



OPPORTUNITY FOR ALL **CANADA'S FIRST POVERTY REDUCTION STRATEGY**

OECD Policy Workshop on
“Enhancing Child Well-being:
From Ends to Means?”

January 16, 2019



Employment and
Social Development Canada

Emploi et
Développement social Canada

Canada 

Why a Poverty Reduction Strategy?

Canada is a prosperous country, yet more than 1 in 8 Canadians lived in poverty in 2015*.

In December 2015, the Prime Minister tasked the Minister of Families, Children and Social Development with developing a Canadians Poverty Reduction Strategy that:

- aligns with and supports existing provincial/territorial/municipal strategies;
- sets targets to reduce poverty; and
- includes a plan to measure and publicly report on progress.

The Government is committed to strengthening the middle class and helping those working hard to join it

- On August 21, 2018, the Government of Canada released *Opportunity for All: Canada's First Poverty Reduction Strategy* that builds on significant new investments. In 2018, the Government invested nearly \$10 billion in new spending in support of poverty reduction, including investments through the Canada Child Benefit, the increase to the Guaranteed Income Supplement, and the National Housing Strategy. This builds on new investments in poverty reduction this Government has already made totalling \$5 billion in 2016-17 and nearly \$7.5 billion in 2017-18.
- Total investments over the 2016-17 to 2018-19 period are \$22 billion, and the Government has also committed new investments of over \$12 billion for 2019-20 (see Annex B for details of these key investments. See Annex B of *Opportunity for All* for a complete list and description of the Government's poverty reduction initiatives).

Poverty is:

The condition of a person who is deprived of the resources, means, choices and power necessary to acquire and maintain a basic level of living standards and to facilitate integration and participation in society.

Government efforts are already showing results

- ❖ Investments will help lift about 650,000 Canadians out of poverty by 2019, with more expected as the impacts of these investments are realized in the years to come.
- ❖ From 2015 to 2016, the poverty rate* fell from 12.1% to 10.6%, or around 1 in 10 Canadians.

* Calculated using Canada's Official Poverty Line.

THE JOURNEY TO Opportunity for All

Engaging with Canadians

IN PERSON



13 sessions led by Government of Canada officials in collaboration with provinces,

territories, Indigenous groups or organizations

29 meetings with multiple levels of government, including Canadian municipalities

12 roundtables with stakeholders

4 public town hall events

4 roundtables with Indigenous Leadership

Over **600 Canadians** consulted through **33 conversations** in **9 different** provinces and territories

Over **5,500 Canadians** reached through the **Tackling Poverty Together Project**

The **Ministerial Advisory Committee** on Poverty brought together a diverse group of 17 leaders, academic experts and practitioners working in the field of poverty reduction, and individuals who have experienced poverty first hand.

The Committee provided advice to the Minister of Families, Children and Social Development on a range of poverty-related issues.

National Poverty Conference
(September 27-28, 2017)

Release of the What We Heard Report
(February 20, 2018)

ONLINE

POVERTY
REDUCTION STRATEGY



1,127

EMAIL
SUBMISSIONS



584

COMPLETED
SURVEYS



199

STORIES &
COMMENTS

Youth Contest
#ReducePoverty in Canada



X 64

YOUTH SUBMISSIONS

The three pillars of the Poverty Reduction Strategy

- *Opportunity for All* was informed by a cross-country consultation process from February to October 2017.
- A summary report of what Canadians told us, entitled “Canadian Poverty Reduction Strategy: What We Heard About Poverty So Far”, was released on February 20, 2018.
- Three major themes emerged from the engagement and form the basis of the three pillars of the Poverty Reduction Strategy:
 - **Dignity:** Lifting Canadians out of poverty by ensuring basic needs – such as safe and affordable housing, healthy food, and healthcare – are met;
 - **Opportunity and Inclusion:** Helping Canadians join the middle class by promoting full participation in society and equality of opportunity; and,
 - **Resilience and Security:** Supporting the middle class by protecting Canadians from falling into poverty and by supporting income security and resilience.

