

# A CALL FOR A BUDGET THAT PAYS ATTENTION TO CANADA'S CHILDREN

*Submission to the Federal Pre-Budget 2015 Consultation*

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## EXECUTIVE SUMMARY

This brief from First Call: BC Child and Youth Advocacy Coalition, a provincial coalition of 95 partner organizations, calls upon the House of Commons to make sure the 2015 federal budget contributes to progress in securing a strong commitment to early childhood development, support in transitions from childhood to youth to adulthood, increased economic equality, and safe and caring communities for all of Canada's children.

We recommend all budget measures be assessed for their impacts on children and youth, and especially for impacts on members of particularly vulnerable groups such as Aboriginal children, children with disabilities, recent immigrant children and children in female-led lone-parent families, in order to ensure that we do no harm.

First Call's recommendations touch on four key areas for action that we believe should be reflected in the next federal budget priorities:

1. Improving supports for young families and their children
2. Reducing income inequality and health inequities in Canada
3. Better supports for Canadian youth
4. Reducing exposures to environmental toxins

## INTRODUCTION

First Call: BC Child and Youth Advocacy Coalition is a coalition of provincial and regional organizations, individuals and local community networks in British Columbia who share the belief that children and youth should have "first call" on our nation's resources. Our 95 partner organizations are committed to achieving the following 4 Keys to Success for BC's children and youth:

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

These Keys to Success frame an integrated agenda for action based on solid research and evidence of the factors children and families need to thrive.

We call upon the House of Commons to make sure the 2015 federal budget contributes to progress in reaching each of these goals for all of Canada's children. We recommend all budget measures be assessed for their impacts on children and youth, and especially for impacts on members of particularly vulnerable groups such as Aboriginal children, children with disabilities, recent immigrant children and children in female-led lone-parent families, in order to ensure that we do no harm.

Our coalition is pleased to respond to the Finance Committee's invitation for advice on how to achieve a strong and sustainability economy, support for families and vulnerable Canadians, prosperous and secure communities, improved taxation and regulatory regimes and robust employment opportunities for Canadians.

In this brief we touch on four key areas for action that we believe should be reflected in the next federal budget priorities:

5. Improving supports for young families and their children
6. Reducing income inequality and health inequities in Canada
7. Better supports for Canadian youth
8. Reducing exposures to environmental toxins

## 1. Improving supports for young families and their children

Canada's public expenditures on early childhood services are extremely low in comparison to other OECD countries.<sup>1</sup> Yet we know from extensive research on human development that "the early years represent the unique window in the human life course during which citizens' physical, socio-emotional and cognitive potential are especially malleable to the positive effects of nurturing environments and strategic human capital investments."<sup>2</sup>

Canada's failure to properly support young children and their families through more effective social policy, such as more generous and inclusive parental leave, adequate income supports for those in need and universal access to quality early care and learning for all young children, is resulting in high rates of vulnerability in children. This vulnerability translates into weakened educational outcomes, health inequities and long-term loss of productive potential. This is a recipe for unsustainability and rising social costs.

If we are truly interested in increasing productivity and ensuring the next generation is equipped to compete in an international knowledge-based economy, the starting place is increasing Canada's public investments in early child development and education.

First Call recommends the 2015 budget place a high priority on increasing Canada's annual investments in early childhood care and learning from our current 0.25% of GDP to the recommended UNICEF benchmark of 1% of GDP.

This type of investment would allow the development of a national early care and learning strategy that would improve quality, access and affordability for young families, a key factor in supporting healthy child development and supporting parents' ability to earn income. Such a strategy would include the transfer of adequate and sustained resources to the provinces and territories.

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<sup>1</sup> UNICEF Innocenti Research Centre, 2008. *Early Childhood Services in the OECD Countries*. [www.unicef.ca/portal/Secure/Community/502/WCM/HELP/take\\_action/Advocacy/iwp2008%2001final%20Bennet.pdf](http://www.unicef.ca/portal/Secure/Community/502/WCM/HELP/take_action/Advocacy/iwp2008%2001final%20Bennet.pdf)

<sup>2</sup> Human Early Learning Partnership, 2009. *15 by 15: A Comprehensive Policy Framework for Early Human Capital Investment in BC*. [www.earlylearning.ubc.ca/for-you/business](http://www.earlylearning.ubc.ca/for-you/business)

This level of investment would also allow government to enhance maternity and parental leave to enrich the benefit value, and extend the total duration to 18 months, reserving additional months for fathers.

