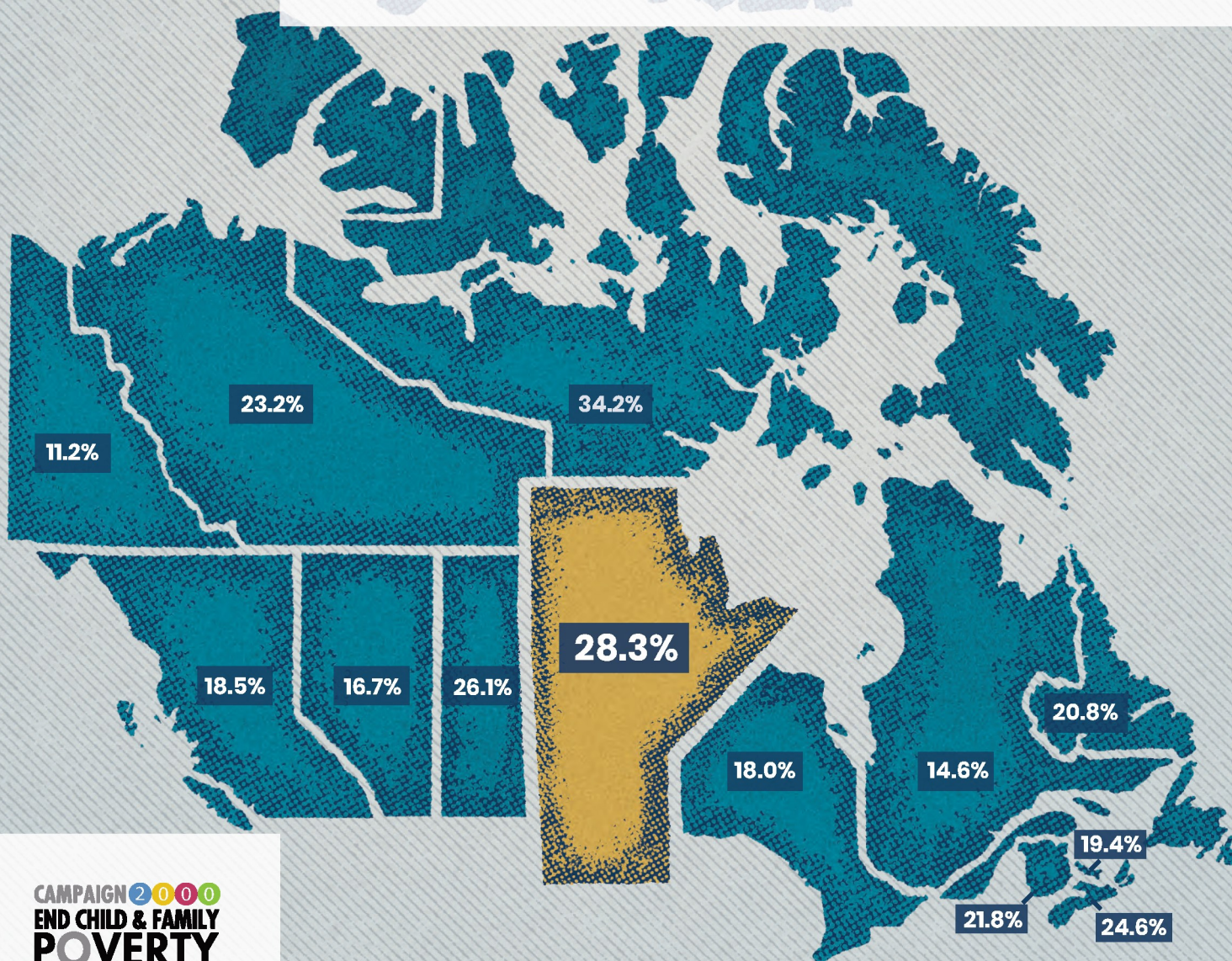


Manitoba: Poverty Central

Manitoba Report Card Update – December 2020



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Definition and Measurement

Introduction:

Manitoba: Poverty Central is an update to *Broken Promise Stolen Futures*. Both are based on the T1 Family File, with poverty status derived from income returns. Please see Definition and Measurement for our reasoning. The latter report was based on 2017 data and the former on the now available 2018 data. Tragically, after some improvement due largely to the federal Canada Child Tax Benefit and the initial provincial introduction of the Rent Assist program, 2018 data show that we are once again heading in the wrong direction. In 2017, there were 85,450 Manitoban children living in poverty. In 2018, this had increased to 87,730.^[1] Measuring the rate of progress from 1989 to 2017, we were looking at an additional 697 years to end child poverty in Manitoba. Now we are looking at 1,179 years of Manitoban children living on less than they need and deserve.

This data is still a full year prior to when COVID-19 hit us all. However, what was predicted by poverty eradication advocates, that those already living in poverty prior to the pandemic would be the hardest hit, has proven to be fact. Consider these numbers from Manitoba Harvest:

- ⇒ Harvest serves 85,000 Manitobans each month, nearly half are children (43%)
- ⇒ 26% of Harvest food bank household composition is families with multiple children and 15% are single parents

COVID-19 Impact:

- ⇒ March 2020 saw a 30% increase in demand with a 60% decrease in food donations (supply chain disruptions and panic buying which is challenging for low-income families as they do not have the resources to 'stock up' and discounts were harder if not impossible to find.
- ⇒ When CERB and other temporary supports were initiated, Harvest saw a plateau and then a decrease in demand.
- ⇒ Since CERB switched to EI, Harvest has seen a 13% increase, with new clients signing up daily to make ends meet.
- ⇒ Harvest, instead of bi-weekly hampers can now only offer monthly ones. While larger, Harvest knows that it is still not enough to stretch for a full month.

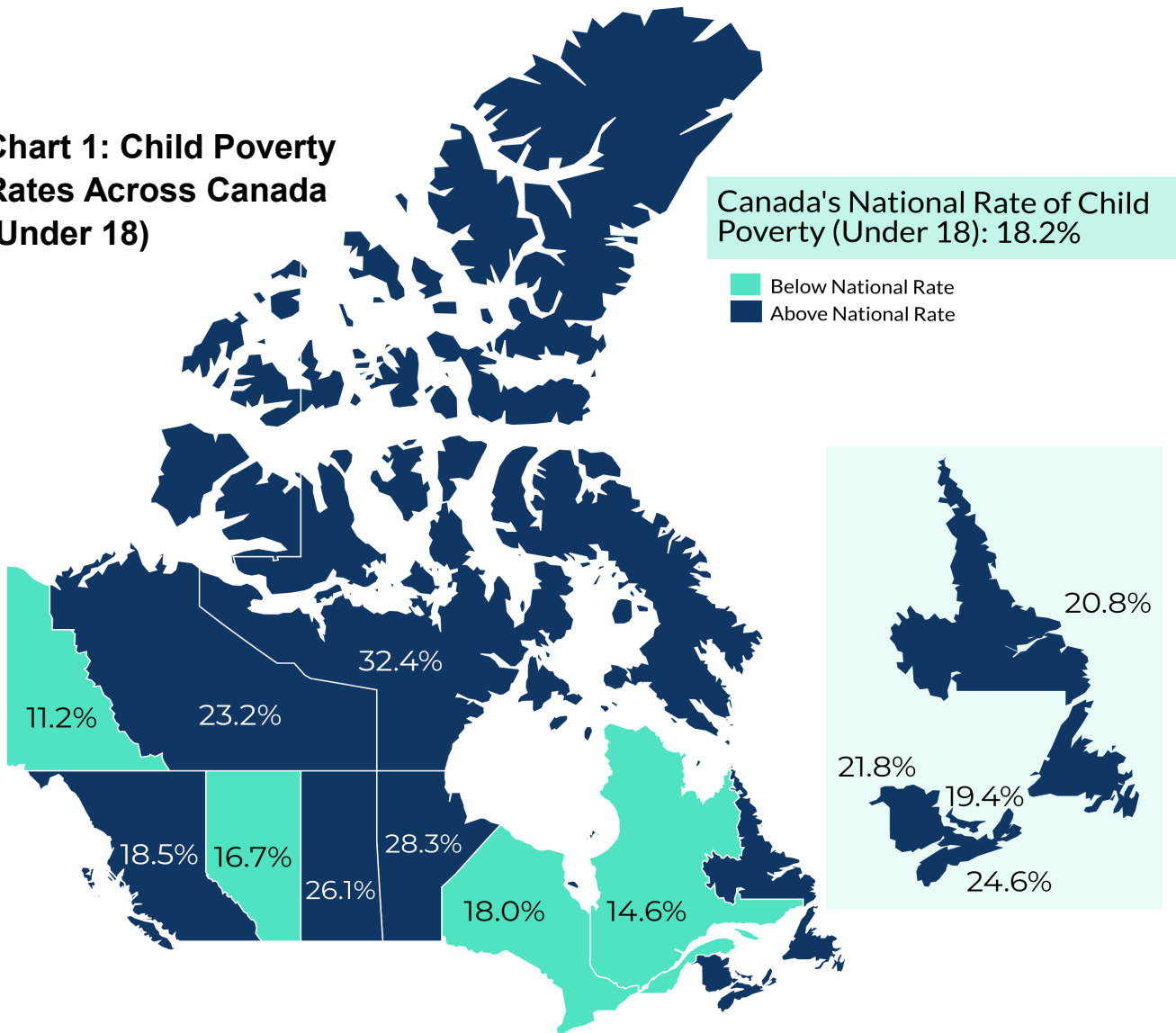
In *Broken Promise Stolen Futures*, we introduced you to [Sara](#). Prior to the pandemic, after working two jobs and covering necessary expenses she had a total of \$618 for her young son and herself. This had to cover food, clothing, medicine etc... per month. Her COVID update?:

"I don't have a part-time job anymore so there is no extra income (-\$460). My child tax benefit is now \$381 (-\$85). Student Loans is now threatening to take my income tax return because I missed reapplying for repayment delay. I had to come up with \$500 to sort that out as I need my tax return. I couldn't apply for the repayment delay because during the pandemic I did not have access to a printer. I also needed to send money back to family in Sudan due to the war and the flooding. I did not get any Rent Assist for about three months (-\$510) but have reapplied and should get something based on my job loss. My son's after school program is currently closed but I am able to work from home with my primary job. Home schooling is a challenge but we are doing our best." - Sara

Broken Promise Stolen Futures also lays out the long history of successive Manitoba provincial governments capturing funds meant to directly benefit First Nations kids. *Manitoba: Poverty Central* highlights how detrimental this policy has been to First Nations children in state care. The vast majority of all children in state care are Indigenous. It also outlines how this is a rights based issue as well as a pragmatic look at how what we are currently doing is failing to achieve the right goals, healthy, happy children who are able to move into productive adulthood. The last Winnipeg Street Census, a report on homelessness in Winnipeg, showed that 51.5% of participants experiencing homelessness had been in the care of Child and Family Services at some point in their lives. 62.4% of them experienced homelessness within one year of leaving that care. With these results, why are we not looking at overhauling CFS and the other systems that seem designed to trap people, children and adults, in poverty?

Manitoba Child and Family Poverty Rates on the Rise, Again

Chart 1: Child Poverty Rates Across Canada (Under 18)



Source: Statistics Canada, custom tabulation. T1 Family File, 2018.

This map displays child poverty rates for every province, territory and for Canada as a whole. Manitoba continues to have the highest child poverty rate of all the provinces. We are a full 10.1% above the national rate. Only the territory of Nunavut has a higher rate. There, as in Manitoba, the multi-generational effects of colonialism play a key role in creating poverty amongst Indigenous Peoples. ^[iii]

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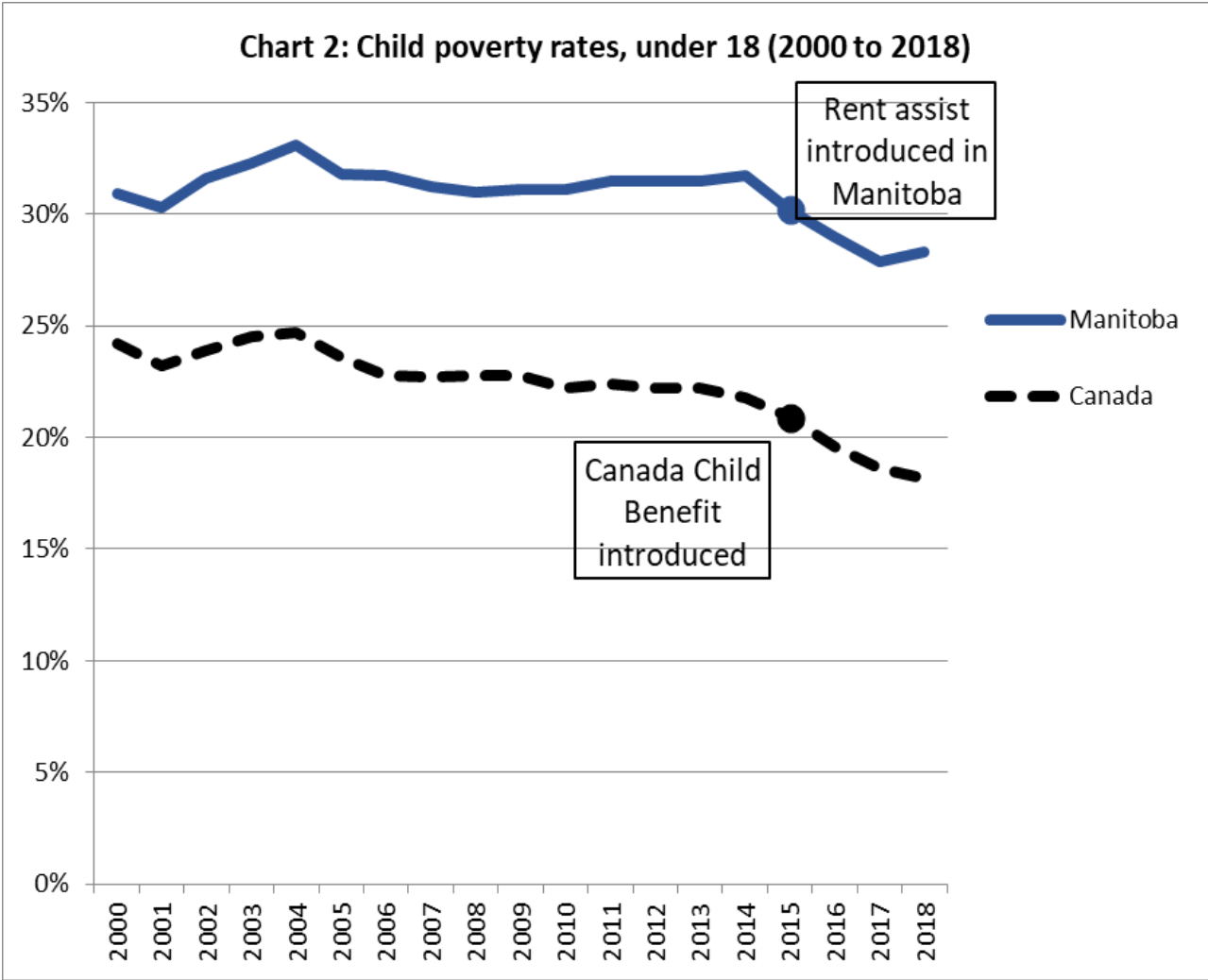


Chart 2 compares Manitoba’s child poverty rates with all of Canada from the year 2000, the year we were to have ended child poverty in Canada, to 2018. It also notes when two major poverty reduction strategies were introduced. Here in Manitoba, Rent Assist, a provincial rent subsidy program based on income, was introduced in 2015 while the federal Canada Child Benefit was introduced in July, 2016.

