$47,952 poverty line for a family of this type and size. This family **would need to earn \$998 more per month to reach the poverty line.**
- A low-income lone-parent family with one child had a median after-tax family income of \$23,110, which was \$10,797 below the \$33,907 poverty line for a family of this type and size. This family **would need to earn \$900 more per month to reach the poverty line.**
- A low-income lone-parent family with two children had a median after-tax family income of \$29,420, which was \$12,108 below the \$41,528 poverty line for a family of this type and size. This family **would need to earn \$1,009 more per month to reach the poverty line.**

### DEPTH OF LOW INCOME FOR FAMILIES IN BRITISH COLUMBIA, 2020



Source: Statistics Canada. Table: 11-10-0020-01, 2020

Compared to the previous year, the poverty gaps for poor families in BC between the median after-tax family income and the poverty line decreased for most family types and sizes:

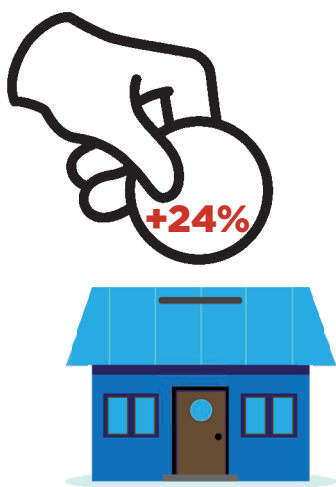
**The poverty gap**, not adjusted for inflation, for a low income:

- Couple family with one child **increased slightly** from \$11,932 in 2019 to \$11,968;
- Couple family with two children **decreased slightly** from \$12,086 to \$11,972;
- Lone-parent family with one child **decreased substantially** from \$12,305 to \$10,797; and
- Lone-parent family with two children **decreased substantially** from \$14,112 to \$12,108.

## IMPACT OF LIVING IN DEEP POVERTY: PAYING THE RENT

The difference between market rents for vacant units compared to occupied ones greatly widened between 2020 and 2022. Families in search of rental accommodation in 2022 faced an average asking rent that was 43% higher than that paid by a renter who already occupied a unit.

According to the CMHC's Rental Market Report<sup>1</sup>, "...this was significantly higher than the 10% gap observed in 2021, as the average asking rent for vacant units soared in 2022." In addition, this gap between the price of newly vacant units and occupied ones had the effect of lowering the vacancy rate as many renters decided not to move.



New renters paid, on average, 24% more than the previous tenant for two-bedroom units rented in 2022. — CMHC Rental Market Report, January 2023

While government's pandemic income supports helped to decrease financial impacts in 2020, over the long term — only a few years later in fact — significantly higher market rents combined with inflation threatens to erase progress made in reducing family poverty.

Data from the 2020/21 Report on Homeless Counts in B.C. identified 8,665 individuals experiencing homelessness, which included 22 children under the age of 19 and accompanied by a parent or guardian. Thirty-six per cent of survey respondents indicated that as a child or youth, they were in foster care, in a youth group home or on an Independent Living Agreement.<sup>2</sup>

The legacy of high rates of homelessness among former youth in care represents our failure to support these young people with the comprehensive wrap-around supports they need as they transition into adulthood without the family supports most other young people can count on. BC has been slowly improving some transition supports, but has yet to fulfill its promise to offer supports to all BC youth aging out of care who need it, and not just a few.

1 CMHC Rental Market Report, January 2023, p. 12, [assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/rental-market-report-2022-en.pdf?rev=8eb3acc0-89b3-49d1-a518-0a381f97b942](https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/rental-market-report-2022-en.pdf?rev=8eb3acc0-89b3-49d1-a518-0a381f97b942)

2 Homelessness Services Association of BC (2021), *2020/21 Report on Homeless Counts in BC*, prepared for BC Housing, Burnaby, BC, [hsa-bc.ca/\\_Library/2020\\_HC/2020-21-BC-Homeless-Counts.pdf](https://hsa-bc.ca/_Library/2020_HC/2020-21-BC-Homeless-Counts.pdf)



## IMPACT OF LIVING IN DEEP POVERTY: FOOD INSECURITY

According to the Hunger Count 2021<sup>3</sup> report from Food Banks Canada, food bank use initially declined at the beginning of the pandemic in 2020. This was likely due to COVID-19 measures and government's quick response to providing financial supports. However, as the pandemic progressed and government supports like the CERB ended, food bank use increased and, by 2021, had surpassed pre-pandemic levels.

The Hunger Count 2021 Report found, "Much of the increase can be attributed to a greater number of people requiring more frequent visits to the food bank because of the combined impacts of low income and rapidly rising costs of living. One third of food bank clients are children."

According to PROOF, an interdisciplinary research program at the University of Toronto, food insecurity is an indication of the tough decisions families are making, "...these compromises are part of a wider spectrum of trade-offs. Compared with food-secure households, food-insecure households spend substantially less on their essential needs such as housing, clothing, transportation, and personal care."

**"I regularly buy only half of the items on my grocery list due to increasing food costs. It's quickly becoming impossible to make healthy choices." — Single mother**

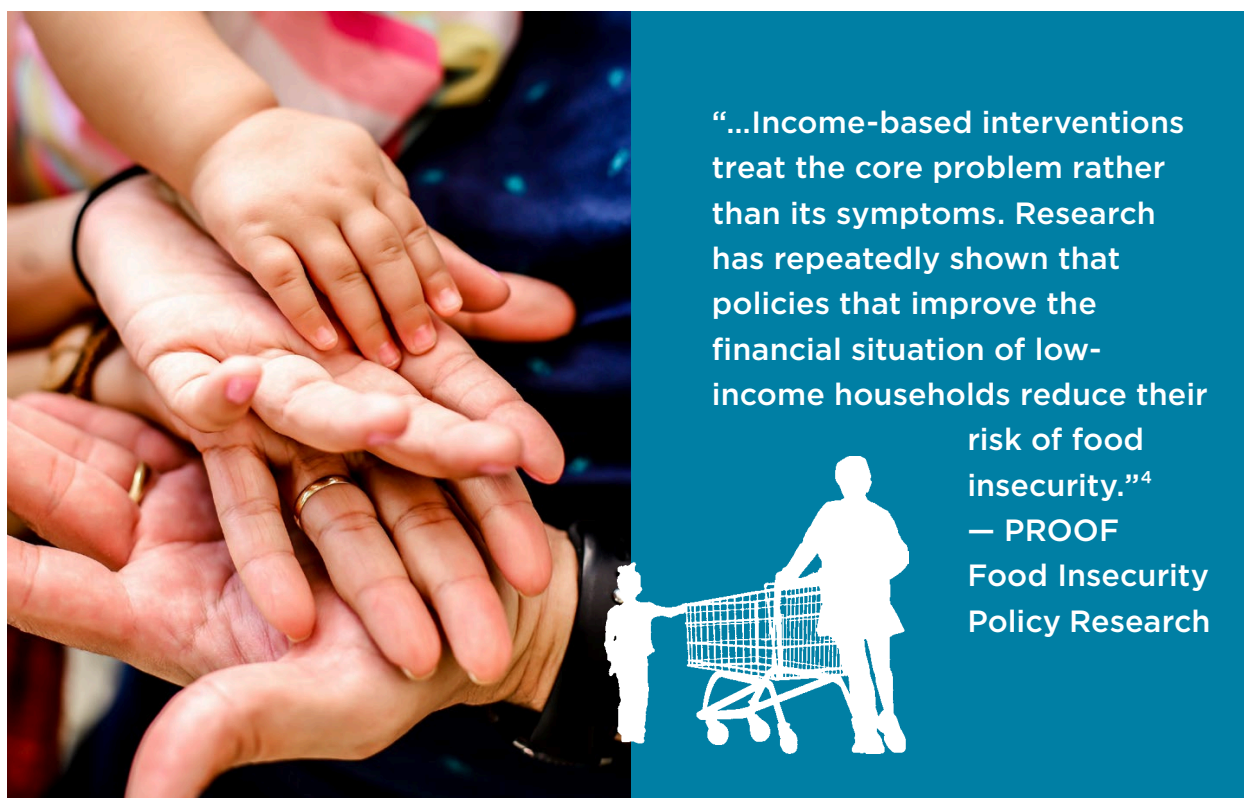


PHOTO LUANA AZEVEDO/UNSPLASH

3 Hunger Count 2021, Food Banks Canada, [hungercount.foodbankscanada.ca/assets/docs/FoodBanks\\_HungerCount\\_EN\\_2021.pdf](https://hungercount.foodbankscanada.ca/assets/docs/FoodBanks_HungerCount_EN_2021.pdf).

4 *Food insecurity: A problem of inadequate income, not solved by food*, October 13, 2022, PROOF, [proof.utoronto.ca/resource/food-insecurity-a-problem-of-inadequate-income-not-solved-by-food/](https://proof.utoronto.ca/resource/food-insecurity-a-problem-of-inadequate-income-not-solved-by-food/)

# Child Poverty and Working Parents

## LOW WAGES AND PRECARIOUS WORK

The majority of poor children in British Columbia live in families with parents who work in the paid labour force. Some of these parents work full time, full year, and others work part time and/or part of the year. Whether earning low wages, or stuck in precarious or insufficient work without benefits, all of these parents are not earning enough to lift their families out of poverty.

