February 2022

Child Poverty in Alberta: A Policy Choice, not a Necessary Reality

# **Acknowledgements**

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We would like to extend our sincerest thanks to the frontline professionals who took the time to share their valuable experience in working with children and families experiencing poverty.

The cover photo and photos on pages 16, 19, 22, and 26, were taken by Jerry Cordeiro, a street photographer. His webpage "The Humans Experience" was founded in 2014 on the principle that all people deserve the same rights and the same respect no matter their colour, race, gender, disability, sexual orientation, creed, or migration status. Through his photography, he shares the personal and moving stories of all those he meets

Graphic Design of report by Anchor Points Design.

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# Introduction: **Child Poverty is a Policy Choice, Not an Inevitability**

Child poverty is a crisis in Alberta. It is persistent, and it is solvable. More than 160,000 children in Alberta live in poverty<sup>1,2</sup> and another 10,000 are engaged with child intervention services.<sup>3</sup> These numbers are more than statistics. Every single one represents a child whose basic needs are not being met. For these children, this means the pain of hunger, limited access to education and educational resources, lack of weather-appropriate clothing, inadequate housing, and social and economic barriers-all of which have lasting impacts on quality of life.

The United Nations Convention on the Rights of the Child states that every child has a right "to a standard of living adequate for the child's physical, mental, spiritual, moral and social development."4 The federal and provincial governments, despite their prosperity, are not meeting the standards of this basic human right. This is simply inexcusable.

#### As a society, we have the means to end child poverty. Allowing it to persist over decades is a choice. It's a choice by decision-makers who have not prioritized the eradication of child poverty.

We know that children in poverty experience significant go to become a province where all citizens-especially children-can live in dignity. challenges, including poor health outcomes, learning disabilities, academic underachievement, low literacy rates, a decreased likelihood of completing high school The Alberta child poverty report is an annual report proand post-secondary education, and poorer incomes as duced by the Alberta College of Social Workers, the working adults. Stressors related to poverty include, but Edmonton Social Planning Council, and Public Interest Alberta. It is designed to inform policy-makers, advocates, are not limited to, food insecurity, unemployment, poor education, unsafe living conditions, lack of access to medand decision-makers in their work to end child poverty and ical services, mental health and well-being, and material create an equitable Alberta for all. hardships. There are broader social benefits to ensuring that these disadvantages are addressed, so that children This year's report explores some of the current issues faced by children living in poverty, addressing household can grow up to become healthy adults. Preventing adverse childhood outcomes saves public dollars and can break employment and access to basic needs. The authors intergenerational cycles of abuse and poverty. explore topics such as specific interventions related to child care, mental health services, and children among Indigenous and visible minority communities, with general Front line professionals across the province, working in hospitals, children's services, and non-profits, have recommendations included throughout.

noticed that children and families continue to struggle to access basic needs such as housing, adequate food, quality daycare, and health services-including medication and support for medical needs. Limited family incomes, combined with long wait-lists for support, contribute to this gap in meeting basic needs. Policies to alleviate child poverty, such as child benefits and subsidized daycare, are not currently sufficient. These programs are beneficial for middle-income families, but less so for low-income families who continue to struggle. Recent funding cuts to non-profits have resulted in reduced service delivery. The COVID-19 pandemic has exacerbated these issues, as it has led to higher rates of parental unemployment, lower family incomes, and restrictions that have caused supportive programming to limit capacity or close altogether.

While the federal government has now released Canada's first ever poverty reduction strategy, built on the pillars of "living in dignity; providing opportunity and inclusion; and enhancing resilience and security", <sup>5</sup> Alberta does not have a poverty reduction strategy of its own. This is a missed opportunity to coordinate efforts between governments on child care initiatives, income supports, health care, and education. The provincial government has a long way to



#### **How Do We Measure Poverty?**

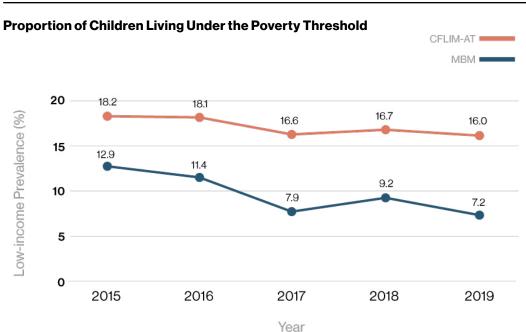
In 2018, the Government of Canada introduced Opportunity for All-Canada's First Poverty Reduction Strategy, in which it adopted the Market Basket Measure (MBM) as the official national poverty line.