As the data demonstrate, the combination of the two did have some initial success. In Manitoba, child poverty rates decreased between 2016 - 2017. However, by 2018 progress in Canada had levelled off to a decrease of .4% while in Manitoba, there was actually an increase of .4%. The Manitoba rate is substantially higher than the rate for all of Canada in each and every one of the nineteen years.

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Eric's Story

Eric spent sixteen (16) years in state care, and this affected him in many ways. He recalls his foster parents maintaining strict restrictions for him in the home. He was not allowed to sit on the furniture unless his worker was visiting and otherwise had to remain in his room. He was restricted further by having limited access to food outside of mealtimes. He seldom received new clothes for the changing seasons, and remembers mostly second-hand items.

He, like countless other children in care, experienced difficulties in school and required added supports for learning. After meeting with child development specialists, it was determined that Eric was struggling with attention, concentration and compulsive behaviors. He was formally diagnosed with Attention Deficit Disorder (ADD) at the age of eleven (11), and received treatment in the form of medication. It was also determined that Eric suffered from developmental delay along with speech and auditory-memory impairments.

Eric's foster placement did not provide the necessary caring or supportive environment. Despite countless requests made to see his family, Eric was not given an opportunity to spend any time with his relatives. Fortunately, Eric had some reprieve in his school environment. Even with his learning challenges, he considered school his happy place. He enjoyed socializing with peers, volunteer opportunities and programming. Unfortunately, at 'home', he wasn't able to make those important connections.

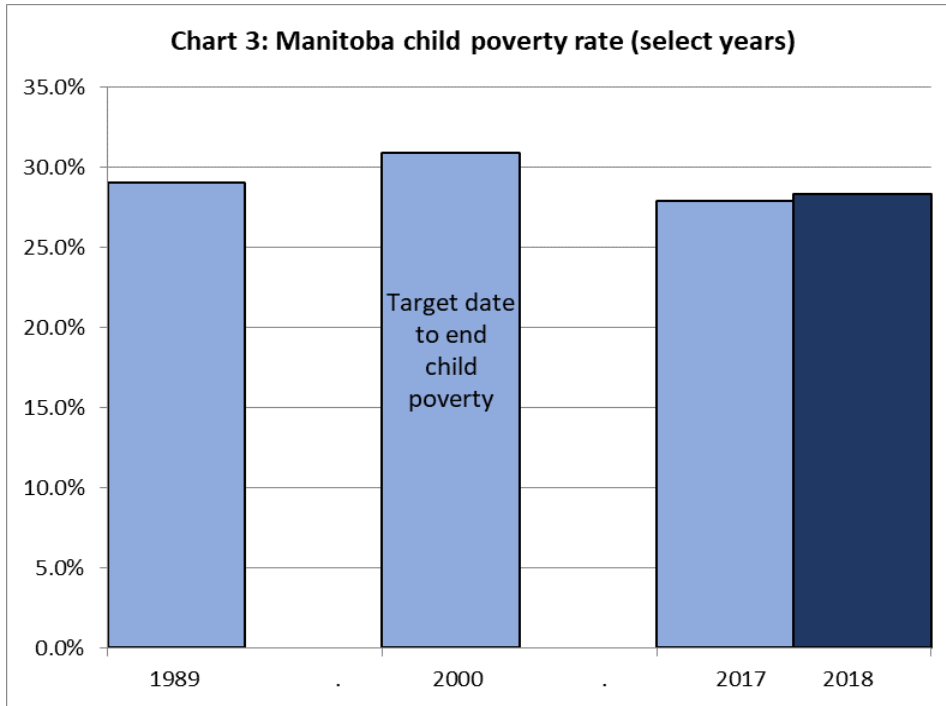
In the Manitoba Child and Family Services (CFS) system, age of majority planning is supposed to commence once a child turns fifteen (15). This important planning prepares youth for the transition of aging out of state care. Supports for education, life skills, and mental and physical health are examined by the worker in conjunction with supports from the foster family. Eric did not receive any form of planning to ensure he had the proper supports in place upon aging out. Instead, he was well on his way to being dropped off at the Salvation Army when a relative came forward to support Eric.

In addition to being deprived a culturally appropriate and loving foster home, Eric's federal benefit was also kept from him by having it taken as general revenue by the province. A lack of proper care and funds meant Eric could not take part in programming that could have had a positive impact on his life. This also had a key role in why he was not afforded any assistance when aging out of care. If his relative hadn't come forward, Eric would have been homeless and further disconnected from any supports and services.

Below is a calculation of the Children's Special Allowance (CSA) taken from Eric during his 16-year period in CFS care:

- ◆ Between the ages of 2-5 and over a period of four years, approximately \$533 per month for a total of \$25,584; and*
- ◆ Between the ages of 6-17 and over a period of twelve years, approximately \$450 per month for a total of \$64,800 went into provincial general revenues.*

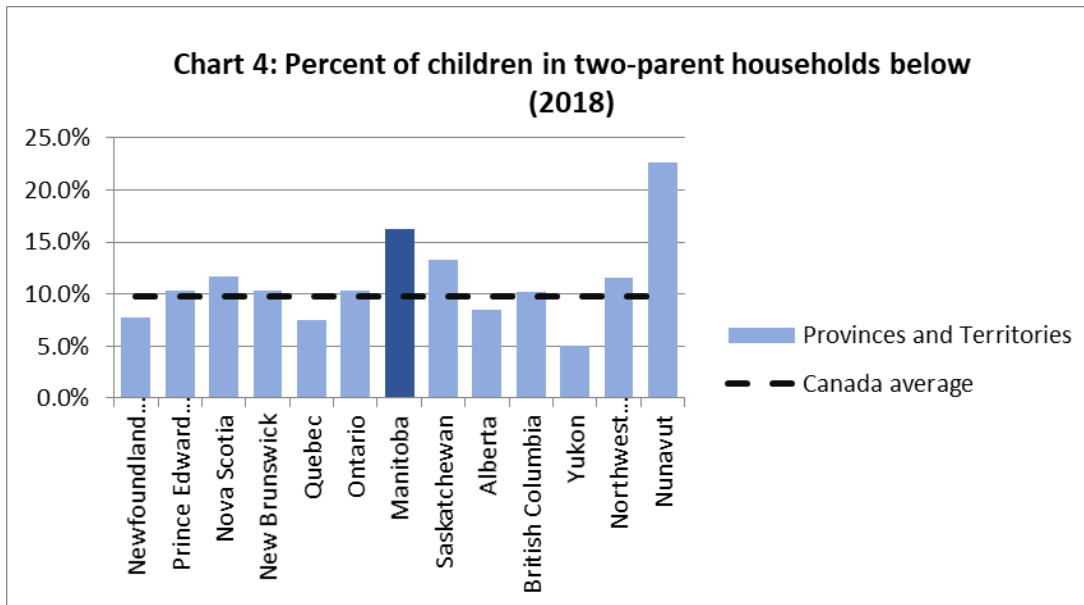
In total, the Manitoba government captured \$90,384 of CSA intended for the care, maintenance, education, training and advancement of Eric while in care.



Progress has been minimal. The rate in 2018 is only .7 percentage points below 1989.

Chart 3 portrays Manitoba’s child poverty rate for 1989, 2000, 2017 and 2018. Progress has been minimal. The rate in 2018 is only .7 percentage points below 1989. Ironically and tragically, in the year 2000, the date which the 1989 unanimous House of Commons motion set to eliminate child poverty in Canada, the child poverty rate in Manitoba was 1.9 percentage points above that 1989 rate. At the rate of child poverty reduction since 1989, it would take another 1,179 years to eliminate child poverty in Manitoba.