Opportunity For All – Canada’s First Poverty Reduction Strategy

- The Government of Canada released a poverty reduction strategy for the first time in Canada’s history – it includes long-term commitments to guide current and future government actions and investments:
 - ❖ Canada’s Official Poverty Line
 - ❖ Poverty Reduction Targets
 - ❖ Data and Measurement Plan
 - ❖ National Advisory Council on Poverty
 - ❖ Poverty Reduction Legislation

Canada's Official Poverty Line

For the first time in Canada's history, the Government sets an official measure of income poverty: Canada's Official Poverty Line

- Calculated based on the costs of a basket of goods and services that individuals and families require to meet their basic needs and achieve a modest standard of living.
- This basket, formerly known as the Market Basket Measure, includes items such as healthy food, appropriate shelter and home maintenance, and clothing and transportation, as well as other goods and services that permit engagement in the community, particularly for children, youth, parents and seniors.
- Canada's Official Poverty Line will reflect poverty thresholds for 50 regions across Canada, including 19 communities, and will also include the three territories.
- The basket will be updated regularly to ensure it continues to reflect what Canadians need to meet their basic needs and achieve a modest standard of living.

Why Canada's Official Poverty Line?

Canada's Official Poverty Line best reflects what Canadians need to meet their basic needs and achieve a modest standard of living.

- Overwhelming support for this measure of poverty during consultations.
- Reflects the financial pressures that families face on a daily basis.
- Sensitive to regional differences, which is particularly important for a country as geographically large and economically diverse as Canada.

While Canada's Official Poverty Line will be the official measure of poverty, The Government of Canada will also continue to measure relative low income using the Low Income Measure (LIM) and will explore making the LIM more sensitive to regional differences. The LIM is a relative measure of low income that tracks the proportion of Canadians with incomes that are below 50 percent of the median after-tax and transfer income. Since many countries report low income on this basis, it is frequently used for international comparisons, including with the OECD.

Poverty Reduction Targets

The vision of *Opportunity for All* – Canada's First Poverty Reduction Strategy is a Canada without poverty.

- Canada's Official Poverty Line will be used to measure progress toward two targets for poverty reduction, using a baseline year of 2015:
 - ❖ Reduce the rate of poverty by 20% by 2020; and
 - ❖ Reduce the rate of poverty by 50% by 2030.
- The targets are aligned with the United Nations Sustainable Development Goals.
- Meeting these targets will mark a significant reduction of poverty in Canada, reducing the number of Canadians living in poverty to about 10% by 2020, and to 6% by 2030 – an historic low.

Improving Poverty Measurement

As announced in Budget 2018, the Government is investing \$12.1 million over five years, and \$1.5 million per year thereafter, to address key gaps and improve poverty measurement. This funding will support the following streams of work:

Update/review Canada's Official Poverty Line and Improve the Canadian Income Survey

- Update the basket to reflect costs of the Strategy's baseline year of 2015.
- Conduct annual updates to account for inflation.
- Conduct comprehensive reviews on a regular basis.
- Expand the Canadian Income Survey to inform Canada's Official Poverty Line in the territories.
- Improve the Survey's robustness (such as timeliness and sample size).

Create an Indicator Dashboard

- The Dashboard will allow Canadians to track progress against the targets and other dimensions of poverty aligned with the three pillars. See Annex A of *Opportunity for All* for a list of indicators.
- Data will be disaggregated by geographic and socio-demographic characteristics, as the information becomes available, to understand poverty among various vulnerable groups.

Research on Concepts of Income

- Address gaps in knowledge and understanding of the various dimensions of poverty in Canada (e.g., including rent subsidies into the measurement of income).

National Advisory Council On Poverty



- An independent National Advisory Council on Poverty will be established with a whole-of-government perspective on poverty reduction with a mandate to:
 - ❖ Provide advice to the Minister of Families, Children and Social Development.
 - ❖ Track and report on progress on poverty reduction efforts through an annual report that will be tabled in Parliament.
 - ❖ Continue a national dialogue with Canadians on poverty.