The MBM determines poverty thresholds based on the regional cost of a basket of food, clothing, shelter, transportation, and other necessities. These goods are meant to represent a modest, or subsistence, standard of living. Families with a disposable income lower than the threshold (i.e., families that cannot afford these basket items), are considered to be in poverty.<sup>6</sup>

Despite being Canada's official poverty measure, the MBM has several limitations. First, the MBM uses data from the Canadian Income Survey, and due to small sample sizes, it is not as reliable when analyzing smaller populations or geographies. Second, MBM measurements are currently not calculated for First Nations people living on reserves. Third, while the MBM purports to show a modest standard of living, critics argue that the basket may not reflect the full realities of people living in poverty. As a result of these issues, critics maintain that the MBM underestimates rates of poverty.<sup>7</sup>

As such, the Alberta child poverty report does not use the MBM, but instead refers to the Census Family Low Income Measure based on after-tax income (CFLIM-AT) to measure poverty. The CFLIM-AT is known as a relative measure of poverty—it is calculated as 50% of the median income in a given city or municipality, adjusted by family size. This measure is more comparable to other data from Statistics Canada and is reliable because it is based on tax-filer data.<sup>8</sup> The CFLIM-AT has a higher threshold for poverty, and thus also reports a higher prevalence of poverty. Another benefit to the CFLIM-AT is that it can be used to examine the poverty rates of several different family types, whereas the MBM currently only publishes data for a family of four.

Figure 1<sup>1,9</sup>



In 2019, the most recent year for which data is available, the MBM reported that 7.2% of children in Alberta lived below the poverty threshold,<sup>9</sup> whereas the CFLIM-AT reported 16%.<sup>1</sup> Child poverty has persisted over the years though the rate has remained relatively stable. The largest drop occurred in 2017, one year after the Canada Child Benefit was introduced.

### **Child Poverty Rates**

The well-being of children is tied to household income and parental employment. In simple terms, children cannot earn an income, so they rely on their parents or caregivers to provide them with food, shelter, clothing, health care, and other basic needs.

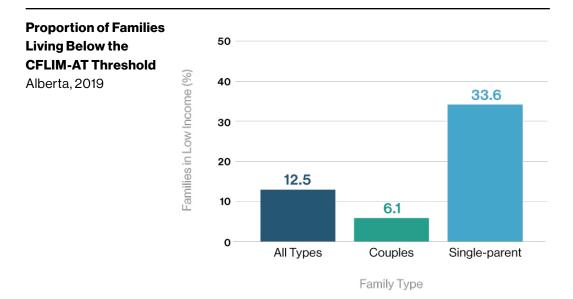
Alberta's Early Child Development Mapping project indicated that higher or more favourable socio-economic status is generally linked to more positive early childhood development and long-term life outcomes. This research shows that communities with higher socio-economic indicators had a higher percentage of children performing better on developmental metrics, including those for well-being, social competence, emotional maturity, language and thinking skills, and communication.

Socio-economic status is often associated with income levels, but it is also made up of other factors, including social, cultural, and economic conditions.

# Where positive socio-economic levels were present, the proportion of children doing well was greater.<sup>10</sup>

In 2019, 12.5% of families with children were living under the CFLIM-AT low-income threshold—that's 163,290 children who were living in poverty. Poverty rates vary considerably by family type, with single parents more likely to experience poverty. Around one third (33.6%) of lone-parent families were living in low-income, compared to 6.1% of couple families.<sup>2,11</sup>

Figure 2



The poverty gap describes the difference between the poverty line threshold and the median after-tax income of all low-income families living below that threshold. Most low-income families live well below the poverty line. Lone-parents experience the largest poverty gapin 2019, lone-parents with one child had an average income that was \$13,925 below the poverty line. <sup>1,8</sup>

# Lifting Children out of Poverty

The Canada Child Benefit, along with the Alberta Child and Family Benefit, are paid directly to eligible families with children under the age of 18. Families also have access to benefits available to all Canadians, such as the GST/HST credit.

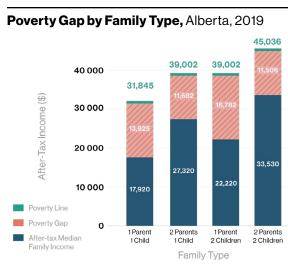
Under Canada's current benefit arrangement, 17% of children under the age of 6 and 16% of children under the age of 18 are living in poverty (see Figure 4). Without government benefits those rates jump to 31.2% and 29%, respectively.<sup>12</sup> The statistics show that government income transfers have greatly reduced child poverty, however, there is still much more work to be done.

#### Figure 4

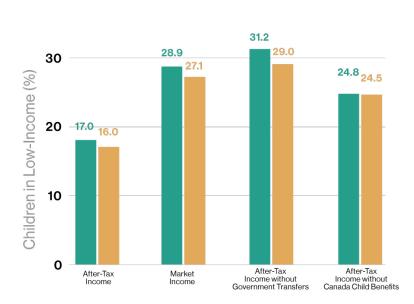
**Percent of Children** in Families with **Adjusted Income** below the After-Tax LIM, Alberta, 2019

Persons Under 6 Persons Under 18





Government income transfers are an essential tool used to lift people out of poverty, especially children and youth aged 0 to 17 years.