For families with children, low wages mean they often have to take on multiple jobs and work more than full time to earn enough to support their families. This leaves them little time to spend with their children or to participate in community life outside of work.

## MINIMUM WAGES NOT ENOUGH FOR FAMILIES RAISING CHILDREN

As of June 2020, the minimum wage in BC was \$15.65/hour. For the first 5 months of 2020, the minimum wage was \$15.20. A lone parent with one child working full-time (35 hours/week), full-year at minimum wage in 2020 would have only earned \$26,148 per year, leaving them \$16,782 below the Low Income Measure (LIM) before-tax poverty line of \$42,930, for this family type and size. This lone parent with one child would have had to work 56.5 hours per week to reach the before-tax poverty line minimum threshold. This would involve either working seven days a week at 8.1 paid hours per day or working five days a week at 11.3 paid hours per day.

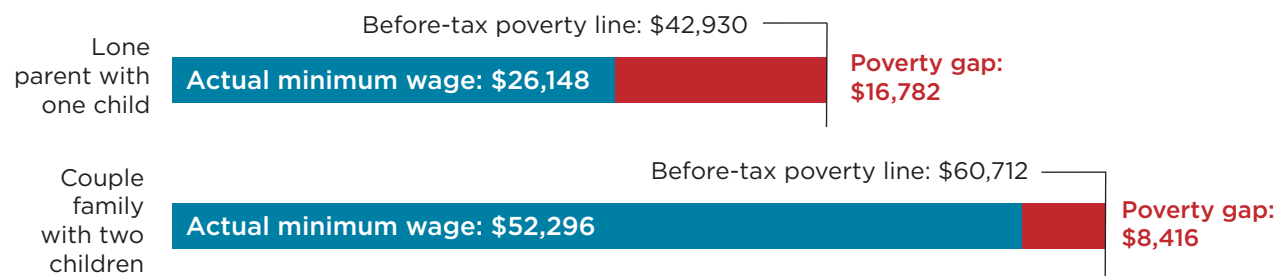
A couple family with two children with both parents working full-time, full-year for minimum wage would have made \$52,296 per year, or \$8,416 below the LIM before-tax poverty line of \$60,712 for this family type and size. Working for minimum wages, both parents in this family would have had to work a 40-hour week to reach the before-tax poverty line minimum threshold.



A lone parent working full time, full year for minimum wage in 2020 earned only **\$26,148**.



## Income Gaps for Parents Working Full-Time, Full-Year at BC's Minimum Wage in 2020, Compared to LIM Before Tax, 2020



Source: Statistics Canada. Table 11-10-0232-01 Low income measure (LIM) thresholds

Farm workers who hand harvest 15 selected crops, such as blueberries and mushrooms, are still excluded from BC's minimum wage legislation. As of January 1, 2023, the minimum wage for agricultural piece rates was increased by 2.8%. However, the minimum piece rate increases for these workers have lagged far behind regular minimum wage and cost of living increases. It's past time to end this discrimination, affecting mostly recent South Asian immigrants.<sup>1</sup>

## LIVING WAGES

Poverty income thresholds are too low to allow families to meet their basic living expenses. As inflation continued to push essential household expenses higher in 2022, such as housing and food, the calculation of living wages in different parts of the province for a family of four that would lift them above the poverty line ranged from \$18.98/hour in the Fraser Valley to \$25.87/hour for Daajin Giids on Haida Gwaii. The Metro Vancouver living wage was calculated at \$24.08 per hour.

Many people raising children who manage to find jobs that pay living wages continue to experience poverty because their jobs are part-time, casual or short-term, leaving them with an annual income below the poverty line.

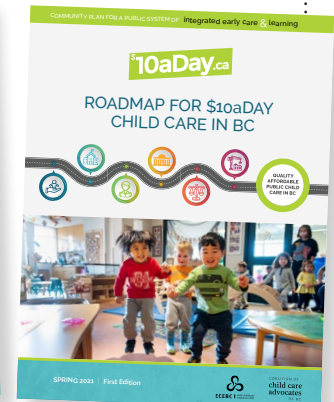
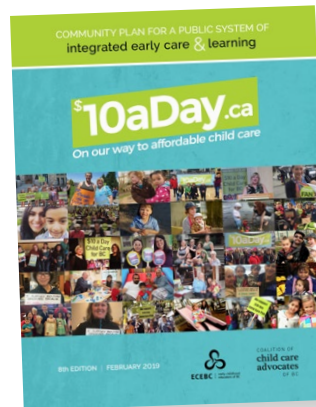
### \$10ADAY CHILD CARE PLAN

Access for families to a public system of affordable, high-quality child care is key to an effective poverty reduction strategy. This is even more urgent now, as families struggle with rising costs for basic living expenses.

BC has achieved measurable progress in recent years on creating \$10aDay programs, lowering parent fees, raising educator wages, and funding new spaces. BC's bilateral child care agreement with the federal government is contributing to the achievement of many of these goals.

**BC will require an additional 12,000 early childhood educators (ECEs) to achieve government's commitment to universal child care. Higher wages and benefits are urgently required to retain qualified staff, recruit qualified staff into new programs, and encourage people to enter the profession.**

Urgent advocacy is needed now calling for increased provincial investments to implement a province-wide, publicly-funded competitive wage grid for educators within the child care sector. It is also essential that government continue to work with First Nations, Métis, and Inuit Peoples to ensure the rights promised in the BC Declaration on the Rights of Indigenous Peoples Act and the Indigenous Early Learning and Child Care Framework are implemented and Indigenous leadership is meaningfully consulted.



**BC is fortunate to have the \$10aDay Child Care Plan and Roadmap developed by experts with broad public support.**

<sup>1</sup> David Fairey and Anelyse Weiler, "It's 2023. BC Farm Workers Deserve Basic Minimum Wage Guarantees," January 2023, *The Tyee*, [thetyee.ca/Analysis/2023/01/26/Farm-Workers-Deserve-Basic-Minimum-Wage/](https://thetyee.ca/Analysis/2023/01/26/Farm-Workers-Deserve-Basic-Minimum-Wage/); and BC Gov News, Ministry of Labour, December 29, 2022, [news.gov.bc.ca/releases/2022LBR0069-001918](https://news.gov.bc.ca/releases/2022LBR0069-001918)

# Children in Families on Welfare

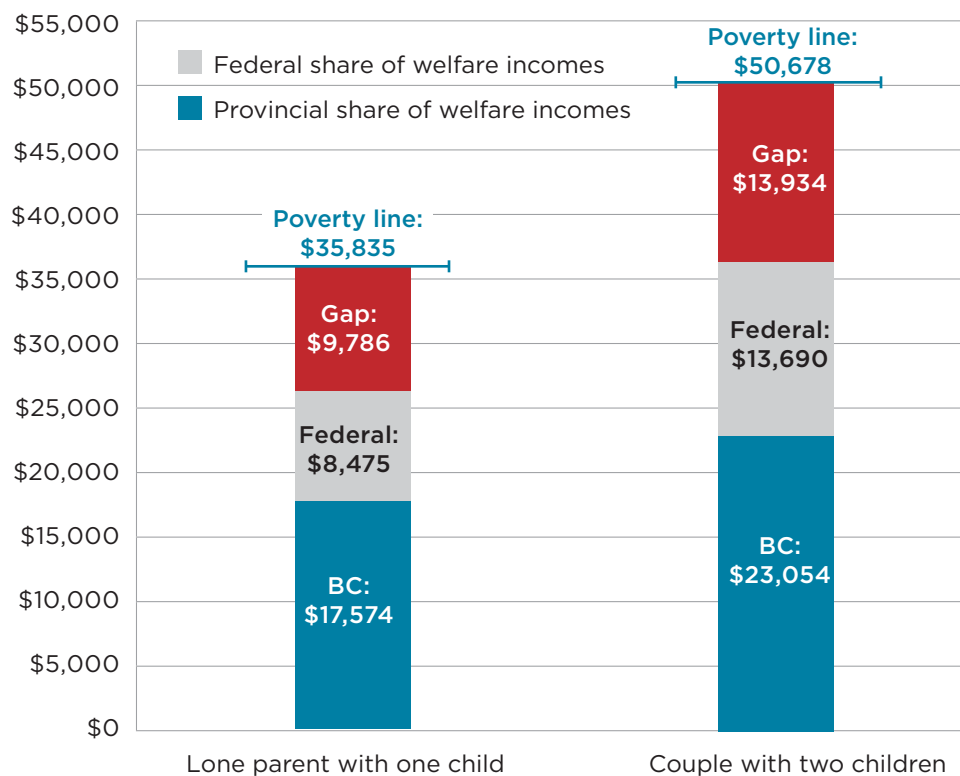
## WELFARE INCOMES WELL BELOW POVERTY LINES

While it continues to be a major struggle for families on welfare in British Columbia to meet their basic needs, in 2020 incomes for families on welfare in BC hit historic highs.

The importance of welfare income adequacy for children is increasing, as the average annual number of dependent children in families on welfare in 2020 was 42,497. 2020 was the fifth straight year of increases in the number of dependent children in families on welfare and those incomes remained below the poverty line.

