House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Campaign 2000: End Child & Family Poverty in Canada

or

( ) **an individual** **Name:** _____

Topic: Poor, poverty and income inequality

*Recommendation 1: Please provide a short summary of your recommendation.

Re-align expenditures for children by increasing the National Child Benefit (with Canada Child Tax Benefit) for low- and modest-income families to a maximum of $5,400 per child (2012 dollars, indexed to inflation) and establishing an earmarked transfer payment of $1.3 billion to the provinces and territories for early childhood education and care services. This can be achieved by eliminating the Universal Child Care Benefit, the Child Tax Credit and the Child Fitness Tax Credit and re-directing these funds to finance the increased the National Children's Benefit (in combination with the Canadian Child Tax Benefit) up to $5,400 per child.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

This can be achieved by eliminating the Universal Child Care Benefit, the Child Tax Credit and the Child Fitness Tax Credit and re-directing these funds to finance the increased National Children's Benefit (in combination with the Canadian Child Tax Benefit) up to $5,400 per child. Additional funding for the earmarked ECEC transfer could be obtained from general revenues. Another option is to phase in a re-instatement of the 2% of the GST that was cut in 2006.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Across Canada, 2.7 million children and their families receive the NCB payment according to most recent figures (NCB Progress Report 2008). Families with a net income of under $23,710 were eligible for the maximum NCB (combined with CCTB in 2009). It is not known how many children were eligible for the maximum or how many received a partial payment.

The new earmarked transfer fund would be additional money available to provinces and territories for development of regulated, publicly-managed child care services that will help to meet the needs of the 4 out of 5 children under six who do not have access to high quality child care services. With More than 70% of mothers of young children in the paid labour force, there is tremendous un-met need for high quality childcare services.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The increase of the NCB to a maximum of $5,400 per child per year would bring the child poverty rate down by 15% and lift 174,000 children out of poverty.

As the Childcare Resource and Research Unit has identified, high quality ECEC is shown to produce substantial social and economic returns to our society. Depending upon how and where the research is done, studies show returns from $2 to $17 for every dollar spent. These returns are derived from improved school performance, reduced need for remediation in the school years, reduction of anti-social behaviour -- all resulting in later adult productivity -- and increased mothers' labour force participation.

Topic: Please select from the pull-down menu

Recommendation 2: Please provide a short summary of your recommendation.

N/A

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

Please select from the drop down menu

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Topic: Please select from the pull-down menu

Recommendation 3: Please provide a short summary of your recommendation.

N/A

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

Please select from the drop down menu

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Please use this page if you wish to provide more explanation about your recommendation(s).

Campaign 2000, a non-partisan, cross-Canada network of over 120 national, provincial, territorial and community organizations, urges that federal taxation, transfer and program expenditure measures focus on those individuals, families and communities who are vulnerable and feel the greatest impact of on-going economic disruption. More than two decades after the unanimous 1989 House of Commons resolution to end child poverty in Canada and more than three years after the 2009 unanimous November 24th resolution of the House". . . be it resolved that the Government of Canada, taking into consideration the Committee's work in this regard, and respecting provincial and territorial jurisdiction, develop an immediate plan to eliminate poverty in Canada for all.", 967,000 children and their families – almost 1 child out of every 7 – still live in poverty. It is important to note that these statistics do not fully reflect the shameful situation of the 40% of indigenous children living in poverty. Governments ignore this issue at their peril, given evidence that childhood poverty is too often reproduced in adulthood, largely through impairing the labour market participation of adults who were poor as children.

Campaign 2000's main recommendation for an enhanced child benefit for low- and modest-income families to a maximum of $5,400 per child (2012 dollars, indexed to inflation) integrates the need for improved income security for families and the desperate need for high quality, regulated early childhood education and care services (ECEC). The government should streamline the way it supports families through the taxation and transfer systems, and use Canadians' valuable taxation revenues in a targeted efficient manner to yield the greatest poverty reduction impact possible. Together, CCAAC and Campaign 2000 have recommended that the Universal Child Care Benefit (UCCB), worth $2.6 billion (most recent estimate) annually, be eliminated and that half of the funds ($1.3 billion) be put into an earmarked transfer to the provinces and territories to support ECEC services and that the other half of the funds be directed to enhancing the progressive National Child Benefit (NCB) for low- and modest-income families. The UCCB is a uniform, non-progressive taxable income transfer of $100 per month to all parents with children under 6 years that does nothing to help to expand high quality childcare services that families need and want. Neither is UCCB fair or progressive income benefit. Fairness can be achieved by eliminating the mis-named Universal Child Care Benefit, the regressive Child Tax Credit and Child Fitness Tax Credit and increasing the National Child Benefit (in combination with the Canadian Child Tax Benefit) to $5,400 per child. This would bring the child poverty rate down by 15% and lift 174,000 children out of poverty at a modest additional cost of $174 Million.

*Please note that at least one recommendation must be provided