## Lifting Children out of Poverty, continued.

The impact of government transfers is subject to change as different government parties come into power and re-work benefit systems.

In 2019, families received provincial child benefits through the Alberta Child Benefit and the Alberta Family Employment Tax Credit. These two programs were consolidated in July 2020, and re-worked into a new program, the Alberta Child and Family Benefit (ACFB). Analysis has shown that while the ACFB will provide increased benefits to very low-income Albertans, most families—including those living in poverty—will see a decrease in support.<sup>13</sup> Since tax-filer data is presented two years after it is collected, it remains to be seen what impact this re-work will have on overall child poverty rates.

Aside from improved child benefit programs, increased parental wages can also reduce child poverty rates. All parents, regardless of their job, should be paid a living wage.

According to the most recent report on living wages in Alberta, "a living wage is defined as the hourly wage that a primary income earner must make to provide for themselves, their families, and reach basic financial security... It is the hourly rate at which a household can meet a modest standard of living, once government transfers have been added to the family's income and deductions have been subtracted."<sup>14</sup>

This modest standard of living includes a family with two full-time working parents and two non-working children's basic needs such as shelter, transportation, food, and clothing, but also allows for one parent to attend school, plus extended health and dental plans and a minor emergency contingency fund.<sup>14</sup>

Living wages vary across the province and change depending on available government benefits and the cost of basic needs. The Alberta Living Wage Network has calculated that the living wage ranges from \$16.80 in Strathcona County to \$37.40 in Canmore.<sup>15</sup> In Edmonton and Calgary, the living wage is \$18.10 and \$18.60, respectively.<sup>15</sup> Paying parents a living wage can help increase children's well-being as they grow up.

Figure 5

2021 Living Wage by Community in Alberta

Grande Prairie \$19.45

Rocky Mountain House \$18.05

\$37.40



# Early Learning and Child Care

#### **Child Care is Essential**

Child care is an essential social infrastructure and a critical component to alleviating child poverty and breaking generational cycles of poverty.

The lack of high quality, accessible, and affordable child care across Alberta has long been a major policy failing, which forces many parents-especially women-out of paid employment, be it part-time or full-time. Lack of access to high quality care has long-term impacts on children, resulting in the increased potential for developmental challenges, such as educational attainment, and other issues later in life. These impacts can reinforce the cycle of poverty among adults and families. A significant investment in system building would greatly help reverse these challenges, leading to improvement in cognitive abilities, educational outcomes, and a reduction in intergenerational poverty.<sup>16</sup>

Implementing a universal high quality, accessible, and affordable child care program is crucial to combating child poverty, improving children's health, and reducing the financial burden for families. Furthermore, this would allow for full workforce participation from parents and lower fees for child care, which would enable parents to spend more on other essentials such as nutritious food and adequate housing.<sup>17</sup>

Fortunately, a recent joint announcement between the federal and provincial governments has given parents, educators, operators, and advocates in Alberta some major reasons for hope. If implemented according to the conditions laid out by the federal government, this system building will lead to a 50% reduction in child care fees by the end of 2022 and an average cost to families, per child, of \$10-a-day by 2025-26.

However, given that this program was just recently announced, Alberta's system currently languishes as a patchwork, with disparities in quality, accessibility, and affordability. This leads to parents-mainly women-who remain, often not by choice, partially or totally out of the workforce and places strain on children in the long-term.

enhance the current market-like patchwork that exists today.



# Alberta needs to work with the federal government to build a system that prioritizes supply-side funding to build a universally accessible system, rather than

## Child Care is Essential, continued.

The new framework agreement and funding should focus on public policy to create a durable and flexible structure to build a high quality, accessible, and affordable early learning and child care system in Alberta, including:

A clear conceptual framework;

A clear multi-level governance structure;

Coordinated infrastructure, including program delivery and regulated standards;

Evidence-based, system-wide planning and policy development;

Adequate public financing;

Well-trained staff, along with quality working conditions;

Continual data collection, research, and evaluation.<sup>18</sup>

These elements must be considered in relation to one another to ensure maximum benefits. Therefore, system building is the basis for quality, accessibility, and affordability.<sup>18</sup>

While alleviation of family and child poverty and breaking the cycle of poverty are primary drivers of strong system building policy, economic considerations often remain the drivers of political direction. According to research from the Conference Board of Canada, every \$1 invested in early childhood education could return almost \$6 in wider economic benefit.<sup>16</sup>

#### Overall, increased expansion of an early learning and child care system would improve outcomes for children, especially those living in poverty.