The income for a single parent on welfare with one child in BC in 2020 was just \$26,049 which fell \$9,786 short of the poverty line. For a couple on welfare with two children, their income was \$36,744 which was \$13,934 short of the poverty line.

### Federal and Provincial Shares of Welfare Incomes and Poverty Gaps by Family Type in BC, 2020



In 2020, a couple family on welfare with two children, had to get by on \$36,744.

That's \$13,934 below the poverty line.

Source: Jennefer Laidley and Mohy Tabbara, *Welfare Incomes in Canada, 2020*, December 2021, Maytree, [maytree.com/wp-content/uploads/Welfare\\_in\\_Canada\\_2020.pdf](https://www.maytree.com/wp-content/uploads/Welfare_in_Canada_2020.pdf)



## WELFARE INCOMES OVER TIME

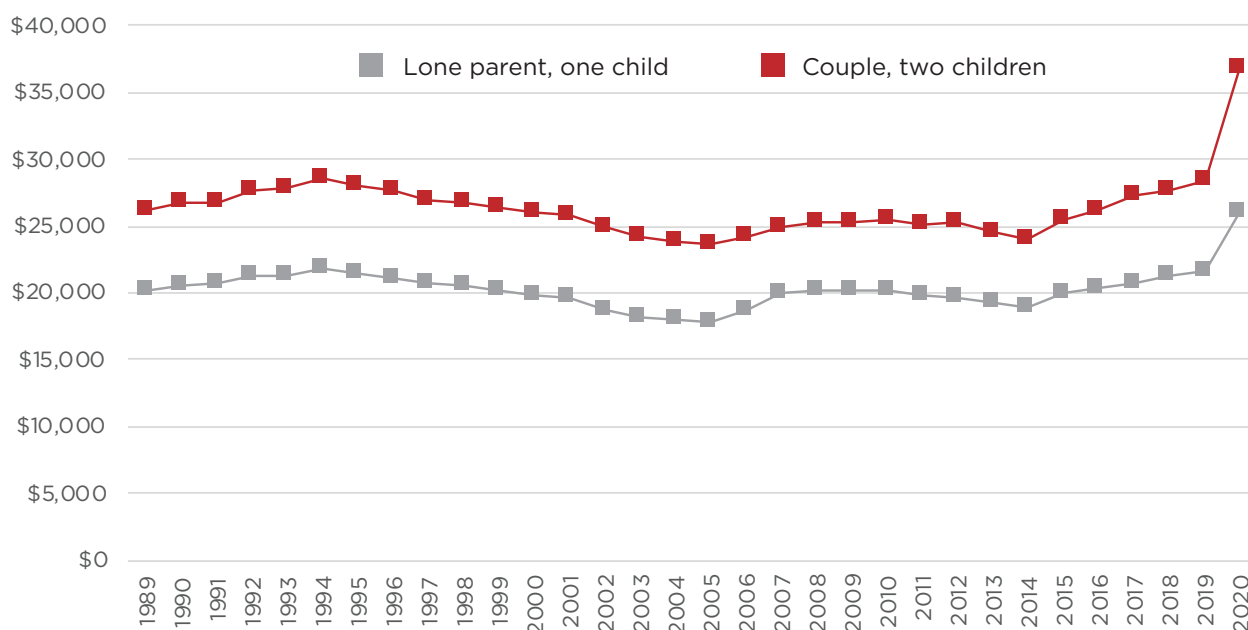
When adjusted for inflation, the 2020 incomes for families on welfare in BC hit record highs. For both single and couple families, this was the largest single year increase in welfare incomes during the 1989-2020 period.

- The income for a lone parent on welfare with one child increased by \$4,505 between 2019 and 2020 (from \$21,544 to \$26,049).
- The income for a couple family on welfare with two children increased by \$8,385 between 2019 and 2020 (from \$28,359 to \$36,744).

Looking across the country, the increase in total welfare incomes for families between 2019 and 2020 was higher in BC than any other province or territory. The increase in income (without adjustment for inflation) for a single parent on welfare with one child in BC between 2019 and 2020 was 22%, which was much higher than in the province or territory with the second largest increase (17% in Saskatchewan).

The increase in income (without adjustment for inflation) for a couple family on welfare with two children in BC between 2019 and 2020 was 31%, which was much higher than in the province or territory with the second largest increase (14% in PEI).

### Welfare Incomes (Adjusted for Inflation, 2019 Constant Dollars), by Family Type, BC, 1989–2020



Source: Maytree, *Welfare Incomes in Canada* (2020).

The heat wasn't working and overnight temperatures were near zero. My children had to sleep in my bed. It took 2 weeks for the landlord to replace the furnace. When your rent is below market value, you keep quiet and make yourself agreeable.

- Single mother

## COMPONENTS OF WELFARE INCOMES IN 2020

In response to the pandemic, during 2020 the provincial government added \$300 per month COVID Crisis Supplements for seven months to welfare incomes. This and other benefit increases were responsible for the significant jump in total welfare incomes in this year.

As shown in the graph below, the increase in income for a lone parent on welfare with one child in 2020 was largely due to increases in basic social assistance (\$2,759 increase from 2019) as part of COVID-19 income assistance and disability supplements, followed by federal tax credits/benefits (up \$743), federal child benefits (up \$388) and provincial tax credits/benefits (up \$385).

The increase in income for a couple family on welfare with two children in BC between 2019 to 2020 was largely due to increases in basic social assistance (\$5,593 increase from 2019), as part of COVID-19 income assistance and disability supplements, followed by federal tax credits/benefits (up \$898), federal child benefits (up \$750) and provincial child benefits (up \$650).

### Components of Social Assistance Income (adjusted for inflation), BC, 2019–2020

Income component	Single parent, one child	Couple, two children
Basic social assistance	\$2,759	\$5,593
Federal tax credits/benefits	\$743	\$898
Federal child benefits	\$388	\$750
Provincial tax credits/benefits	\$385	\$498
Provincial child benefits	\$230	\$650
Additional social assistance	-\$1	-\$3
<b>Total income</b>	<b>\$4,505</b>	<b>\$8,385</b>

Sources: Maytree, Welfare Incomes in Canada (2020) and BC Government News ([news.gov.bc.ca/releases/2020SDPR0012-000620](https://news.gov.bc.ca/releases/2020SDPR0012-000620); and <https://news.gov.bc.ca/releases/2020SDPR0041-001511>)

## LOW WELFARE RATES ARE CONDEMNING TENS OF THOUSANDS OF CHILDREN AND YOUTH IN BC TO POVERTY

In 2020, for most of these families on assistance (65%), working was not an option. These families did not fall under the “expected to work” category and had medical conditions, multiple barriers, disabilities, and other challenges that prevented them from working.

Low welfare incomes are especially tough on single parent families, as 79% of the families with children on welfare were single parent families in 2020. Families living below the poverty line are frequently forced to rely on food banks and other sources of charity to feed and clothe their children.

# Child Poverty Across BC

## CHILD POVERTY ACROSS BC BY REGIONAL DISTRICTS

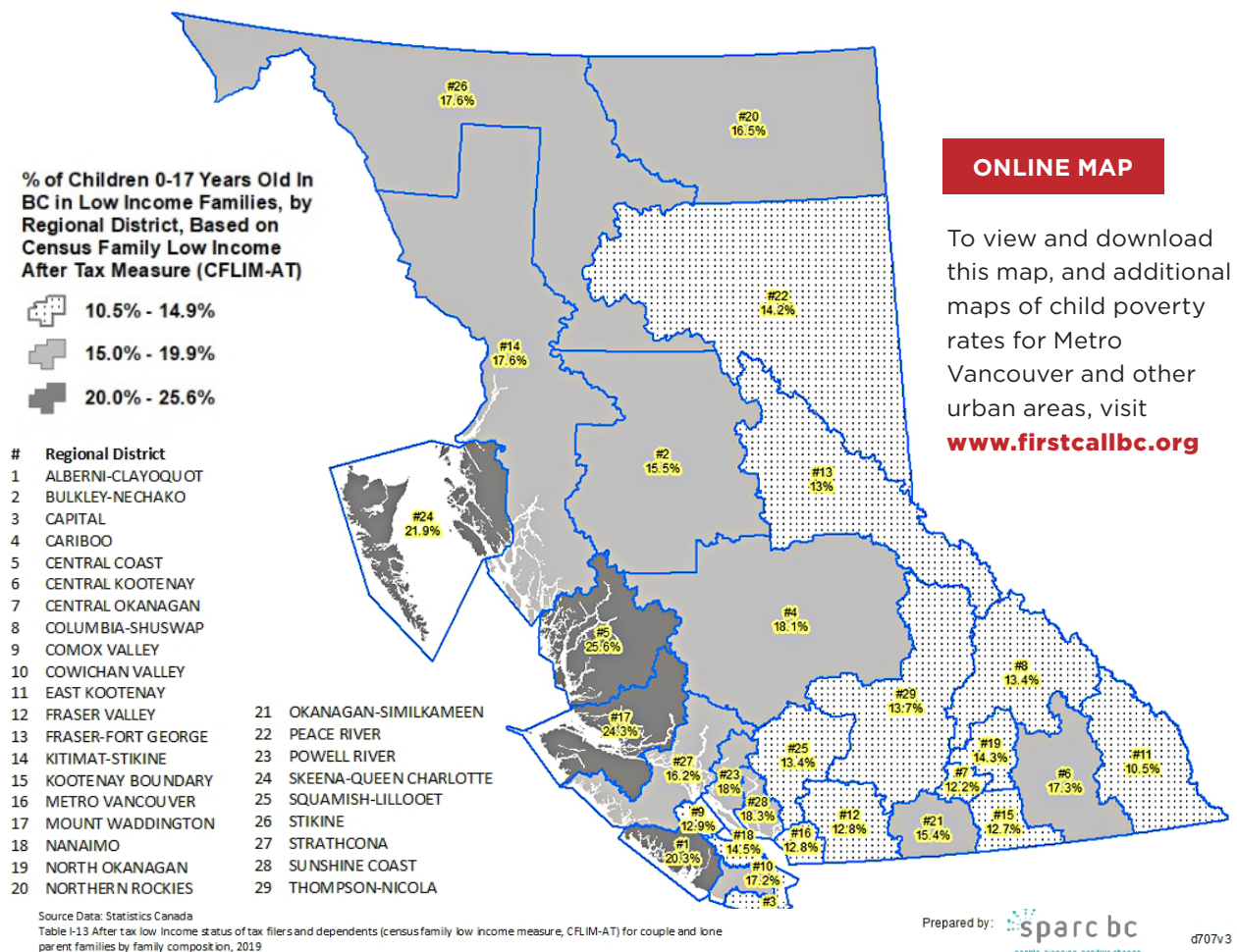
Thousands of children in each of British Columbia's regional districts were living in poverty in 2020. Regional districts on the outer coast and parts of Vancouver Island had the highest child poverty rates. Twenty-one out of 29 regional districts had at least 1,000 children living in poverty and 4 out of 29 regional districts had at least one in five children living in poverty, down from 15 districts in 2019.