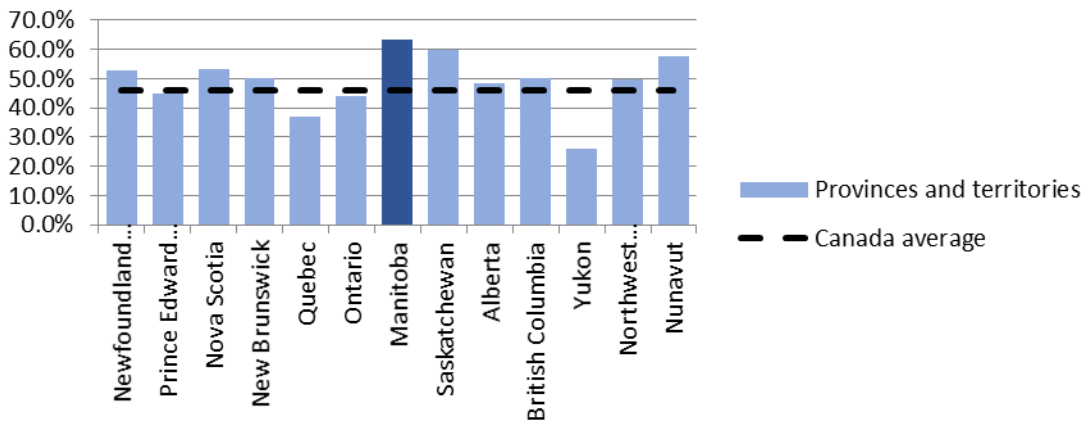
At the rate of child poverty reduction since 1989, it would take another 1,179 years to eliminate child poverty in Manitoba.



Manitoba children in two parent families experience the highest rate of any province at 16.3%, 6.5 percentage points above the national rate.

Chart 4 displays child poverty rates for two parent families for Canada, the provinces and territories. Manitoba children in two parent families experience the highest rate of any province at 16.3%, 6.5 percentage points above the national rate.

Chart 5: Percent of children in lone parent households below poverty line (2018)



In Manitoba almost two-thirds (63.4%) of children in single parent homes are living in poverty.

Chart 5 contains the alarmingly high poverty rates among children in single parent families in Canada, the provinces and territories. In Manitoba almost two-thirds (63.4%) of children in single parent homes are living in poverty. This is the highest rate of any province or territory, 17.3% above the national rate.

Chart 6: Percent of children with market income below the poverty line (2018)

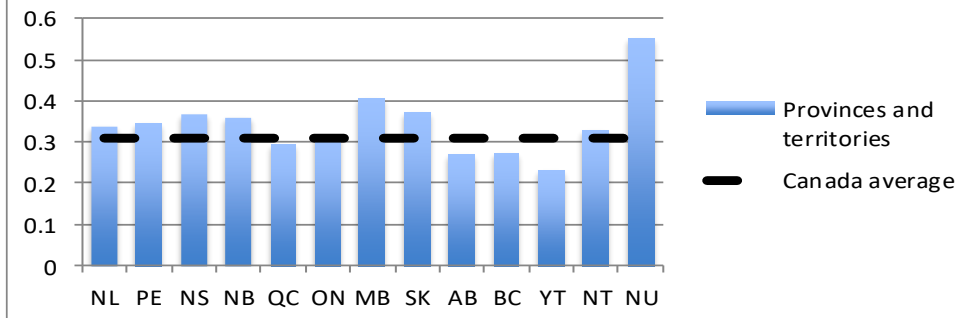


Chart 6 describes the effectiveness of the market in raising children out of poverty. Market income is the sum of employment income and investment income. Based on market income alone 40.4% of Manitoba children would have lived in poverty in 2018. This is 9.6 percentage points above the national rate.

Based on market income alone, 40.4% of Manitoba children would have lived in poverty in 2018.

A significant factor in creating this high market child poverty rate is that Manitoba's median employment income in 2018 (\$34,850) was \$1,450 below the national median and the lowest in the prairie provinces. ^[iii] When one considers that many of the potential income streams, specifically, wages, salaries and commissions, net self-employment income from farm or non-farm unincorporated business and/or professional practice, investment income, private retirement income (retirement pensions, superannuation and annuities, including those from registered retirement savings plans [RRSPs] and registered retirement income funds [RRIFs]), and other money income from market sources, are not ones available to most living in poverty, we have to consider Manitoba's minimum wage, the second lowest of all the provinces, as a contributing factor. Currently, Manitoba's minimum wage is \$11.90/hr, while the Canadian Centre for Policy Alternatives Manitoba's recent *A Family Living Wage for Manitoba* finds that a two-parent and two-child family needs a minimum of \$16.15/hr to thrive. ^[iv]

Manitoba's minimum wage is \$11.90/hr, while CCPA Manitoba's recent *A Family Living Wage for Manitoba* finds that a two-parent and two-child family needs a minimum of \$16.15/hr to thrive.

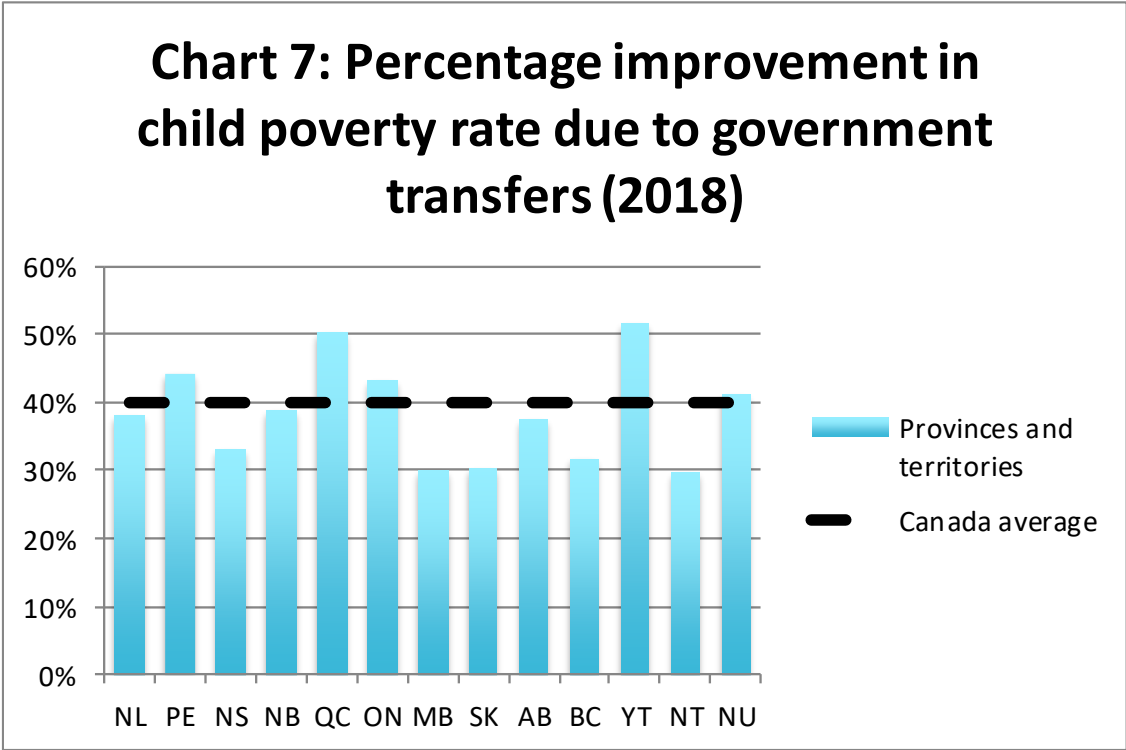


Chart 7 reveals the percentage improvement in child poverty rates due to income transfers from the federal, provincial and municipal governments. Manitoba has the lowest rate of improvement of any province or territory, 10% below the national rate of improvement. Transfers from the Government of Canada are equivalent throughout the country. Therefore, these data point to the need to improve income transfers from the Province of Manitoba to Manitoba's families and children.