And, by allowing more women to enter the workforce, many of whom lead lone-parent families, more than 23,000 families across Canada would be lifted out of poverty.

# Quality

According to foundational research, access to high quality early learning and child care services can lead to better outcomes for cognitive and social development.<sup>19</sup>Key characteristics include training in early childhood education pedagogy and curriculum, appropriate wages, strong workforce development and conditions, physical environment, and strong health and safety provisions.<sup>20</sup>

Alberta currently has a patchwork system that negatively impacts quality. There is a mix of licensed and unlicensed spaces, with no voluntary or mandatory accreditation system. Combined with a complex mix of for-profit, non-profit, and public providers and operators, the current context means it can be difficult for parents to make informed decisions about what type of care will best serve their children, if adequate access to care is even available at all.

In February 2021, the Government of Alberta made changes to the oversight of early learning and child care through regulations under the Early Learning and Child Care Act.<sup>21</sup> While the government claimed these adjustments would improve transparency for parents, the biggest change was that the existing accreditation program was removed and replaced with new guiding principles for quality, safety, well-being, inclusion, and child development.

Although principles are important, research shows that a high quality system relies on enforceable, basic regulatory standards.<sup>22</sup>

#### When it comes to child care accessibility, "deserts" remain a deep problem in Alberta. Some regions do not have nearly adequate coverage rates for licensed quality care.

For example, the Northeast/Fort Chipewyan region has just 9% coverage for children aged 0-4, according to recent research.<sup>24</sup> This reality highlights the intersections of child poverty and high quality services, especially in remote, rural, and Indigenous communities.

In 2018, the Assembly of First Nations, Inuit Tapiriit Kanatami, the Métis National Council, and the Government of Canada co-developed an Indigenous Early Learning and Child Care Framework. This framework, based on extensive consultation and co-development, "sets a vision for happy and safe Indigenous children and families, strong cultural identity, and a comprehensive and coordinated system" of early learning and care for all children, families, and communities, "regardless of where they live."<sup>25</sup> The bilateral framework agreement recently signed by Alberta, on November 15th, 2021, also recognizes "a clear commitment to continue to work collaboratively with Indigenous organizations in Alberta to develop an approach that will support Indigenous children in the province in having access to culturally-appropriate, quality, and affordable child care." <sup>26</sup>

In order to address accessibility challenges, alleviate child poverty, and break intergenerational cycles of poverty across Alberta, the province must build spaces according to age, geography, and community needs. As it stands right now, there is not nearly enough coverage for children who are not yet school-age to ensure access for all families.

There are simply not enough child care spaces to meet the needs of families in Alberta. The coverage rate, which is the number of licensed spaces per eligible child, is 1 in 5, according to recent research from the Child Care Resource and Research Unit. Further, this number distorts the fact that accessible, licensed child care is even less available for certain age groups and in rural, remote, and Indigenous communities. For example, in 2019 there were 48,000 children in Alberta aged 12 months or younger, but an estimated 2,591 licensed spaces available — a coverage rate of only 5.4%. Though not every family and parent would choose to send their child to full- or part-time licensed child care, improved accessibility could increase this coverage rate to the internationally recognized "Barcelona standards" of 33% up until the age of 3, and 90% from the age of 3 to mandatory school age.<sup>23</sup>