The regional districts with more than one in five children living in poverty in 2020 were

- Central Coast Regional District (25.6%);
- Mount Waddington Regional District (24.3%); and
- Skeena-Queen Charlotte Regional District (21.9%)
- Alberni-Clayoquot Regional District (20.3%).

**21 out of the 29 regional districts in BC had at least 1,000 children living in poverty.**

## % of Children 0-17 Years Old in British Columbia in Low Income Families, by Regional District, Based on Census Family Low Income After Tax Measure (CFLIM-AT), 2020



## CHILD POVERTY IN BC's URBAN AND RURAL AREAS

Fourteen out of 26 urban areas in BC had at least 1,000 children living in poverty in 2020, with especially large numbers in Metro Vancouver (57,500 poor children), the Victoria Census Metropolitan Area (6,410 poor children) and the Abbotsford-Mission Census Metropolitan Area (5,030 poor children).

There were 17,600 poor children living in rural areas in BC in 2020. 17.2% of all children in rural BC lived in poverty. Some of the urban areas with the highest poverty rates were located on the Outer Coast and on Vancouver Island. The highest child poverty rates were in the Port Alberni Census Agglomeration (19.3%), the Duncan Census Agglomeration (19.1%), and the Prince Rupert Census Agglomeration (18.8%).

### Metro Vancouver Census Tracts

There were 57,500 children (or 12.8% of all children) in the Vancouver CMA living in poverty in 2020. One in 10 or more children lived in poverty in 345 (75%) of the 460 Vancouver CMA census tracts. One hundred or more children lived in poverty in 299 (65%) of 460 Vancouver CMA census tracts. The child poverty rate in Vancouver CMA census tracts in 2020 ranged from 3.4% to 47.4%. The number of poor children in Vancouver CMA census tracts in 2020 ranged from 20 to 470. The highest child poverty rates were found in census tracts in and around Vancouver's Downtown Eastside in 2020.

### Victoria Census Tracts

There were 6,410 children (or 10.7% of all children) in the Victoria CMA living in poverty in 2020. One in 10 or more children lived in poverty in 42 (56%) of 75 Victoria CMA census tracts. 22 (29%) of 75 Victoria CMA census tracts had 100 or more children living in poverty in 2020. The child poverty rate in Victoria CMA census tracts in 2020 ranged from 4.7% to 54.5%. The number of poor children in Victoria CMA census tracts in 2020 ranged from 20 to 280. The census tracts with the highest child poverty rates were found in North and Central Saanich and southern Sooke.

### Abbotsford-Mission Census Tracts

There were 5,030 children (or 11.7% of all children) in the Abbotsford-Mission CMA living in poverty in 2020. One in 10 or more children lived in poverty in 20 (54%) of 37 Abbotsford-Mission census tracts. One hundred or more children lived in poverty in 23 (62%) of 37 Abbotsford-Mission CMA census tracts. The child poverty rate in Abbotsford-Mission CMA census tracts in 2020 ranged from 5.0% to 24.3%. The number of poor children in Abbotsford-Mission CMA census tracts in 2020 ranged from 20 to 330. The area along South Fraser Way from West Abbotsford to Downtown Abbotsford and near Downtown Mission had some of the census tracts with the highest poverty rates in this CMA.

**Metro Vancouver was home to 57,500 poor children in 2020.**



**ONLINE MAP**

To view and download maps of child poverty rates in BC urban areas, visit [www.firstcallbc.org](http://www.firstcallbc.org)

**Of those, 5,030 children were located in the Abbotsford-Mission CMA.**



## Chilliwack Census Tracts

There were 3,450 children (or 13.8% of all children) in the Chilliwack CA living in poverty in 2020. One in 10 or more children lived in poverty in 22 (73%) of 30 Chilliwack CA census tracts. 15 (50%) of 30 Chilliwack CA census tracts had 100 or more children living in poverty in 2020. The child poverty rate in Chilliwack CA census tracts in 2020 ranged from 6.3% to 50.0%. The number of poor children in Chilliwack CA census tracts in 2020 ranged from 20 to 340. The area around Downtown Chilliwack had a concentration of high poverty census tracts.

## Kamloops Census Tracts

There were 2,380 children (or 11.4% of all children) in the Kamloops CA living in poverty in 2020. One in 10 or more children lived in poverty in 17 (61%) of 28 Kamloops CA census tracts. 11 (39%) of 28 Kamloops CA census tracts had 100 or more children living in poverty in 2020. The child poverty rate in Kamloops CA census tracts in 2020 ranged from 4.8% to 28.9%. The number of poor children in Kamloops CA census tracts in 2020 ranged from 20 to 220. High child poverty rate census tracts were clustered around Downtown Kamloops near the Thompson River and the North Shore near Tranquille Road.

## Kelowna Census Tracts

There were 4,490 children (or 12.2% of all children) in the Kelowna CMA living in poverty in 2020. One in 10 or more children lived in poverty in 31 (78%) of 40 Kelowna CMA census tracts. 23 (58%) of 40 Kelowna CMA census tracts had 100 or more children living in poverty in 2020. The child poverty rate in Kelowna CMA census tracts in 2020 ranged from 8.0% to 28.3%. The number of poor children in Kelowna CMA census tracts in 2020 ranged from 20 to 270. High child poverty rate census tracts were clustered near Downtown Kelowna.

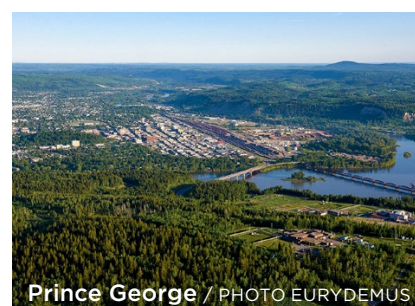
## Nanaimo Census Tracts

There were 2,680 children (or 14% of all children) in the Nanaimo CA living in poverty in 2020. One in 10 or more children lived in poverty in 18 (82%) of 22 Nanaimo CA census tracts. One hundred or more children lived in poverty in 14 (64%) of 22 Nanaimo CA census tracts. The child poverty rate in Nanaimo CA census tracts in 2020 ranged from 8.8% to 27.3%. The number of poor children in Nanaimo CA census tracts in 2020 ranged from 30 to 350 poor children. High child poverty rate census tracts were clustered in and around Downtown Nanaimo.

## Prince George Census Tracts

There were 2,380 children (or 12.8% of all children) in the Prince George CA living in poverty in 2020. One in 10 or more children lived in poverty in 14 (56%) of 25 Prince George CA census tracts. 9 out of 25 (36%) Prince George CA census tracts had 100 or more children living in poverty in 2020. The child poverty rate in Prince George CA census tracts in 2020 ranged from 6.9% to 40.0%. The number of poor children in Prince George CA census tracts in 2020 ranged from 20 to 350. High child poverty rate census tracts were clustered in and around Downtown Prince George.