Poverty Reduction Legislation



- On November 6, 2018, the Government introduced in Parliament legislation that proposes to entrench Canada's Official Poverty Line, the targets and the National Advisory Council on Poverty into law.

Working with Indigenous Peoples

- The Government is taking a distinctions-based approach to implement initiatives in support of the Strategy, that specifically reflects First Nations, Inuit and Métis perspectives on poverty, including:
 - Indigenous Early Learning and Child Care
 - National Housing Strategy
 - Indigenous Skills and Employment Training Program (see Annex B of *Opportunity for All* to learn more about these programs).
- The Government will also work with Indigenous peoples to identify and co-develop indicators that align with First Nations, Inuit and Métis concepts of poverty to be tracked in the poverty reduction indicator dashboard .

Working with Provinces, Territories and Communities



- Partnerships are essential to implementing poverty reduction strategies that work for all Canadians.
- A joint statement on poverty reduction was released by provincial and territorial ministers on July 31, 2018. Federal-Provincial/Territorial (F-P/T) collaboration will be guided by this statement and the Poverty Reduction Strategy.
- The Government will continue to work with provinces and territories, and municipalities, to address mutual priorities; coordinate efforts; avoid duplication; and share data and best practices.

Going Forward: Canada in 2030



- The Strategy is both a framework for actions that the Government has taken, but also to guide the actions that it will take in the future.
- Data and evidence gaps will be identified and addressed.
- The Government will work with partners across all parts of society to achieve our vision: including provinces and territories, Indigenous peoples, local community groups on the front lines; academics, the private sector, and most importantly: those with lived experience of poverty.

Next Steps



Work is underway to implement the Poverty Reduction Strategy:

- National consultations to review and update Canada's Official Poverty Line is underway.
- Conversations are ongoing with National Indigenous Organizations and others to discuss processes for co-developing indicators of poverty.
- Poverty reduction legislation introduced in Parliament on November 6, 2018. Timing for passage into law is to be determined by the legislative process.
- National Advisory Council on Poverty to be set up (timing is to be determined).
- First iteration of the Poverty Reduction Indicator Dashboard to be published online by March 2019.



ANNEX A – Key Poverty Reduction Investments to Support Child Well-being

Opportunity for All includes the following key investments that the Government has made since 2015 to support child well-being:

- Canada Child Benefit
- Early Learning and Child Care
- Indigenous Early Learning and Child Care
- National Housing Strategy

Canada Child Benefit



- Introduced in 2016, the Canada Child Benefit (CCB) is a tax-free benefit that provides support to families to help with the cost of raising children.
- As of July 2018, the CCB thresholds and benefit amounts have been indexed to keep pace with the rising cost of living.
- The CCB represents new investments of over \$25 billion over five years, including the value of indexing the benefit beginning in 2018–19.
- In the 2016–17 benefit year, over 3.3 million families received more than \$23 billion in Canada Child Benefit payments, and the 9 out of 10 families who are better off as a result of the Benefit received on average almost \$2,300 more in benefits, tax-free, than under the previous system of child benefits.
- To give an example of the CCB impact, for the 2016-17 benefit year, single mothers earning less than \$60,000/year received about \$9,000 in benefit payments on average making it easier for them to afford things like a safe place to live, healthy food, and winter clothing.

Early Learning and Child Care



- Budgets 2016 and 2017 announced combined investments of \$7.5 billion over 11 years, starting in 2017-18, to support and create more high-quality, affordable child care across the country. Of this investment:
 - \$95 million will go towards closing data gaps to better understand child care challenges and needs and track progress; and
 - \$100 million will go towards early learning and child care innovation.
- The Government of Canada entered into bilateral agreements with the provinces and territories to provide them with \$1.2 billion over three years for early learning and child care programs.
- By 2020, investments through the early learning and child care bilateral agreements will lead to the creation of up to 40,000 more affordable child care spaces.