## Affordability

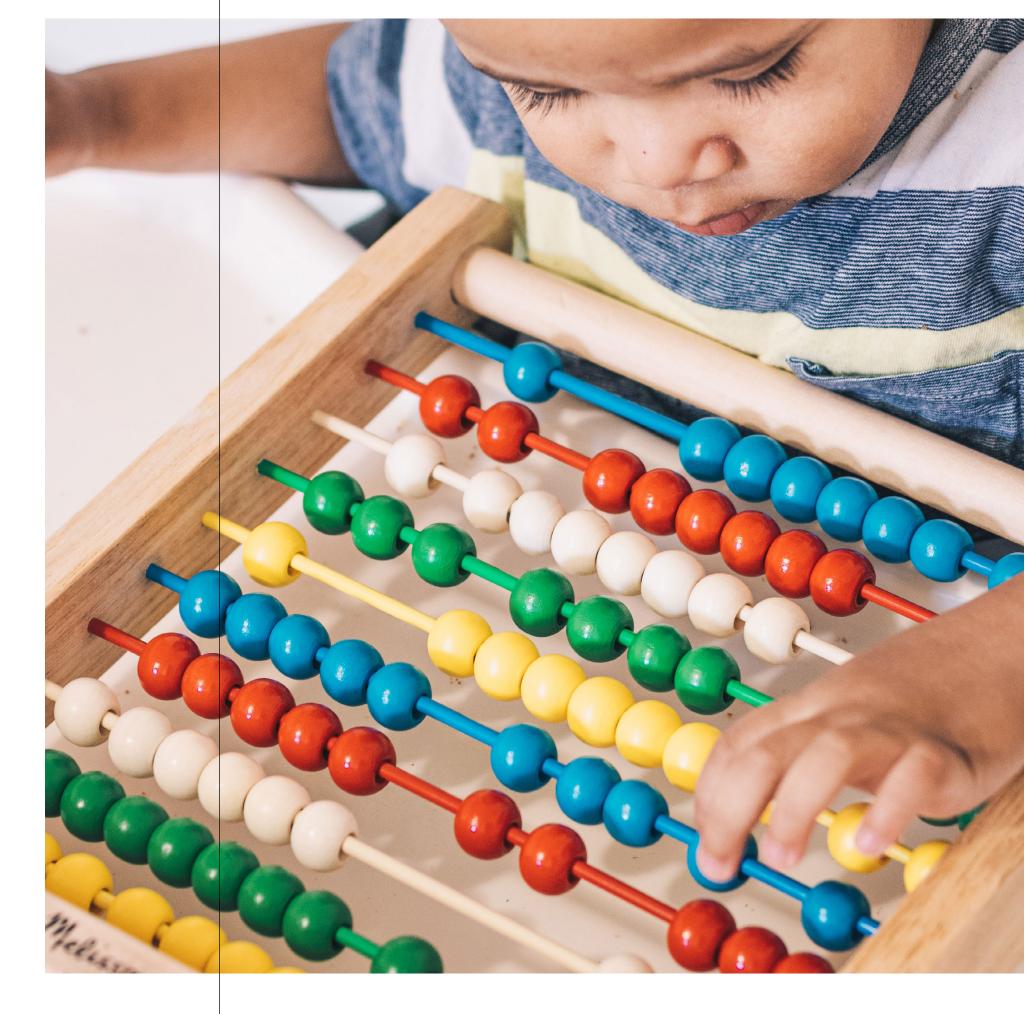
Child care affordability continues to be one of the major barriers to women entering the workforce as well as child and family poverty alleviation. In Alberta, child care fees often cost the same as monthly mortgage or rent payments. For instance, recent calculations put the average child care fee for an infant in Calgary at \$1,300 per month.<sup>27</sup>

The percentage of children living in low-income households more than triples when they are part of a family headed by a lone-parent. Affordable child care for low-income families can be a powerful incentive to bring mothers and lone-parents back into the workforce and can help lift these vulnerable families out of poverty. The total number of hours a child spends in care during infancy, toddlerhood, and the preschool years is associated with higher parent income.<sup>17</sup>

The implementation of a truly affordable early learning and child care system is likely to lead to higher workforce participation, especially among women. Upon the introduction of a \$10-a-day childcare system in Quebec, more than 70,000 women entered the workforce, which equalled an increase in women's workforce participation of close to 4% over 10 years.<sup>16</sup>

The Alberta federal and provincial agreement commits to \$3.8 billion in federal funding over five years, which is meant to lead to a 50% reduction in average parent fees by the end of 2022 and an average parent fee of \$10-a-day within five years. <sup>25</sup> For many low-income families, lower fees will lead to increased workforce participation, as well as more spending power for basic necessities such as food, educational supplies, transportation, and housing.

While there are years of system building work to design and implement a truly affordable, universal, high quality, and accessible system of child care in Alberta, it is imperative that work continue, and urgently, as a major component of any successful strategy to alleviate and end child poverty in Alberta.



# Forsing

## Housing is a Human Right

Housing is an essential need, like food and water. In 2019, the federal government recognized housing as a fundamental human right in the *National Housing Strategy Act.* 

However, rather than ensuring every Albertan has access to adequate, accessible, and affordable housing, decades of insufficient public policy has created a housing crisis—one that deeply affects Alberta's children and youth.

For decades, the housing crisis has been getting worse. Between the 1960s and 1990s, the federal government built approximately 550,000 non-market social housing units, <sup>28</sup> which were protected from market forces and offered ongoing affordable rent or ownership. However, a new policy of 'fiscal discipline' to reduce the national debt came into effect in the 1980s, and by 1993 the federal government had withdrawn entirely from funding new social housing. <sup>29</sup> Management and administration for existing social housing and subsidies were downloaded to the provinces.

According to a recent survey of Canadians during the pandemic, 1 in 3 renters are concerned about their ability to pay rent next month <sup>30</sup> and an estimated 24,000 Albertan households are on a wait-list for affordable housing. <sup>31</sup> Financial pressures, due in part to the pandemic, skyrocketing food costs, <sup>32</sup> and the rising cost of living, have prevented many Albertans, including children and youth, from living healthy lives full of dignity and opportunity.