**2,380 children were  
living in poverty in  
Prince George in 2020.**



**ONLINE MAP**

To view and  
download  
maps of child poverty rates in  
BC urban areas, visit  
**[www.firstcallbc.org](http://www.firstcallbc.org)**

# Growing Income Inequality

## INCOME INEQUALITY AMONG BC FAMILIES WITH CHILDREN

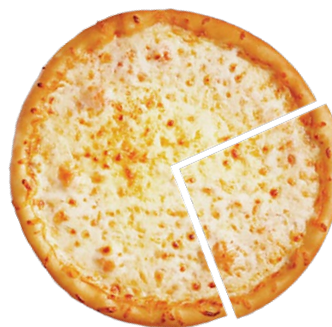
In 2020, the richest 10% of British Columbia families with children had 24.5% of the total pre-tax family income pie, nearly as much as the combined incomes of the poorest 50% of families at 27.2%.

The poorest 10% of families with children had just 1.6% of the total family income pie. The richest 50% of families held a total of 73% of the family income pie.

### BC Average Total Family Income Shares — Top and Bottom Halves, 2020

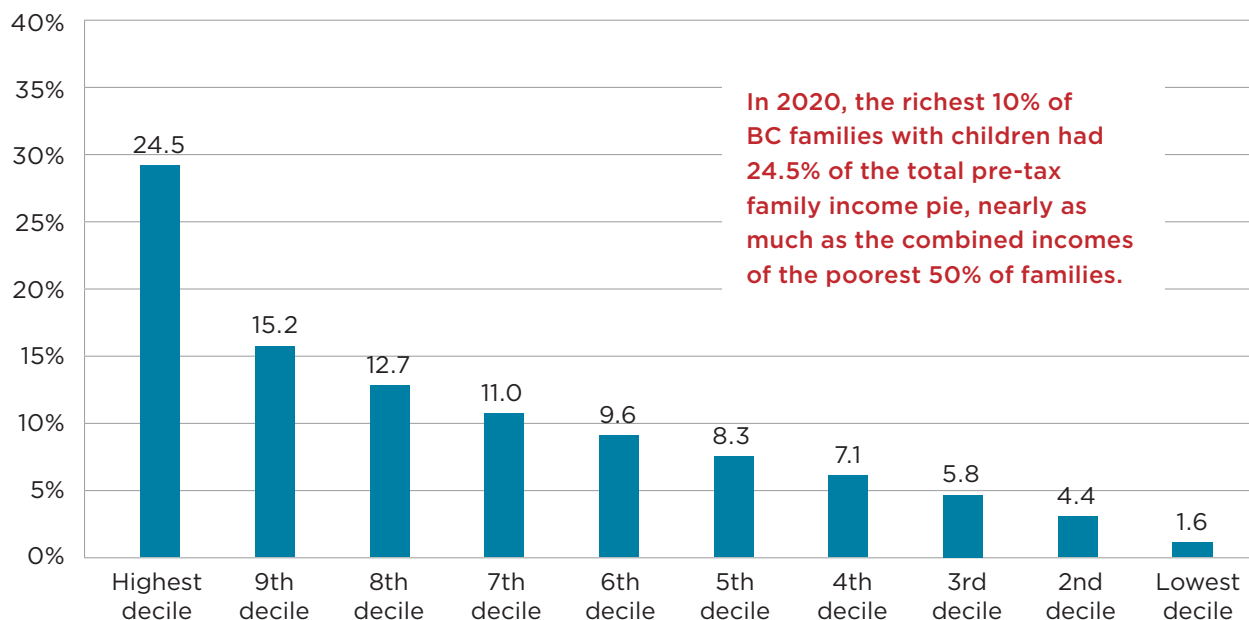
10% of BC's richest families have nearly as much of the income pie as the combined incomes of the lowest income 50% of families with children.

Richest half of BC families' share: **73%**



Poorest half of BC families' share: **27%**

### BC Average Total Family Income Share, 2020



Source: Statistics Canada custom tabulation, data from T1 Family Files 2020

## INCOME INEQUALITY BY FAMILY TYPE

Growing income inequality is mainly driven by the growth in the income of the families in the highest income decile, compared to the incomes of low-income families. In 2020, the disparity between the average total incomes of the richest and poorest 10% of BC families with children was less than in 2019, but still significant. In 2020, the families in the highest income decile collected 16 times what the families in the lowest income decile made, down from 24 times in 2019. This was a larger disparity than the Canadian average ratio of 15 times in 2020.

The disparity for lone-parent families in BC was much higher, with the average income for the top 10% of lone-parent families at 25 times the average income for lone-parent families in the lowest decile. This was the highest income inequality ratio for lone-parent families of all provinces and territories, but a reduction in disparity from 2019 when it was 54.

In dollar terms, in 2020, the gap between high and low average total incomes was \$326,114 per year for all BC families with children, \$338,321 for couple families, and \$141,991 for lone-parent families.

The income inequality illustrated by these top to bottom family income decile ratios in BC was greater than the Canadian average top to bottom income ratios for each family type in 2020. BC was also the third most unequal of any province/territory in Canada on this measure, behind Nunavut and Ontario.

### Average Total Incomes by Decile Group, Families with Children in BC, in 2020 Constant Dollars

	All census families with children <18	Couple families with children <18	All lone-parent families with children <18	Male lone-parent families with children <18	Female lone-parent families with children <18
Lowest decile	21,879	39,636	6,040	9,430	5,607
2nd decile	46,799	67,862	22,437	25,634	21,905
3rd decile	63,665	84,453	31,587	34,665	31,167
4th decile	80,014	99,255	38,431	43,095	37,869
5th decile	96,247	114,073	44,700	51,925	43,928
6th decile	113,279	129,936	51,351	61,717	50,209
7th decile	132,456	148,195	59,120	73,296	57,464
8th decile	156,291	171,489	69,467	87,166	66,937
9th decile	191,378	206,723	86,318	106,968	82,506
Highest decile	347,993	377,957	148,031	183,786	140,708

Source: Statistics Canada custom tabulation, data from T1 Family Files 2020



In 2020, the disparity between the average total incomes of the richest and poorest 10% of BC families with children was dramatic. The families in the highest income decile collected 16 times what the families in the lowest income decile made. This was a larger disparity than the Canadian average ratio of 15.

## Gap Between Poorest and Richest 10% of BC Families with Children, in 2020 Constant Dollars

BC families with children under 18 years, 2019	Average total income, highest decile	Average total income, lowest decile	Annual income difference between highest and lowest deciles	Average total income ratio: highest to lowest decile
<b>All census families</b>	\$347,993/yr	\$21,879/yr	\$326,114	16 times
Couple families	\$377,957/yr	\$39,636/yr	\$338,321	10 times
Lone-parent families	\$148,031/yr	\$6,040/yr	\$141,991	25 times

Source: Statistics Canada custom tabulation, data from T1 Family Files 2020

## WHY INCOME INEQUALITY MATTERS

There is ample evidence that socioeconomic position is one of the most important social determinants of health. Children who are raised in poverty face risks to their health over their life course.<sup>1</sup> In contrast, healthy, well-supported children and youth are more likely to become the engaged and contributing citizens that are essential for creating a healthy, sustainable society.

International studies have shown that high rates of economic inequality negatively impact both the rich and the poor on a range of health and wellness measures.<sup>2</sup> B.C. studies also show the impacts of poverty on people's vulnerability to chronic disease and the effects on their life span.<sup>3</sup> The vulnerability of children is underscored by the research demonstrating a direct correlation between a large gap between the rich and the poor in wealthy societies and reduced child well-being<sup>4</sup>.

Allowing income and wealth inequality to continue to grow in B.C. brings with it increased health and social costs related to higher rates of many chronic diseases, obesity, mental illness, suicide, violence and addictions. Beyond these negative health effects and the widespread suffering that accompanies them, growing socioeconomic inequity erodes social cohesion, empathy and compassion, which leads to increased social isolation, stigmatization and marginalization of the poor, distrust, crime, stress and despair.

Inequality reduces social mobility,<sup>5</sup> undermining the promise of a fair society and increasing social alienation for those left behind.

**Beyond the negative health effects and the widespread suffering that accompanies them, growing socioeconomic inequity erodes social cohesion, empathy and compassion, which leads to increased social isolation, stigmatization and marginalization of the poor, distrust, crime, stress and despair.**

- 1 World Health Organization, Commission on Social Determinants of Health, Closing the Gap in a Generation, Health Equity through Action on the Social Determinants of Health, 2008.
- 2 Kate Pickett and Richard Wilkinson, *The Spirit Level: Why Equality is Better for Everyone*, 2009, Equality Trust, [equalitytrust.org.uk/about-inequality/spirit-level](http://equalitytrust.org.uk/about-inequality/spirit-level).
- 3 Health Officers Council of BC, 2008 and 2013, [healthofficerscouncil.net/positions-and-advocacy/poverty-and-healthinequities/](http://healthofficerscouncil.net/positions-and-advocacy/poverty-and-healthinequities/)
- 4 Equality Trust, [equalitytrust.org.uk/child-well-being](http://equalitytrust.org.uk/child-well-being).
- 5 Doug Saunders and Tom Cardoso, *A tale of two Canadas: Where you grew up affects your income in adulthood*, June 2017, *Globe and Mail*, [theglobeandmail.com/news/national/a-tale-of-two-canadas-where-you-grow-up-affects-your-adultincome/article35444594/](http://theglobeandmail.com/news/national/a-tale-of-two-canadas-where-you-grow-up-affects-your-adultincome/article35444594/).