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Yaseen 's Story

Yaseen and his family, Mom, Dad and 3 siblings, arrived in Canada in December of 2011 from the Middle East. During their time fleeing war after war overseas, Yaseen and his family endured many health issues that came with them as they immigrated to Canada. Yaseen, has a disability that requires a wheelchair permanently and also requires the support of another person to help him complete daily care and tasks. Yaseen's mom, dad, and his two older siblings have always provided this care for him. However, when they arrived in Canada due to the number of family members and that they required housing that could be accessible for Yaseen, the family was told they would have to split up. Yaseen's older siblings were both over 18 and were told by Manitoba Housing that they had to live on their own. However, no accommodation could be found near to their parents, Yaseen and their youngest sibling. Yaseen's mother and father provide all the physical care needed despite a serious knee injury that requires the father to use a cane and a back injury that limits Yaseen's mother's ability to lift heavy objects. This creates added worries to the family as they fear for Yaseen's health and development.

On top of all the health-related barriers, the family was saddled with a transportation debt of approximately \$10,000. This is a debt that the family has struggled to repay.

Monthly Revenue:

Net monthly pay (EIA w Disability): \$2130
Child Tax Benefit: \$475

Monthly Expenses:

Rent subsidized: \$1270
Phone/Internet: \$500 (phone plans for 4 people)
Car payment: \$300 (Handi-van)
Gas: \$120

TOTAL:	\$2605	\$2190
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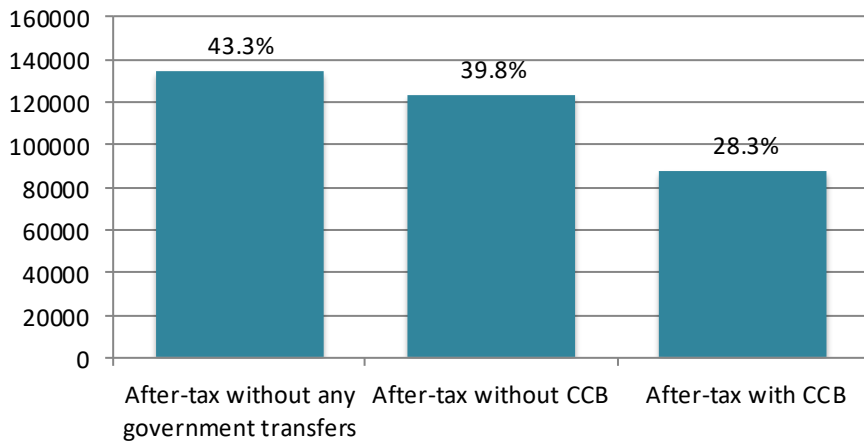
Balance = \$415 for food, clothing and any and everything else for the family.

As Yaseen grows, the needs associated with his disability will as well. He will need a new wheelchair to accommodate his growth, he may require respite care to relieve his parents of the physical toll it takes providing primary care for him daily, the family vehicle must be customized to make it accessible for him. There is added emotional strain as Yaseen's youngest sibling must do without even more than others due to Yaseen's higher needs.

Yaseen's older sister is on EIA as well, as she works to complete a high school diploma. Her benefit barely covers her expenses as she tries to save to bring her husband to Canada. The oldest boy decided to go to work instead of school to try and meet immediate needs. As a result, he can only get low income and unstable odd jobs. He also barely makes expenses but even if he did make enough to help support the family, his contribution would have to be reported and then clawed back from the family's EIA income.

This report focuses on income levels but as Yaseen's story shows, what people need to spend that money on can vary widely. Yaseen and his family arrived in Canada 11 years after we promised to end child poverty in 2000. In 2020, their struggles only continue.

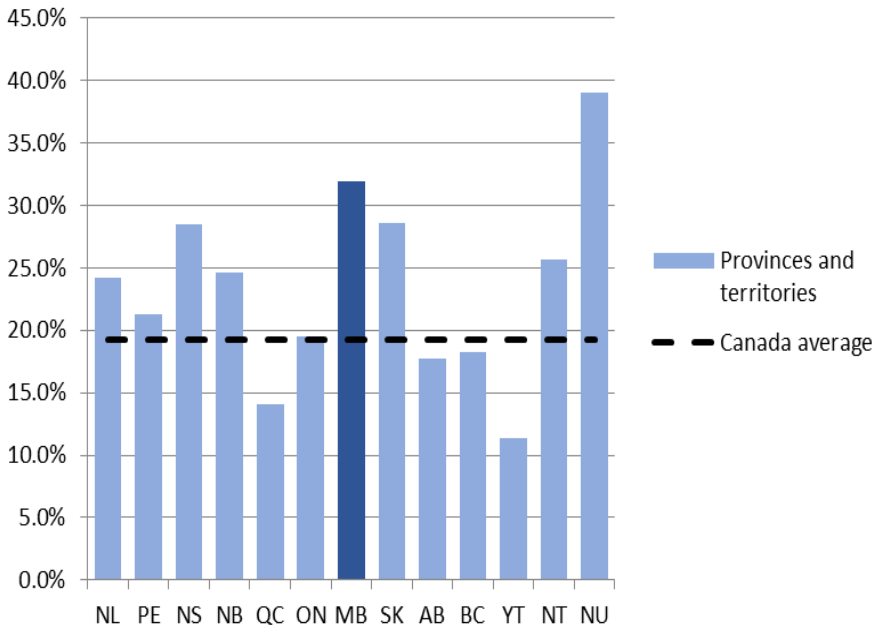
Chart 8: The effect of government transfers on the number and percent of children in poverty



Without the CCB in place the child poverty rate in Manitoba would have been as high as 39.8 percent.

Chart 8 demonstrates the extent to which the federal Canada Child Benefit (CCB) is responsible for the bulk of the recent reduction in child poverty. Considering after-tax income without government transfers, nearly 135,000 Manitoba children would have been in poverty in 2018. Due to government transfers, from all levels of government, the actual number of children in poverty was less than 88,000. Three quarters of this amelioration can be attributed to the CCB. Without the CCB in place the child poverty rate in Manitoba would have been as high as 39.8 percent.

Chart 9: Low income rate for children under 6 (2018)



Almost 1 in 3 Manitoba preschoolers (31.9%) are living in poverty.

Chart 9 reveals the startling percentage of children under the age of 6 who live in poverty. The pre-school years are a crucial developmental period in which the foundations are laid for educational attainment and lifelong health status. Almost 1 in 3 Manitoba preschoolers (31.9%) are living in poverty. This is the highest rate of any province, 12.7 percentage points above the national rate.