The United Nations' sustainable development goals, adopted by Canada in the *National Housing Strategy Act*, are meant to guide policy to ensure Canadians have access to safe, adequate, and affordable housing as well as basic services by 2030. Yet, 500,000 Albertans (more than 1 in 10) currently spend over 30% of their household income on housing costs.<sup>33</sup> This is unsustainable. These issues deeply affect children and youth, as family poverty has long-term consequences on the developmental and socio-economic outcomes of children.

According to a national survey on youth homelessness, 20% of people experiencing homelessness are between the ages of 13 and 24.<sup>34</sup> In a given year, there are at least 35,000–40,000 youth experiencing homelessness.<sup>34</sup> In Edmonton, as of December 2021, data shows that 25% of people experiencing homelessness were aged 24 or younger.<sup>34</sup>

According to the Canadian Observatory on Homelessness, homelessness can be defined as "a range of housing and shelter circumstances, with people being without any shelter at one end, and being insecurely housed at the other." <sup>35</sup>

Homelessness can encompass living situations that include people who are:

- Unsheltered and living on the streets,
- Staying in emergency shelters,
- Provisionally accommodated, or
- At-risk of homelessness.<sup>35</sup>

Homelessness is not a static state but can shift dramatically and frequently. Combined with stigma, this means measuring the homelessness crisis is difficult.

# The exact number of children and youth who experience homelessness in Alberta is unknown, but even one is too many.

Homelessness has an effect on every facet of a child's life, including their physical, emotional, cognitive, social, and behavioural development. <sup>36</sup> Children who experience homelessness suffer traumatic and stressful events throughout their young lives. Babies born into home-lessness are far more likely to have low birth weight, low immunization rates, and increased risk of death. <sup>36</sup> Children living in homelessness demonstrate significant developmental delays after 18 months of age, which can have long-term impacts. They also have access to fewer services and interventions than other children. <sup>36</sup> By school age, homelessness affects a child's social, physical, and academic life. Children who experience homelessness have increased health problems and lack consistent medical care. <sup>36</sup>

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# Housing is a Human Right, continued.

While there is no single solution to the housing and homelessness crisis in our communities, there are consistent recommendations.

Investment into affordable housing and wrap-around services, combined with urgently needed interventions in the housing and rental market, are necessary to address the crisis and alleviate the child poverty that goes along with it. Real change should start with a Housing First model—a highly impactful policy framework that provides people experiencing homelessness with access to permanent housing and access to supports and services, regardless of other circumstances. This approach is relatively barrier-free, and is centred on choice, self-determination, and community.

Promisingly, some communities have already turned the tide. In June, 2021, Medicine Hat announced that they had ended "functional" chronic homelessness. At the time, the city's mayor stated:

# "If you have to step over someone on your way to work or to get to the ATM, you need to do something."<sup>37</sup>



# **Child Poverty and Mental Health**

A call to reform Alberta's state of mental health services was first made in a 2015 Alberta Mental Health Review Committee report, in response to a wide range of needs that collectively called for systemic change.

Perhaps the most notable finding was that "most adults with addition and mental illness show signs and symptoms during childhood." <sup>38</sup> Likewise, Alberta Health Services (AHS) reports that, presently, half of all lifetime cases of mental illness begin by age 14. 39 Delays in treatment during child, youth, and adolescent years result in poorer mental health outcomes throughout the lifespan, which necessitates early intervention to address some of the negative consequences of poor mental health (such as suicide, poor coping skills, substance use, and addictions). The 2019 AHS Performance Review revealed that mental health services had the highest 3-year growth rate, at 7.95%, compared to other clinical activity within primary care services.<sup>40</sup> The current growing demands in mental health services for adults in Alberta is a clear reflection of insufficient preventive measures for child, youth, and adolescents in previous generations. Moving forward, efforts to prevent compounding mental health disorders could include improved mental health resources, trained professionals, routine screening programs for at-risk children, and comprehensive interventions to target Albertan youth, children, and adolescents.

## **Child Poverty and Mental Health, continued.**

The 2015 Alberta Mental Health Review Committee report outlines the health care system's lack of understanding around mental health disorders among Albertans, highlighted by accounts of "poor coordination and integration of services; [and] inadequate prevention, promotion and early intervention." 38

Additional concerns address the lack of resources for high-risk populations (as determined by social inequities such as income, employment, education, and housing conditions), which is an issue faced by the most vulnerable populations. The report was one of Alberta's first attempts to demand holistic, actionable change by shifting the landscape of provincial mental health solutions to a preventive approach directed toward children, youth, and adolescents, while concurrently increasing access points for individuals to connect with help services across the lifespan continuum.