# Importance of Government Help: Public Policy Matters

## GOVERNMENT TRANSFERS REDUCE CHILD POVERTY IN CANADA

In 2020, government transfers were especially important in poverty reduction due to the loss of employment due to the COVID-19 pandemic, as well as the introduction of COVID-19 benefits (see also Fact Sheet 10).

Federal and provincial government income support programs play a significant role in reducing child poverty in Canada. Government transfers include payments such as Employment Insurance benefits, Goods and Services Tax (GST) credit, Canada Child Benefits, Old Age Security and Canada Pension Plan benefits, social assistance (or welfare) benefits, provincial refundable tax credits and family benefits, and other government transfers. In 2020, pandemic benefits were added to the mix.

The impact of government transfers to family incomes on child poverty reduction was larger in 2020 than in 2019 in Canada and in every province and territory. In 2020, without government transfers to family incomes, Canada's child poverty rate would have risen to more than one out of three (35.3%), based on the CFLIM-After Tax. Over two and a half million Canadian children (2,615,440) would have been poor without these government programs and benefits. With federal and provincial transfers, the child poverty rate was reduced by 61.8%, from 35.3% to 13.5%, keeping 1,136,670 children out of poverty. This is much larger than the 46.4% reduction achieved by transfers in 2019.

## GOVERNMENT TRANSFERS REDUCE CHILD POVERTY IN BC

Support for low-income families through government transfers lowered the 2020 after-tax BC child poverty rate from 30.9% to 13.3%, a 56.9% reduction, meaning 153,630 BC children were kept out of poverty in 2020 thanks to government help. This is much larger than the 37.5% reduction achieved by transfers in 2019. For BC children under 6 years old, the reduction was even more significant in 2020, lowering young children's poverty rate from 31.8% before government transfers to 13%, a 59% reduction impacting 50,720 children.

**153,630 BC children**  
were kept out of  
poverty in 2020 thanks  
to government help

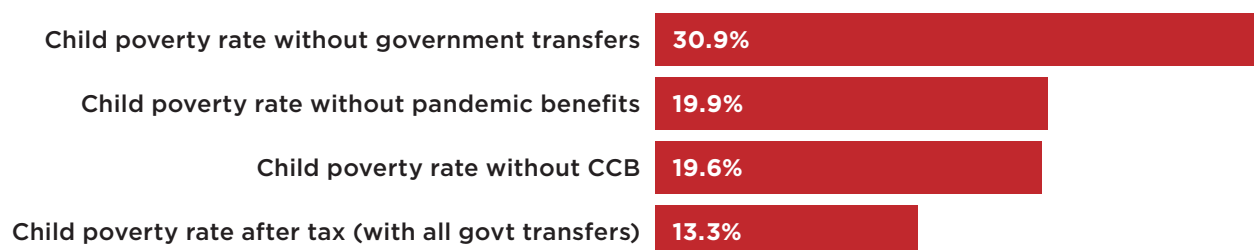


Government transfers  
lowered the number of poor  
Canadian children from  
**2,615,440** to **999,110**.

Since its inception in 2016, the Canada Child Benefit (CCB) has become the most effective government transfer for families with children. The addition of pandemic benefits in 2020 also had a powerful impact on child poverty rates across the country. Pandemic benefits reduced child poverty in BC by 6.6 percentage points in 2020. Without these benefits, BC's 2020 child poverty rate would have been 19.9%.

This is higher than the rate in 2019, which was 18%, indicating that in the absence of temporary pandemic transfers, BC's child poverty rate would have increased in 2020. Similarly, without the CCB payments, BC's child poverty rate in 2020 would have been 19.6%.

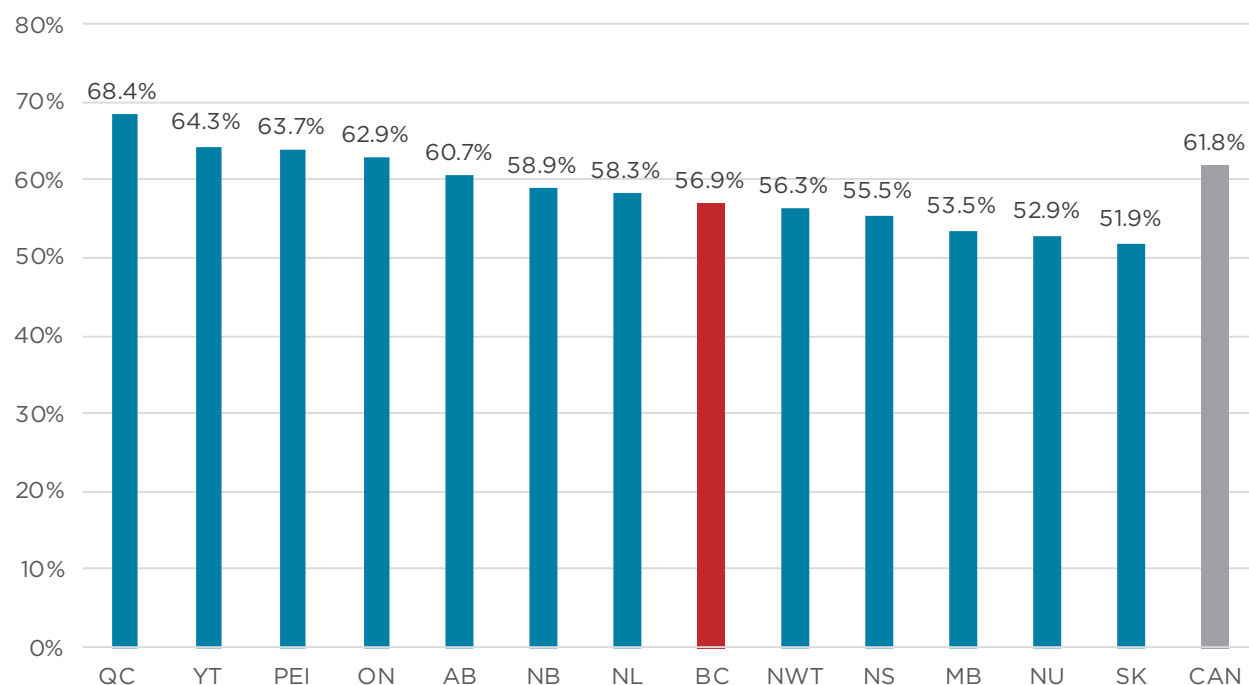
### BC Child Poverty Rates (CFLIM-AT) With and Without Government Transfers, 2020



### GOVERNMENT TRANSFERS BY PROVINCE — HOW DOES BC COMPARE?

The graph below shows the percentage of children kept out of poverty by government transfers in 2020 in Canada and individual provinces and territories.

### Rate of Child Poverty Reduction by Government Transfer Payments, by Province/Territory, 2020



Source: Statistics Canada custom tabulation, data from T1 Family Files 2020

In comparison with other provinces and territories in 2020, government transfers to BC families had a more limited influence on poverty reduction, with BC ranking eighth highest out of 13 provinces and territories in the rate of poverty reduction due to government transfers. As in 2019, the three provinces and territories with the highest impact of government transfers on child poverty reduction were Quebec, Yukon Territory and PEI.

## NEW BC CHILD OPPORTUNITY BENEFIT

Families began receiving the new BC Child Opportunity Benefit (now called the BC family benefit) in October 2020. Those already receiving it saw an increase in the amount of their payments. Families with children 6 years and older, who were no longer eligible for the previous BC Early Childhood Tax Benefit, began to receive this new benefit because it now includes children up to their 18<sup>TH</sup> birthday. This benefit is rolled into the federal Canada Child Benefit payments families receive.



### MISCHA'S STORY

**MISCHA IS A SINGLE PARENT OF A BOY, AGED 5**, who has extra support needs, including a speech delay. Her son is awaiting a formal diagnosis for autism. During the COVID-19 pandemic, he lost access to his speech and occupational therapy for six months.

Mischa is an on-call Educational Assistant, typically working three to four days a week. She had no work when schools were closed at the beginning of the pandemic, and, when schools re-opened, there were increased rules and limitations for on-call staff, and so her work hours were reduced. She had to depend on CERB to pay her bills, causing her a lot of anxiety about the future.

Living in poverty has been a struggle for Mischa. She would like her son to eat a healthier diet, but she has had to cut back on the quality of food she buys because of rising food costs. She cannot afford to get him new clothes or toys. She worries constantly about rent and bills.

Mischa would like the government to:

- Speed up assessments and therapies as the delays mean that children are losing important opportunities for early interventions services;
- Continue providing additional support like CERB to help families make ends meet; and
- Provide more access to innovative technology so individuals and families can stay connected with services and support systems.

FACT SHEET

10

# Impact of COVID-19 Benefits on Family Income

The COVID-19 pandemic created a great deal of hardship for families with children in 2020. School attendance, child care, sports, and socialization were all interrupted. In addition, some families faced the loss of employment for parents or caregivers.

Interventions by various levels of governments showed the power of federal and provincial benefits in preventing and reducing family poverty during this challenging time.