## 2. Reducing income inequality and health inequities in Canada

High child and family poverty rates, increasing housing insecurity and food bank use for families with children, and a rising tide of working parents raising children in poverty are all indicators of the urgent need for action to reduce inequities through thoughtful public spending and public policy.

The 2015 federal budget should introduce a federal action plan to reduce poverty in consultation with provincial/territorial governments, Aboriginal governments and organizations, non-governmental organizations and people living in poverty. The plan should have targets and timelines for achieving substantial reductions in poverty levels across the demographic spectrum and include substantial federal transfers to the provinces and territories to help them reach their poverty reduction goals.

With 2,959,000 Canadians poor (LICO after tax measure, 2011), a 25% reduction in the poverty rate would benefit 739,750 people. Using the same measure, 591,000 children under 18 are poor, meaning a 25% reduction in their poverty rate would benefit 147,750 children across the country.

In order to reduce income inequality, First Call also recommends the 2015 federal budget contain measures to re-align expenditures for children by increasing the National Child Benefit (NCB) for lower-income families to a maximum of \$5,500/child (in combination with the Canadian Child Tax Benefit). Streamline family supports through the tax and transfer systems, and use tax revenues more efficiently to reduce poverty by eliminating the Universal Child Care Benefit, Child Tax Credit and Child Fitness Tax Credit and re-directing these funds to increase the NCB, in order to directly lift more children out of poverty.

We strongly recommend against implementing proposed changes in the taxation policy to allow income splitting for families with children under 18, as this would overwhelmingly benefit higher income families, thus increasing our already disturbing levels of income inequality.<sup>3</sup>

Many Aboriginal families and communities are still recovering from the legacy of residential schools and other trauma inflicted by colonialism in the past and present. The next federal budget is an opportunity to address the huge inequities that have been created in health, economic security and other indicators of well-being through substantially increased investments in child welfare, education and health services and other supports for Aboriginal communities both on and off reserve

We also recommend that the 2015 budget include the immediate cancelation of all outstanding refugee transportation loan debt and a policy change to cease seeking repayment of transportation

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<sup>3</sup> David MacDonald, *Income Splitting in Canada, Inequality by Design*, Canadian Centre for Policy Alternatives, 2014. [http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2014/01/Income\\_Splitting\\_in\\_Canada.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2014/01/Income_Splitting_in_Canada.pdf)

costs for new refugees coming to Canada. This would be a small cost to the federal treasury, but would have a huge benefit for the refugee families and their children who are terrorized by the spectre of interest-bearing loans they cannot afford to service or pay off.

Given the prominence of low wages as a cause of many children's poverty, the federal government, as a very large employer and manager of contracts, has a duty to 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. Federal government contracts for services such as cleaning and security should be scrutinized to make sure their wage rates are sufficient to lift these employees out of poverty.

This living wage strategy has the added advantage of boosting the Canadian economy, as adequately paid workers are able to participate as consumers in their local communities. Poverty is toxic to the health of children and the related human, social and economic costs are enormous. Canadian taxpayers would be well-served by a reduction in child and family poverty levels.

### **3. Better supports for Canadian youth**

First Call would like to see the 2015 federal budget increase public investments in post-secondary education and training for young people. This is necessary to open up post-secondary options to those with financial barriers and reduce the horrendous burden of debt too many students are incurring in order to obtain education and skills training required for current and future jobs.

Similarly, investments in early literacy and other supports for populations of children and youth who are at risk of early school leaving or school failure would be money well spent to maximize the potential of all of Canada's young people. It would have the added effect of reducing justice system costs, as low literacy is a known risk factor for criminal involvement and incarceration.

### **4. Reducing exposures to environmental toxins**

A healthy population is essential to a healthy society and productive economy. Children are particularly vulnerable to the toxic effects of hazardous chemicals in their environments, both in utero and once they are born. Children's health is compromised over their life course by our failure to provide them with a clean, healthy environment.

As thousands of untested chemicals and many identified toxins are contained in personal care products, food containers, building materials, and other common household items, and these chemicals are released into our outdoor and indoor environments, parents are increasingly frustrated with their inability to protect their children from toxic exposures they may not even be aware of.

For the health of future generations, First Call recommends that the 2015 federal budget contain measures that enable government to take a much more proactive and evidence-based role in protecting our land, air, water, and food supply, and better support government's responsibility to identify and regulate products that contain hazardous materials and substances. This will contribute to reductions in levels of chronic disease and disability and the resulting rise in health care costs.

In conclusion, we thank the Finance Committee for this opportunity to share our proposals for how next year's federal budget can better serve Canada's children, youth and families, and trust they will be given the serious consideration warranted by a government interested in their health and well-being.