



BUDGET RESPONSE

FEBRUARY 28, 2018

OTTAWA - Budget 2018 makes inroads against poverty and inequality with boosts to Canadians' incomes, but the gains for parents, women, workers and Indigenous people need to be poverty-proofed and paired with accessible public services in the upcoming Poverty Reduction Strategy (PRS), says Campaign 2000.

"We welcome Budget 2018's funding to index the Canada Child Benefit to inflation and commend the three-year \$17.3 million investment to enhance access to the CCB among Indigenous families starting in 2018-19," says Anita Khanna, Campaign 2000 national coordinator. "Budget 2018 also immediately increases investment in First Nations child welfare and other much needed services for Indigenous people to further Reconciliation efforts. It also includes the new Canada Workers Benefit, increases investment in the Rental Construction Financing Initiative, invests in a national anti-racism plan and creates a new 5-week second parent leave as part of efforts to enhance gender equality. On the services side, we are astounded that the budget's gender analysis package does not enhance investments in child care to address the crisis of access and affordability that negates gender equality. The new advisory council on Pharmacare holds great promise. We call for swift but well-planned implementation of universal Pharmacare as too many parents are choosing between filling prescriptions and filling their cupboards right now."

The gender analysis approach to the budget resulted in pay equity measures, support for women entrepreneurs, investments in services to address gender-based violence and an increase in funding for women's organizations, among other measures. For Campaign 2000, the absence of meaningful child care funding is glaring.

"Study after study confirms that the struggle to find quality child care is the greatest barrier to women's work force participation and gender equality in Canada," says Laurel Rothman of the Ontario Coalition for Better Child Care. "Women want to move from #MeToo to opportunity, but for women in low income the lack of child care is a barrier to leaving abuse and inequality behind. Child care enables a mother to work and pursue training to boost her income and her family's well-being. Quite simply, quality child care is essential to achieving gender equality in Canada."

As promised in the 2017 Fall Economic Statement, Budget 2018 includes a redesign of the Working Income Tax Benefit (WITB), now renamed the Canada Workers Benefit (CWB), which is expected to lift an estimated 70,000 workers out of poverty in 2019. Enhancements of up to \$500/worker annually and efforts to improve uptake to up to 300,000 workers are welcome, especially for older workers or those with disabilities who work limited hours. To support workers further, the federal government should implement a \$15/hour minimum wage and ensure it does not fall behind Ontario, Alberta and British Columbia which are all committed to raising the floor for workers. Like the WITB before it, we note that the CWB is not a magic bullet to end working poverty and we call for a good jobs strategy, enhanced public services and strong pan-Canadian standards in the upcoming federal PRS.

Specific funding towards the government's PRS commitment is in the form of investment in data collection by Statistics Canada. Budget 2018 commits \$12.1 million over 5 years and \$1.5 million per year afterwards to address key gaps in poverty measurement. The purpose of the funding is to ensure that poverty data are inclusive of all Canadians, data on various dimensions of poverty are captured, and the data are robust and timely. This funding is welcomed by Campaign 2000, a long-time champion of the need for quality data to inform reporting and monitoring of the achievement of poverty reduction targets.

However, it is disappointing that additional funds were not allocated to implementation of the PRS, which we understand will be announced in June. Does this mean that nothing will happen until April 2019? Low income children and their families cannot wait.

"Both families in low income and the federal government will benefit from having a strong PRS in place. For the government, a strong PRS can help protect its investments in income enhancements," according to Dr. Sid Frankel of the University of Manitoba. "The PRS can ensure that the federal government's investments in income security actually benefit low income families with children, through the implementation of pan-Canadian standards for programs like the CCB and CWB. This should include legislating conditions in the Canada Social Transfer so that enhancements to the CCB and CWB do not impact a family's eligibility for subsidized child care, housing or eligibility for provincial children's benefits. With a strong poverty reduction strategy, we can avoid regional variations and income claw backs that keep families from getting ahead."

Increasing tax fairness is required to finance the PRS and to decrease income inequality. The government has taken a small step in the right direction through moderately increasing taxes on passive income earned within small businesses; but much more remains to be done.

"Budget 2018's inroads are in the right direction, but with a comprehensive poverty reduction strategy the federal government can truly go the distance for children and their families," adds Khanna. "With nearly 1 in 5 children in poverty, Canada needs to take the training wheels off in 2019 and roll out the strong investments in poverty eradication that Canadians have awaited for far too long."

Family Service Toronto coordinates Campaign 2000 - a non-partisan, cross-Canada network of 120 national, provincial and community partner organizations committed to working to end child and family poverty. For more, visit <http://www.campaign2000.ca>.