# Mental Health: A Look at the Statistics

Mental health support is needed now more than ever, as suicide rates among youth have spiked with the highest reported rate since 2012. 41

The Canadian Institute for Health Information reports a 60% increase in rates of hospitalization for mental health disorders and a 61% increase in rates of mental health-related emergency visits among Canadian children and youth in the past decade.<sup>42</sup> Statistics Canada revealed that youth have experienced the "greatest decline [in mental health] since the pandemic began," with those who experienced mental health challenges prior to the pandemic impacted to a greater extent, with worsened outcomes of mental illness.<sup>43</sup> Together, these statistics indicate that there is a growing need for improved mental health services for children, youth, and adolescents.

The provincial budget for services has remarkably increased in order to expand mental health and rehabilitative services for children and youth-from \$12 million in the 2015-16 period 44 to \$34 million in the 2021 budget. <sup>45</sup> This is in addition to \$140 million in provincial funding earmarked for mental health and addiction services for the 2021–24 period. <sup>45</sup> In 2019–20, the government specifically allocated \$1.5 million to supports, services, training awareness, and education as part of a provincial action plan for youth suicide prevention.<sup>46</sup>

According to the Centre for Suicide Prevention, in 2019 Alberta had a higher suicide rate than the national rate (13.3 versus 10.7 deaths per 100,000, respectively), <sup>41</sup> a pattern that has remained consistent over the past decade.

These numbers should sound the alarm for a province-wide call to action.

Despite evidence that there is a provincial youth mental health crisis, there is more work the government could do to protect at-risk populations.

Research shows that socio-economic factors must be considered to improve youth outcomes, as these can be risk factors that exacerbate mental health illnesses. The government must improve supports to at-risk youth and family populations by addressing risk factors such as housing, income support, and socio-economic disadvantages. According to the Alberta Affordable Housing Review Panel, there is no strategic plan for housing in Alberta despite the growing need for affordable housing in communities.<sup>47</sup> There is a need for collaborative efforts among stakeholders, including federal and municipal governments as well as the private and not-for-profit sector, to deliver sufficient affordable housing.

Overall, the Government of Alberta is making progress to improve mental health outcomes for children, youth, and adolescents, as indicated by increased funding to this sector. But there is clearly more work that needs to be done. Mental health must be recognized through a holistic lens, which includes prioritizing particular risk factors and supporting at-risk populations, and addressing influential factors such as housing, social supports, and household income in addition to improving availability and accessibility of mental health care services.



# **Call for a Holistic Approach**

# ncigenous Children

Approximately 6.5% of Alberta's population identified as Indigenous in the 2016 federal census. <sup>48</sup> Indigenous peoples include First Nations, Métis, and Inuit communities.

Statistically, the Indigenous population is younger than the non-Indigenous population. In 2016, about one third (29.1%) of Indigenous peoples were 14 years of age or younger, compared to 18.7% of the non-Indigenous population. 49

Indigenous children and families face higher rates of poverty than the average Albertan. According to the 2016 census, 17.7% of Indigenous peoples were living in poverty, compared to 8.8% of the non-Indigenous population. 50 Experiences of poverty can vary greatly depending on different living situations. Data shows that 30% of Indigenous children living in urban areas were living in poverty, a rate that jumps to 51% for children in lone-parent families. <sup>51</sup> Higher-than-average poverty rates were also observed among those living with grandparents and without parents present (43%), and foster children (37%).<sup>51</sup>

Indigenous communities continue to face:

- Low employment rates,
- · Food insecurity,
- · Substandard and overcrowded housing,
- Lower education outcomes,
- Mental health issues, and
- Limited access to health care. 52,53

overall well-being. 52

# It is clear that there is a massive disparity in poverty and well-being between Indigenous and non-Indigenous children.

These issues have been further exacerbated by the pandemic. Indigenous peoples are overrepresented in poverty and low-income data, and, in 2017, 39% of Indigenous peoples living in urban areas in Canada reported they were unable to cover a sudden expense of \$500.51

Addressing Indigenous child poverty must be grounded in reconciliation, and requires culturally responsive solutions that provide Indigenous governing bodies with oversight for education and welfare of children on reserves.<sup>53</sup> These are issues that have been explored in previous child poverty reports. The disparities and long-term harms that continue to be highlighted will not cease until governments enforce the appropriate programs and agreements.