Chart 10: Gap to poverty line among low income families

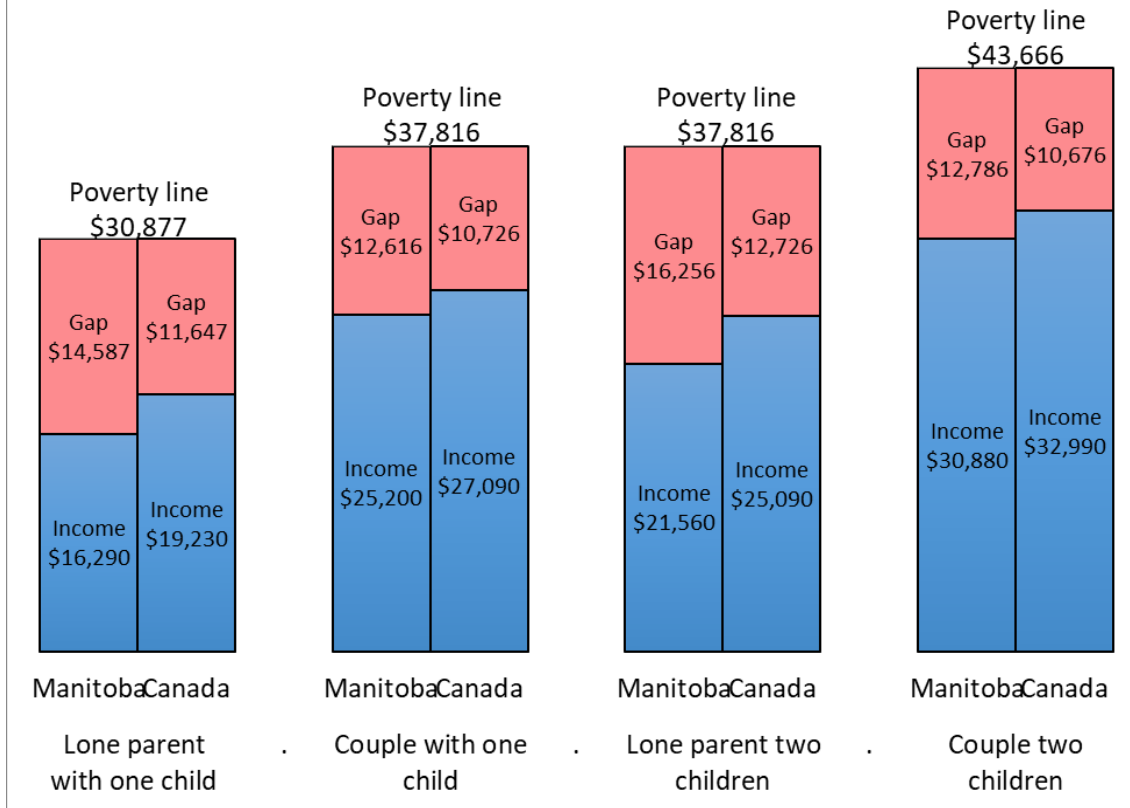


Chart 10 refers only to families living in poverty in Canada and Manitoba. The median income for families living in poverty is the midpoint, with half of families living above and half below it. The family at the median income might be thought of as the typical family in poverty. The poverty gap is the amount of income required for those at the median to reach the Low Income Measure poverty threshold.

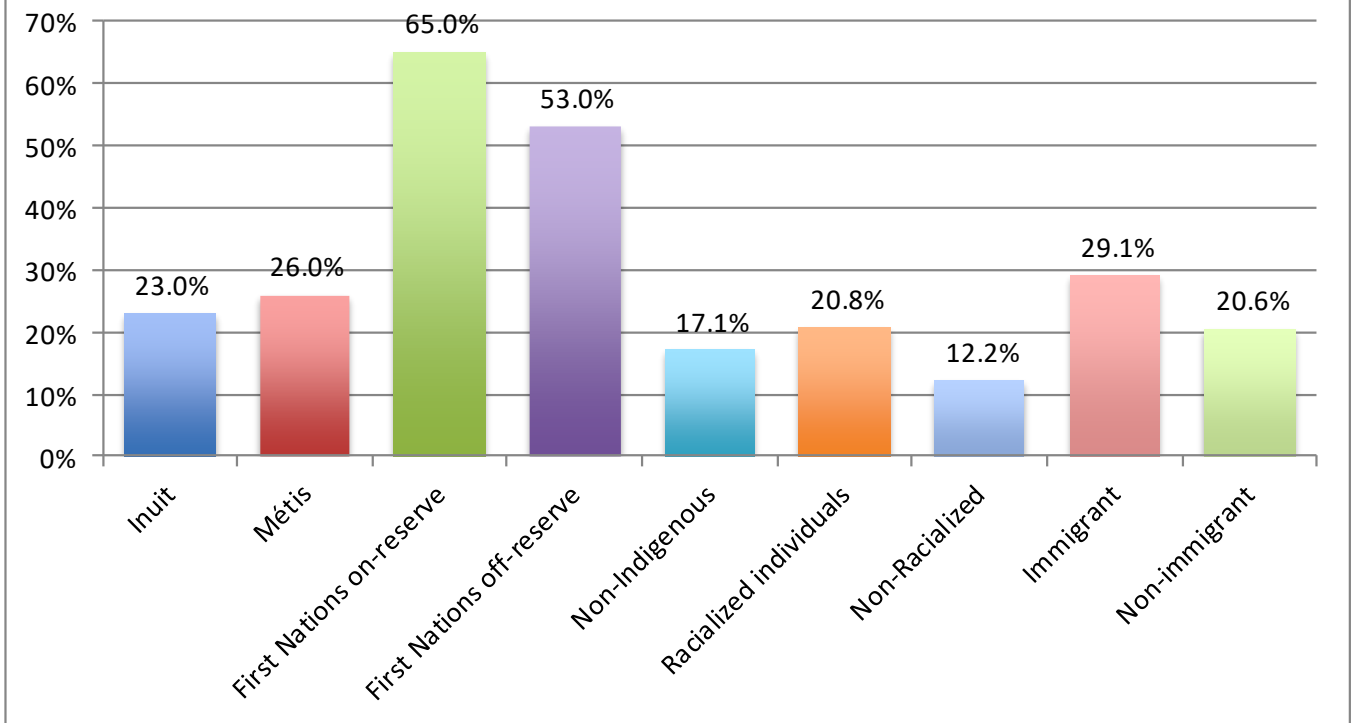
These figures demonstrate that Manitoba children living in poverty, and especially those in lone parent families, are living in deep poverty, deeper than in Canada as a whole.

For example, half of lone parent families with two children living in poverty in Manitoba would need more than \$16,256 to reach the Census Family Low Income Measure poverty threshold. This compares with \$12,726 for Canada as a whole.

In Manitoba, the typical two-parent family with two children living in poverty has a total income that is \$12,786 below the poverty line. This is \$2,110 more than a typical family in Canada, as a whole, needs to reach the poverty line.

These figures demonstrate that Manitoba children living in poverty, and especially those in lone parent families, are living in deep poverty, deeper than in Canada as a whole.

**Chart 11: Manitoba rates of child poverty for various identities
(Census 2016)**



Source: 2016 census of population, customized data provided by Upstream, Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016173. And Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016211

Unfortunately, the taxfiler data we use cannot be used to break out poverty rates for Indigenous or racialized children. Only the census, once every five years, can support such an analysis.

From the 2016 Census, we know that Manitoba poverty rates in 2015 for Indigenous children were much higher than those for non-Indigenous children. Non-Indigenous children had a poverty rate of 17.1%, while 65% of First Nations children on-reserve and 53% off-reserve lived in poverty. Twenty-six percent of Metis children lived in poverty, as did 23% of Inuit children.

Racialized children also had a significantly higher poverty rate than non-racialized children, 20.8% versus 12.2%. The next census will be in 2021 and we will look to see if there has been any change for good or ill.

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Jack's story

Jack and his wife Sandra have been the primary caregivers for their three (3) grandchildren for the past five (5) years. Their daughter had been struggling to overcome addictions when Child and Family Services (CFS) became involved. Without affording preventative supports to keep the family together, the children were apprehended.

The main concern for Jack and Sandra was to ensure the wellbeing of their grandchildren, and so, they advocated to have the children placed with them. In order to care for the children, Sandra had to leave her long-time employment. With the many expenses that come with raising children and an infant, relying on Jack's income alone was very challenging. Even though the children were with family, the file remained open and so the Agency collected the federal benefits intended for the children.

Jack recalls countless nights of worrying about food security and whether they could continue to pay for rent and utilities. Many requests made to the Agency for added supports were denied or received no response at all. Having access to the federal Canadian Child Tax Benefit (CCBA) could have addressed their food insecurity and further assisted with costs to put the children in recreational sports or other activities.