The Federal Government of Canada offered many COVID-19 related supplements in 2020, including:

- Canada Emergency Response Benefit (CERB) for people who stopped working for reasons due to COVID-19 (lock-down, etc.), giving recipients up to \$500/week;
- A one-time additional GST/HST credit payment in April 2020 to eligible households, with an average increase of \$600 for couples;
- An extra \$300 in the Canada Child Benefit in May 2020 for eligible families; and
- Up to \$1,250 through the Canada Emergency Student Benefit (CESB) for a four-week period for a maximum of 16 weeks for students who were unable to find work due to COVID-19.

Interventions by various levels of governments showed the power of federal and provincial benefits in reducing family poverty.

The BC government also offered a variety of COVID-19 related supplements including:

- The BC Emergency Benefit for Workers, which provided a one-time, tax-free \$1,000 payment to BC residents whose ability to work was affected due to COVID-19;
- A \$300 per month temporary crisis supplement for income assistance and disability assistance;
- An emergency relief support fund which provided \$225 per month to families with children and youth with special needs;
- The BC Recovery Benefit for various low and moderate income British Columbians, including \$1,000 for families with incomes under \$125,000; and
- A BC Temporary Rental Supplement which provided rent supplements for renters experiencing a loss of income due to the COVID-19 pandemic, including \$500 per month for eligible households with dependents.

In addition, there were various other supports in place such as a moratorium on rent increases, and some families benefited from deferring payments like mortgages payments and utility bills.



## WHICH FAMILIES RECEIVED WHICH BENEFITS?

Overall, the vast majority of families with children in BC (94.3% of such families) received some COVID-19 benefits in 2020, with coverage above 90% for eight out of the ten income deciles. Families in the third decile with average annual earnings of \$63,665, had the highest coverage (98.1%) The poorest families in the bottom income decile with average annual earnings of \$21,879 had only 87.4% coverage.

Approximately half of families with children received COVID-19 emergency and recovery benefits (e.g. CERB). The poorest families, in the bottom income decile, had a lower coverage rate than average (44%).

The vast majority of families with children (89.1%) received COVID-19 enhancements to existing federal programs (e.g., Canada Child Benefit top-up). The poorest families in the bottom income decile had a lower coverage rate than average (77.6%).

The majority of families with children (81.2%) received COVID-19 provincial and territorial benefits (e.g., BC Recovery Benefit). The poorest families in the bottom income decile had a coverage rate of only 77.4%, below the average for all families.

### Percentage of families with children (0-17), by family after-tax income decile, receiving various COVID-19 benefits, BC, 2020

	Families with any COVID-19 government supports and benefits	Families with COVID-19 Emergency and recovery benefits	Families with COVID-19 Enhancements to existing federal programs	Families with COVID-19 Provincial and territorial benefits
<b>All families</b>	94.3	50.0	89.1	81.2
Lowest decile	87.4	44.0	77.6	77.4
2nd decile	97.9	64.5	92.4	92.7
3rd decile	98.1	61.7	93.2	93.9
4th decile	97.9	59.5	93.1	93.8
5th decile	97.9	57.8	93.3	93.4
6th decile	97.7	54.6	93.3	92.4
7th decile	97.2	50.5	92.5	88.3
8th decile	96.0	44.2	91.6	78.9
9th decile	93.8	38.4	90.0	59.0
Highest decile	78.7	30.3	72.0	40.2

Source: Statistics Canada Census of Population 2021

## HOW MUCH DID RICHER AND POORER FAMILIES RECEIVE?

Among couple families with children, the median amount of COVID-19 benefits received in 2020 was \$4,400, with the highest amounts being received by families in the second and third lowest income deciles (\$9,600 and \$9,000, respectively). Couple families in the bottom income decile received a median amount of \$4,400, the same as the median amount for all couple families with children.

Among single mother families with children, the median amount of COVID-19 benefits received was \$2,760. The highest amounts were received by families in the second lowest family income decile at \$9,200. Single mothers in the bottom income decile received a slightly lower median amount than single mothers as a whole at \$2,260.

In subsequent years, families at different income levels are dealing with clawbacks and unexpected tax implications of some pandemic benefits.

**Median amount received, total COVID-19 benefits, by couples and single mothers with children (0-17), adjusted family after-tax income decile, BC, 2020**

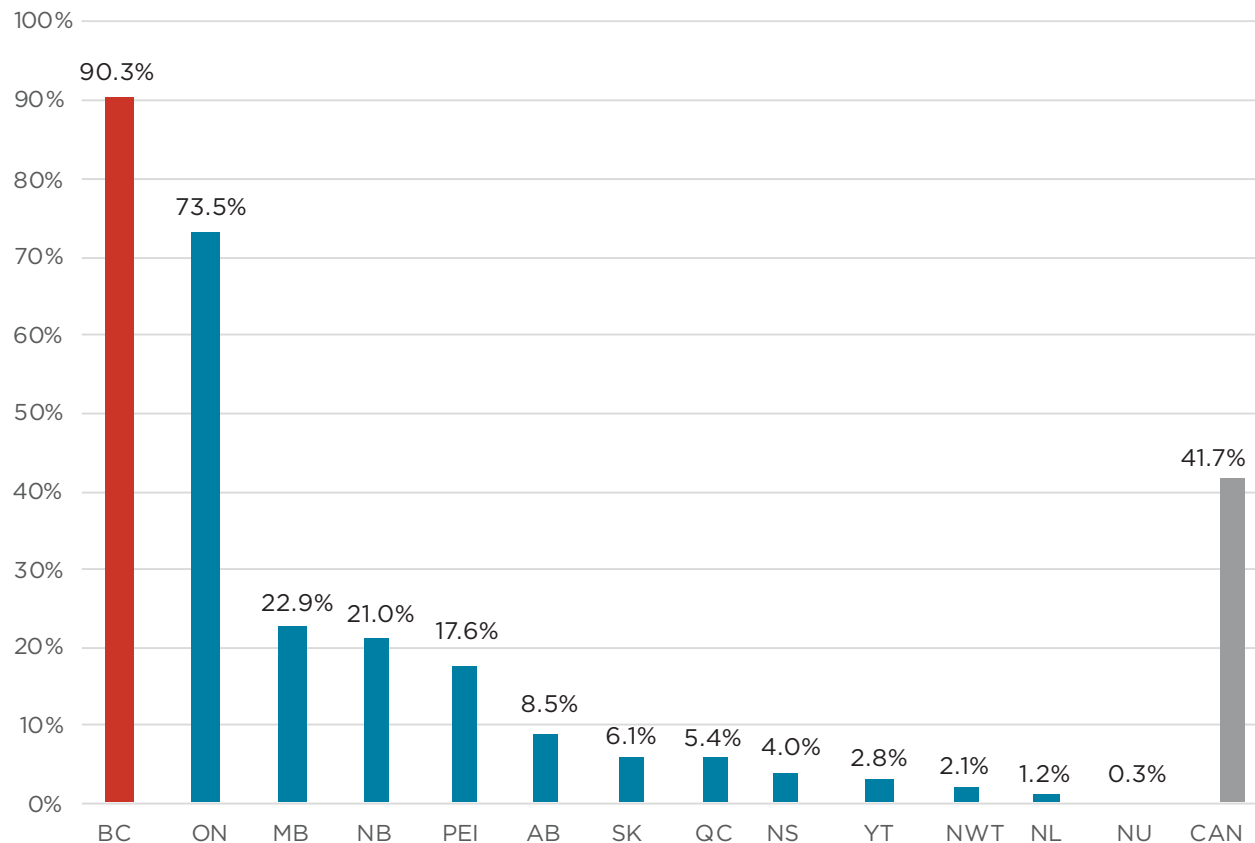
	Couple family with children (0-17)	Single mother family with children (0-17)
<b>Total</b>	4,400	2,760
Lowest decile	4,400	2,260
2nd decile	9,600	9,200
3rd decile	9,000	5,600
4th decile	8,100	2,000
5th decile	6,950	1,760
6th decile	5,600	1,260
7th decile	3,800	1,110
8th decile	1,820	920
9th decile	1,160	745
Highest decile	860	700

Source: Statistics Canada Census of Population 2021



British Columbia had the highest percentage of low-to-moderate income families (families in the bottom half of adjusted family after-tax income) receiving provincial/territorial COVID-19 benefits. 90.3% of these families received these benefits, followed by Ontario at 73.5%. In every other province or territory, less than half of all low-to-moderate income families received provincial/territorial COVID-19 benefits, and only 41.7% of Canadian low-to-moderate income families with children as a whole received provincial/territorial COVID-19 benefits.

**Percentage of families (in bottom half of adjusted family after-tax income) with children (0-17) receiving provincial/territorial COVID-19 benefits, by benefit type, by province/territory, 2020**



Source: Statistics Canada Census of Population 2021



**British Columbia had the highest percentage of low-to-moderate income families receiving provincial/territorial COVID-19 benefits.**

PHOTO MI PHAM/UNSPLASH

# Recommendations: What Needs to Happen

For the 26th year, the data in this First Call annual report illuminate the causes of child, youth and family poverty and policy solutions that are available to us to address these root causes. The additional income supplements and benefits distributed in 2020 due to the COVID-19 pandemic helped produce a record drop in BC's child poverty rate. At the same time, many families who experience higher rates of poverty, such as female lone-parent families, recent immigrants and refugees, Indigenous families, racialized families, families affected by disabilities, were also hit hard with job loss during the pandemic. While federal and provincial temporary income supports and gradual policy changes have helped make some progress in lowering child poverty rates in recent years, 116,500 children in this province remained in poverty in 2020. We cannot afford the cost of so many BC children and youth growing up in poverty. It's time for us to live up to our promises to respect children's rights and end child poverty in BC and in Canada.