Indigenous Early Learning and Child Care



- From the Government's investment of \$7.5 billion over 11 years in Early Learning and Child Care, starting in 2018-19, the Government has committed \$1.7 billion in new funding over 10 years to strengthen early learning and child care programs and services for all Indigenous children.
- This programming is guided by the National Indigenous Early Learning and Child Care Framework which was jointly developed by the Government of Canada and First Nations, Inuit and Métis Nation leadership in September 2018.
- The Framework creates an historic opportunity to establish a comprehensive, coordinated, regional Indigenous-developed and Indigenous-led early learning and child care system that is responsive to Indigenous people, their communities and families.

National Housing Strategy



- Canada's first ever National Housing Strategy provides historic investments of \$40 billion over 10 years to help provide Canadians with accessible, affordable housing that meets their needs.
- Investments will support progress toward the following targets:
 - Reduce or eliminate more than 530,000 families from housing need;
 - Protect 385,000 community homes and create another 50,000 units;
 - 100,000 new housing units created;
 - 300,000 existing housing units repaired and renewed;
 - 300,000 households provided with affordability support; and
 - Reduce chronic homelessness by 50 percent over the next 10 years.
- In addition, through the Strategy, the Government will:
 - Meet the needs of diverse Canadians (e.g., seniors, survivors of family violence, people with disabilities);
 - Ensure that at least 33 percent of funds go to projects for women, girls and their families, recognizing the unique vulnerabilities women face in housing; and
 - Support the successful implementation of housing strategies for First Nations, Inuit and Métis.

ANNEX B – Poverty Reduction Investments

INITIATIVE	PROJECTED NEW INVESTMENTS
Canada Child Benefit (CCB)	Budget 2016 introduced the Canada Child Benefit, which represents new investments of over \$25 billion over five years, including the value of indexing the benefit beginning in 2018-19.
Guaranteed Income Supplement (GIS)	Budget 2016 increased the Guaranteed Income Supplement top-up for single seniors with new investments of over \$7 billion over ten years.
National Housing Strategy	Budget 2017 announced new long-term investments toward a National Housing Strategy. This new 10-year, \$40-billion plan will give more Canadians a place to call home and includes \$16.1 billion in federal investments in provincial and territorial housing programs, including \$2.1 billion for Reaching Home: Canada's Homelessness Strategy.
Indigenous Housing	<p>Through investments made in Budget 2017 and Budget 2018, the Government announced dedicated funding of over \$1.7 billion for Indigenous housing, including:</p> <ul style="list-style-type: none"> • \$600 million over three years to support housing on reserve as part of a 10-year First Nations Housing Strategy; • \$240 million over 10 years as announced in Budget 2017 to support housing in Nunavut; • \$400 million over 10 years to support an Inuit-led housing plan in the Inuit regions of Nunavik, Nunatsiavut and Inuvialuit; and • \$500 million over 10 years to support the Métis Nation's housing strategy.
Public Transit Infrastructure	<p>Budget 2016 announced \$3.4 billion over three years to upgrade and improve public transit systems across Canada.</p> <p>Budget 2017 announced an additional \$20.1 billion over 11 years in public transit infrastructure to transform the way that Canadians live, move and work.</p> <p>A further \$5.0 billion was announced in Budget 2017 for public transit projects that will be funded through the Canada Infrastructure Bank.</p>
Early Learning and Child Care	Budgets 2016 and 2017 announced combined investments of \$7.5 billion over 11 years to improve the affordability, quality and accessibility of Early Learning and Child Care, including for Indigenous Early Learning and Child Care.
Labour Market Transfer Agreements	Budget 2017 provided additional investments of \$2.7 billion over six years through agreements with provinces and territories to help Canadians prepare for, find, advance in, and keep good jobs.
Indigenous Skills and Employment Training Program	Budget 2018 introduced the new Indigenous Skills and Employment Training Program to replace the Aboriginal Skills and Employment Training Strategy with an incremental investment of almost \$450 million over five years and nearly \$100 million per year ongoing.
Canada Workers Benefit	Budget 2018 introduced the new Canada Workers Benefit to strengthen and replace the Working Income Tax Benefit with new investments of \$3 billion over five years, which includes measures to improve access to the Benefit.
Home Care and Mental Health	Budget 2017 provided \$11 billion over 10 years to support better home care and mental health initiatives through agreements with provinces and territories.