This resulted in further undo hardship for the family. One of the children was diagnosed with Attention Deficit Hyperactivity Disorder (ADHD), and would have benefited greatly from the added resources to be able to join sports or recreational programs.

Instead, the provincial government collected:

- ◆ The 5-year-old: Over a period of four years, at approximately \$533 per month, a total of \$25,584 went to general revenue;*
- ◆ The 7-year-old: Over a period of two years, from the age of 3-5, approximately \$533 per month amounting to \$12,792 and from age 6-7 at approximately \$450 per month a further \$10,800 was taken for a total of \$23,592; and*
- ◆ The 11-year-old: Over a period of four years, at approximately \$450 per month, a total of \$21,600 was also taken.*

In total, the Manitoba government captured approximately \$70,776 from the CFS Agency intended for the benefit of Jack and Sandra's grandchildren.

Bill 2, Section 231: Just Part of the Problem

This year the Manitoba government passed legislation, *The Budget Implementation and Tax Statutes Amendment Act* (BITSA), that retroactively authorizes confiscation of federal funds meant for the welfare of children in care. The legislation further prohibits child welfare agencies and First Nations from suing the provincial government, denying First Nations children their constitutional right to access justice and the courts, and further infringes on their basic human rights. The Assembly of Manitoba Chiefs condemned the provisions in BITSA's Section 231 as a forcible and illegal misuse of a staggering \$338 million dollars. This money, if it had been applied to its intended and rightful purpose, could have done much to significantly alleviate child poverty and address the shameful disparity that exists between First Nations and non-First Nations children in Manitoba.

From 2005 to 2019, the provincial government captured the Children's Special Allowance (CSA) from First Nations children in care off-reserve. The CSA is similar to the Canada Child Tax Benefit (CCTB) where monthly payments of approximately \$533.00 per month for children up to age 5 and \$450 per month for children ages 6-17 are provided to eligible families to help with the costs of raising children. The federal legislation governing the CSA specifies that the "allowance shall be applied exclusively toward the care, maintenance, education, training or advancement of the child in respect of whom it is paid." ^[v]

The Assembly of Manitoba Chiefs condemned the provisions in BITSA's Section 231 as a forcible and illegal misuse of a staggering \$338 million dollars. This money, if it had been applied to its intended and rightful purpose, could have done much to significantly alleviate child poverty and address the shameful disparity that exists between First Nations and non-First Nations children in Manitoba.

When children become involved with the Child and Family Services (CFS) system, the family no longer receives the CCTB, and for the period of time a child is in care, the agency collects the CSA. In 2012, the provincial government began forcing CFS agencies to remit the CSA dating back from 2005. For those agencies that did not comply with the orders, the province would hold back funding or take it out of their annual budgets. This created a deficit for many agencies that resulted in less services and supports for children and families. Prior to the forced remittance of CSA, CFS agencies had the discretion to hold the CSA for example, in a trust to support youth aging out of care.

To address the illegal actions of the Manitoba government, for siphoning federal funding away from children in care to be placed into their general revenue and for failing to abide by the Children's Special Allowance Act, two lawsuits were filed against the province of Manitoba in 2018. One lawsuit called upon the province to immediately end the practice of capturing the CSA from CFS agencies, while the other lawsuit was filed on behalf of First Nations children who had their CSA taken into general revenue.

In 2019, the Province changed its funding formula to agencies giving them block funding rather than funding on a per case basis. Under this new policy, the Province began to allow the CSA to pass directly to agencies. But, at the same time, it reduced the overall provincial grant by an amount

nearly equivalent to the total CSA it had previously been forcing agencies to remit. The total provincial funding was cut from \$512 million to \$488 million that year. With decreased provincial support, the new block funding arrangement continues to leave agencies short of resources for adequate maintenance and operational costs. However, for the class action lawsuit filed on behalf of First Nations children, the Province of Manitoba created BITSA. This legislation, for all intents and purposes, voided the class action lawsuit denying the opportunity for First Nations children to have their voice heard in court, and denied them compensation for the impacts of being denied CSA.

Since the Manitoba Legislative Assembly introduced BITSA, the Assembly of Manitoba Chiefs' First Nations Family Advocate Office (AMC FNFAO) has been strongly advocating for the removal of Section 231 from BITSA. Despite political and grassroots advocacy, BITSA received Royal Assent on November 6, 2020. On November 7, 2020, AMC FNFAO filed a Notice of Application to the Manitoba Court of Queen's Bench. The Notice of Application seeks an order, among other things, to challenge the claw back, remittance, denial and failure to provide adequate supports to First Nations children in care under the CSA Act. In addition, the AMC is taking issue with the failure to apply the CSA exclusively toward the care, maintenance, education, training, or advancement of children in care and the denial of the constitutional right to access the Manitoba Court of Queen's Bench by those affected.

As it stands, First Nations continue to disproportionately represent higher rates in poverty and the child welfare system. In Manitoba alone, 65% of status First Nations children who live on-reserve live in poverty; as do 53% status First Nations children who reside off-reserve. This compares with 17% of non-Indigenous children. In the child welfare system, 9,000 of the 11,000 children in care are First Nation children.

As it stands, First Nations continue to disproportionately represent higher rates in poverty and the child welfare system. In Manitoba alone, 65% of status First Nations children who live on-reserve live in poverty; as do 53% status First Nations children who reside off-reserve. This compares with 17% of non-Indigenous children. In the child welfare system, 9,000 of the 11,000 children in care are First Nation children.

In an era of Reconciliation, First Nations children are still being targeted and are still suffering as a result of colonial policies and practices imposed on First Nations. These staunch realities are a direct result of more than 150 years of chronic underfunding, systemic racism and the intergenerational effects of Residential Schools, the Sixties Scoop and the Child and Family Services system. There is an obligation on the government to provide restitution for these injustices to help improve the livelihood of all First Nations children. Working with First Nations, to implement First Nation-led solutions is needed to prevent further impacts on generations to come. Canada has the ability to create meaningful change now by working with First Nations leaders.

Recommendations

Child and family poverty continues to exist in Manitoba, negatively affecting our communities. The child poverty rate in Manitoba remains the highest amongst the provinces. Poverty leaves too many children without enough for their basic survival needs and denies them happy, healthy childhoods.

A broken promise and minimal progress towards fixing it is leaving many even further behind. As a nation, province and community, we have a responsibility to protect and support our children and advocate for all Manitobans to have equal opportunity to succeed. It is in the best interest of our province to make a real effort to reduce poverty, especially child poverty. The negative effects of poverty on children are detrimental to their developmental outcomes, personal growth, mental health, and education. We can do better.

Reviewing the most recent suite of proposed bills, Bill 29 is concerning. This “Reducing Red Tape and Improving Services Act 2020” includes changes to the Poverty Reduction Strategy Act. “The Committee responsible for monitoring the poverty reduction strategy is no longer required to meet four times each year. The minister’s annual report is no longer automatically referred to the Legislative Assembly’s Standing Committee on Social and Economic Development.”^[vi]

To be more effective, the Government of Manitoba must be more ambitious and strategic with their poverty reduction targets. More importantly, it needs to put poverty elimination at the forefront of all of its policies and programs. It then must report regularly on successes and setbacks so the public can have confidence in their promised outcomes.