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## Area of responsibility:

F

Federal

P

Provincial

L

Local

## FIRST CALL RECOMMENDATIONS

### TAX FAIRNESS AND INCOME SUPPORT

- P** Establish a permanent Fair Wages Commission to examine issues related to low wages and precarity in BC to advise government on strategies that bring workers above the poverty line. Make sure all workers in BC are covered by the hourly minimum wage by the end of 2023.
- F P L** Governments at all levels should ensure their direct and contract employees are paid a living wage that allows them to meet their basic needs, properly support their children and avoid chronic financial stress.
- F P** Significantly raise income and disability assistance rates to bring total welfare incomes up to the CFLIM after-tax poverty thresholds and index them to inflation. Federal investments must support social assistance adequacy through the Canada Social Transfer and tie investments to adequacy standards..
- P** Adjust income and disability assistance rates for families with children with disabilities to recognize the additional costs associated with raising children with extra support needs.
- F** Ensure the Canada Child Benefit, in combination with other income measures, raises all families with children above the CFLIM after tax poverty lines calculated through tax filer data and ensure access to this and other federal benefits for families in population groups with higher rates of poverty.
- P** Index the BC family benefit to inflation to ensure the value of the benefit does not erode over time.



7. **F** Enhance Employment Insurance to expand access, duration, and level of benefits to reduce inequity for lower-income workers and prevent and reduce child and family poverty, including establishing a minimum benefit floor.
8. **F** Ensure maternity and parental leave benefits are universally available to all parents (regardless of work status), increase the duration of leave and ensure the benefit levels are not less than the CFLIM after-tax poverty lines.
9. **F P** Address growing income inequality and generate revenue for poverty reduction programs by eliminating or reducing highly regressive and expensive tax loopholes, closing tax havens, taxing extreme wealth and implementing an excess profit tax focused on corporate pandemic windfalls.

## TARGETED INITIATIVES FOR GROUPS OVER-REPRESENTED IN POVERTY DATA

10. **F P** Collaborate with First Nations, Métis and Inuit governments and Indigenous organizations to address the factors leading to child and family poverty in order to prevent, reduce and eradicate child and family poverty in Indigenous communities. The federal government must comply with the rulings of the Canadian Human Rights Tribunal to provide adequate funding for child welfare services on reserve and ensure the full application of Jordan's Principle for First Nations children. Federal and provincial governments must ensure culturally safe supports and public services are also provided to Métis and Inuit children and to other Indigenous children living off-reserve in urban centres not covered under Jordan's Principle.
11. **P** Automatically enroll all young people transitioning out of care in an income support program that meets their basic living costs and ensures they have safe, secure and affordable housing.
12. Review and enhance supports to grandparents raising grandchildren and other kinship care providers, including Child in the Home of a Relative care providers. Allow grandparents on CPP Disability who are raising their grandchildren to continue to receive the CPP children's benefit after they turn 65 and remove administrative barriers to receiving the Canada Child Benefit for kinship care providers.
13. Intensify efforts to help immigrants and refugees adjust to life in Canada by enhancing employment **F P** assistance, removing long-standing barriers to foreign-trained professionals accessing jobs in their field, making more language training with child care available, and improving employment standards and human rights protections and enforcement.
14. Immediately cancel all outstanding refugee transportation loan debt and cease seeking repayment **F** of transportation costs for all new refugees coming to Canada.

## LOWER BARRIERS AND IMPROVE LIVES THROUGH UNIVERSAL PROGRAMS

15. Continue to prioritize new early learning and child care investments in 2023 budget and beyond to **F P** establish universal access to a system of high-quality, inclusive child care for BC children and families that has no parent fee for low-income families. Create enough licensed child care spaces for all who choose them. Ensure early childhood educators are paid compensation that reflects their education and the importance of the work they do by implementing a province-wide, publicly funded competitive wage grid for positions within the child care sector. Ensure there are

adequate resources and support for the implementation of the Indigenous Early Learning and Child Care Framework.

16. **P** Increase program funding and support for families raising children with disabilities and complex medical needs to ensure they have timely, universal access everywhere in BC to a core suite of early intervention therapies; timely assessments; family respite; inclusive child care; health, medical and in-home supports.
17. **P** Increase investment in public health initiatives aimed to support maternal and parental health and healthy infant development, as well as non-barriered, free, community-based programs and services for all families with young children to ensure these supports are available throughout the province and designed to reach families experiencing poverty and other threats to their ability to thrive.
18. **F P L** Scale up funding to build thousands of new social and affordable rental housing units and maintain existing affordable housing stock to reduce the number of families in core housing need and to eliminate homelessness. Tie rent control to the unit to remove the incentive for evictions of current tenants to raise the rent for new tenants.
19. **F P** Contribute funding to establish a universal, cost-shared, healthy school food program for all K-12 students that is respectful of local contexts, connected to community and curriculum, health-promoting and sustainable.
20. **P** Ensure K-12 public education funding is sufficient to mitigate inequities between high- and low-income neighbourhoods, school districts and families and to ensure appropriate inclusion of students with diverse learning needs. This includes enhancing funding to school districts for special education assistants, arts programming, libraries, student support services, and deferred maintenance, among other areas that still require urgent attention in future provincial budgets. Schools need additional funds to implement public health response measures arising from the COVID-19 pandemic.
21. **F P** Create universal access to post-secondary education by eliminating tuition fees.
22. **P** Provide free public transit for minors ages 13 to 18 and free or reduced-fee transit access for low-income households.
23. **F P** Work with industry to ensure lower income families and youth have access to technology (both hardware and Internet access) so that they are able to apply for financial assistance, learning opportunities and access other supports.
24. **F P** Introduce universal coverage for all Canadians for prescription drugs, dental care, eye care, hearing aids, and assistive devices/products as essential aspects of health care.

## ADDITIONALLY

25. **F P** The CFLIM-AT is a broad, comprehensive, and relative measure of poverty. Replace the Market Basket Measure with the Census Family Low Income Measure After Tax (CFLIM-AT), calculated with annual tax filer data, as Canada's and BC's official measure of poverty.

When announcing legislated poverty reduction goals in 2018, both the federal and BC governments set the Market Basket Measure (MBM) as the official poverty line. The MBM sets an absolute measure of material deprivation for a reference family of four, two parents and two children ages 9 and 13.

The Census Family Low Income Measure (CFLIM) after tax captures income inequality which makes it a better predictor of child development and health outcomes. This is why the international community, including UNICEF and the OECD, use the LIM and why Campaign 2000 and its provincial partners have historically used the CFLIM in our Child Poverty Report Cards, and continue to do so.

In 2020, using the CFLIM and more comprehensive taxfiler data, there were 116,500 children living in poverty in BC. Using the recently updated MBM and Canadian Income Survey data, there were 43,000. Survey data relies on a representative sample of respondents, which is acknowledged to risk under-reporting the disposable incomes of both the very wealthy and the very poor. The MBM calculation also currently excludes people living on First Nations reserves and in the Territories.

First Call encourages government to avoid politicizing child poverty by overstating improvements in the poverty rate. Indeed, we agree that both levels of government have established better public policies—income transfers in particular—that have benefited children and their families. Evaluating the outcomes of policy initiatives becomes difficult when different methods of measurement and data sources produce conflicting results.

The following chart contains the Census Family Low Income Measure, after tax used in this report card for different family sizes based on the number of adults and children in each family type.

**Statistics Canada's 2020 Thresholds for After-Tax Census  
Family Low Income Measure (CFLIM)**

Number of family members	Income Threshold
Single person (no child)	\$23,976
Lone parent with one child	\$33,907
Lone parent with two children	\$41,528
Couple with one child	\$41,528
Couple with two children	\$47,952



### ABOUT FIRST CALL

First Call Child and Youth Advocacy Society works with a non-partisan, cross-sectoral network of affiliate organizations to put BC children and youth first in public awareness and public policy. We conduct research and analysis on child and youth rights and well-being, offer education and training events, and make policy recommendations to promote, strengthen and defend the rights of children and youth in BC.

We are committed to achieving the following 4 Keys to Success for B.C.'s children and youth:

- A strong commitment to early childhood development
- Support in transitions from childhood to youth and adulthood
- Increased economic equality
- Safe and caring communities

If you are a British Columbia-based organization that believes in putting children and youth first, we invite you to become an affiliate. For more information, please email us at [info@firstcallbc.org](mailto:info@firstcallbc.org).

### SUPPORT OUR WORK

First Call's annual Child Poverty Report Cards have helped countless individuals and groups advocate for BC's children and youth. We thank all our individual donors, funders, and partner organizations for their ongoing support. You can support our work by donating to the First Call Fund at Vancouver Foundation: [give.vancouverfoundation.ca/s/firstcall](https://give.vancouverfoundation.ca/s/firstcall)

Visit our website: **[firstcallbc.org](https://firstcallbc.org)**