Accountability, Targets and Timelines

- ◆ The Government of Manitoba must immediately rescind their proposed Bill 29 and re-commit to full accountability for and community oversight of their poverty reduction strategy.
- ◆ The Government of Manitoba must immediately revise its poverty reduction strategy, committing to a bold target and timeline within a comprehensive poverty reduction strategy, to reduce poverty and social exclusion in Manitoba. Such as: Reduce the rate and depth of child poverty, with immediate emphasis on Indigenous, immigrant and racialized children, by 50% by 2025 from its 2015 level as per the T1FF measurement using taxfiler data.
- ◆ The Government of Manitoba must commit to meaningful engagement with the communities most affected by child poverty and ensure leadership from amongst these communities in solution development and resource delivery.
- ◆ The Government of Manitoba should adopt the Census Family Low Income Measure After Tax (CFLIM-AT) as its official measure of poverty. This measurement is comprehensive; including well-being, living standards and comparing social exclusion among the population. The CFLIM-AT provides a more accurate poverty measure that allows for comparison of future success and failures.
- ◆ The Government of Manitoba use T1 Family File (T1FF) taxfiler data to measure poverty. It is a reliable and broad source with a more inclusive sample of family’s income situations.

Employment Supports

Employment is one path out of poverty. Time and again, it has long been proven that when people are supported to enter the work force, they do. The pride and self-worth that comes with a job has meaningful effects far beyond the simple economic benefit. The Government of Manitoba needs to invest in opportunities that support people who are able to enter the labour force.

- ◆ Implement a plan to prioritize job creation for well-paying jobs and training opportunities that reduce barriers for people seeking employment and accessing education.
- ◆ Increase the minimum wage to \$16.15 to align with a living wage that allows for people to afford their basic needs as per the Canadian Centre for Policy Alternatives Manitoba study - *A Family Living Wage for Manitoba*.

Improving Income Supports

Strategic investments and income support programs can support Manitobans and their children who live with a low income.

- ◆ Immediately introduce a Livable Basic Needs Benefit that lifts all Manitobans up to or above the Census Family Low Income Measure After Tax (CFLIM-AT). The Livable Basic Needs Benefit will transform EIA as a first step towards introducing a basic income by removing conditionality from assistance, increasing its universality and improving its adequacy. Progressive steps to improving this benefit will provide a basic income guarantee for all Manitobans.
- ◆ End the practice of Child and Family Services retaining the Children's Special Allowance. It should be kept in trust for children in care until they age out of care.

Accessible, High Quality Public Services

Accessible and quality public services are essential in the reduction and prevention of child and family poverty.

- ◆ Provide adequate transition supports and resources for youth aging out of Child and Family Services.
- ◆ Improve oversight to all third-party providers in Child and Family Services to ensure the safety and well-being of all children in state care.
- ◆ Establish a fully independent complaint process that both protects the complainants and creates a fairer, more transparent and effective complaint process.
- ◆ Commit to a Child and Family Services reform that:
 - Prioritizes solutions and leadership from the communities most affected by it.
 - Provides these communities with the resources necessary to implement and sustain services rooted in culture and community, given evidence of their effectiveness.
 - Support families by fulfilling the now suspended promise to end birth alerts, shifting the current funding model to incentives prevention over apprehension, creating more supports for parents victimized by intimate partner abuse over simply apprehension of any child and committing more resources to family reunification.
- ◆ The Government of Manitoba must create 17,000 public, accessible, subsidized and quality childcare spaces allowing for access to education and support for children while meeting employment and/or educational needs for their parent(s) such as cost geared to income child care and available after usual work day hours. ^[vii] Childcare should be free for families near or below the CFLIM-AT.
- ◆ Increase adequate public, suitable and affordable housing and commit to building at least 300 new social housing units per year while increasing maintenance on existing units.
- ◆ End the sale of all Manitoba Housing units.
- ◆ Increase investment in Rent Assist (\$8 million to reinstate the 25% of household income tenant contribution rate).
- ◆ Engage with and invest in community-led programs that support children and families.
- ◆ Increase funding to double investment in community-based mental health services for low-income Manitobans .

Immediate supports to alleviate the poverty during the COVID-19 pandemic:

- ◆ Increase EIA benefits for single adults by \$383 per month and for people with disabilities by \$236 per month to bring their incomes to 75% of the poverty line so they can afford a place to live and purchase other basic needs like food, winter clothing, and hygiene products.
- ◆ Fully exempt the CERB, CRB and other federal COVID-19 recovery measures from EIA claw backs and ensure EIA benefits are not interrupted or cut off during the remainder of the COVID-19 pandemic.
- ◆ Reinstatement of the provincial eviction ban to prevent homelessness during the COVID-19 pandemic.
- ◆ Provide free internet access to all families near or below the CFLIM-AT.

Definition and Measurement:

This report is based on data from the 2018 calendar year from the T1 Family File, with poverty status derived from income tax returns. There is a clear advantage to using tax filer data in terms of obtaining a large and as representative a sample as possible. It has recently been estimated that 80.5% of working age Canadians file taxes, although filing rates vary among demographic and regional groups.^[viii] This amounts to a sample of 17.1 million Canadians in the T1 Family File. This can be compared with estimates from Statistics Canada’s Canadian Income Survey,^[ix] from which the federal and provincial governments often derive poverty estimates.

The Canadian Income Survey is a cross-sectional survey, and a subsample of the Labour Force Survey sample. Its sample size is only 56,000 households, and does not include persons living on reserves, the institutionalized population, and households in extremely remote areas with very low population density. These are all included in tax filer data though. Beyond this, in 2018 there was under coverage in the Canadian Income Survey of 8.8% of the intended population and a response rate of 77.4% of those who were which is lower than the tax-filing rate. The Canadian Income Survey also underestimates poverty rates by imputing benefits for which a household may have been eligible, but did not receive.^[x]

This report uses the Census Family Low Income Measure, after-tax as its poverty threshold. Statistics Canada describes the measure as follows:

“The Census Family Low Income Measure (CFLIM) is a relative measure of low income. It represents a fixed percentage (50%) of adjusted median census family income, where adjusted indicates a consideration of family needs.”^[xi]

It is one of the suite of measures selected by the federal government to evaluate its poverty reduction strategy. We use it rather than the absolute Market Basket Measure used by the federal and Manitoba governments for two reasons. First, as a relative measure, the CFLIM focuses on the goals of social role performance, participation in socially sanctioned relationships and activities and adherence to culturally sanctioned behavioral norms,^[xii] rather than only upon physical subsistence, which is the focus of absolute measures,^[xiii] such as the Market Basket Measure. Second, relative measures are much more strongly associated with child well-being and health status.^[xiv]

Thresholds for After-Tax Census Family Low Income Measure (2018)^[xv]

Number of Family Members	After-Tax Census Family Low Income Measure Thresholds
1	\$21,833
2	\$30,877
3	\$37,816
4	\$43,666
5	\$48,820
6	\$53,480
7	\$57,765
8	\$61,753
9	\$65,499
10	\$69,042

Source: Statistics Canada (2020). Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors: T1 Family File, Final Estimates, 2018, Catalogue no. 72-212-X

For the sake of comparison, Market Basket Measure thresholds are calculated for five geographies within Manitoba.^[xvi] Thresholds for a family of four range from \$38,954 in rural Manitoba to \$44,030 in Winnipeg.

The child poverty rate based on the Census Family Low Income Measure calculated using taxfiler data was 28.3% in 2018.^[xvii] Using the Market Basket Measure from the Canadian Income Survey, the 2018 Manitoba child poverty rate was 13,1%. We find this 13,1% to be an underestimate because it uses data from a smaller, less inclusive survey with more sampling error and is based on a poverty concept which focuses narrowly on material deprivation and not on social inclusion or risks to health and development.

Children in census families with total incomes after taxes below the threshold for their family size are considered to be living in poverty. While the CFLIM provides a measure of poverty, even this threshold is below the level for most families to adequately meet their needs. The Canadian Centre for Policy Alternatives regularly publishes a cost calculation of a bare bones family budget for households in various Manitoba communities as part of its Living Wage report. In its 2020 report, they found that total monthly expenses of a two-parent two-child family in Winnipeg amount to \$61,424 annually, equivalent to an hourly wage of \$16.15 once government benefits and transfers are taken into account.^[xviii]

Endnotes

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