#### The inequities Indigenous children and families face—including higher poverty rates—are a consequence of colonial policies such as the Indian Residential School system, the Sixties Scoop, and the intergenerational trauma these have caused. 52

All of these issues can have negative effects on Indigenous children's health, development, and

# Visible Minority Children

In Alberta, 36.8% of women of visible minority and 35.7% of men of visible minority have a university degree at the bachelor level or higher, compared to 25% of the overall provincial population of women and 21.7% of men. <sup>54</sup>

Despite higher rates of education, visible minority adults tend to have worse employment outcomes. Immigrants, for example, often come to Canada with high levels of education, but their credentials are not recognized, or there are significant barriers to recognition of credentials, leading to experience un- or under-employment.<sup>55</sup>

In 2016, visible minorities in Alberta experienced an unemployment rate of 9.8% overall, compared to 8.8% of the non-visible minority population.<sup>56</sup> Unemployment rates vary considerably by racial or ethnic group. The lowest unemployment rate is recorded for Filipinos (6.1%), whereas Black Albertans experienced a rate of 13.6% and West Asians—people who immigrated from countries such as Afghanistan and Iran—experienced an unemployment rate of 14.6%. <sup>56</sup> According to the low-income measure after-tax (LIM-AT), in 2016, 12.5% of visible minority households in Alberta lived in low-income, compared to 8.2% of non-visible minority households. These rates also vary considerably between different racial or ethnic groups. Fewer Filipinos experienced low-income (4.8%), whereas Arabs experienced the highest rate (29.7%).<sup>57</sup> High unemployment rates and low incomes affect the well-being of children. Children growing up in poverty experience disproportionate barriers, including low or poor health outcomes, learning and development challenges, low educational achievement and literacy rates, and limited income as working adults. <sup>58, 59</sup> This creates a cycle of poverty and marginalization, as youth in poverty lack access to the resources they need to improve their well-being and "successfully" transition into adulthood.

Issues are compounded and heightened by racism and discrimination experienced by racialized children. Research out of the United States has demonstrated that coping with racism and discrimination on a daily basis can activate a long-term stress response in children that "wears and tears" brain development, and other biological systems, leading to poorer health outcomes as they age.<sup>60</sup>



#### Figure 6

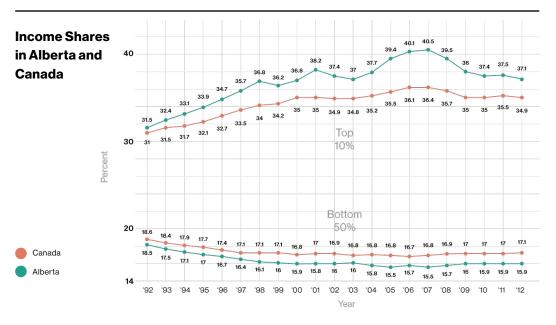
**Provincial Revenue Generation Capacity Compared to Alberta** 

Sales Tax Other Taxes / Charges

Decades of austerity in Alberta have not alleviated child poverty, closed the equality gap, or led to more private investment, despite its promise of enhanced prosperity and better quality of life for those living in poverty. Instead, austerity has resulted in the privatization of public services and assets and has further entrenched and deepened social, economic, educational, and housing inequities.

among the top 10% of earners.

Figure 7: From gap to chasm: Alberta's increasing income inequality



Raising new revenue must be done in a way that does not have a negative impact on those already under the financial strain of living in low-income households. Recommendations on specific changes to the tax regime go beyond the scope of this report, but changes should focus on a progressive approach to raising revenue from individuals and corporations with middle- to high-wealth and income.

# tovinera Realle & Tax Systems

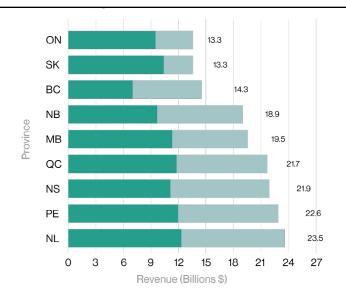
#### **Fiscal Equity and Fairness**

In order to effectively address child poverty and the intersecting challenges and themes outlined in this report, it is imperative to consider the revenue and tax systems in Alberta and Canada.

While discussions around taxes have been contentious in policy and political contexts that centre on neoliberal austerity, it is impossible to imagine the end to child poverty without considering revenue mechanisms. A former Privy Council Office executive notes: "We cannot hope even to begin... to provide a measure of economic security in an increasingly precarious world, or to reverse growing inequality and persistent poverty if we don't reconnect taxes to the common good." <sup>61</sup> Public funding, raised through the revenue and tax system, is therefore essential to considering meaningful, lasting, and truly humane policies for ending child poverty.

In Alberta, the gap in revenue raising capacity continues to widen as compared to other provinces. If Alberta had the similar tax rates and revenue mechanisms as other Canadian provinces, it could raise \$13.3 billion more every year than it does today. 62 Alberta's so-called tax advantage is really a social disadvantage.<sup>62</sup>

Figure 6 shows the revenue generation capacity Alberta has compared to other provinces. The hypothetical forgone revenue could be used to address the underlying policy and program gaps that contribute to Alberta's child poverty problem. Essentially, the data shows that Alberta has a revenue shortfall—and that it is by design.



Wealth inequality within the province has increased significantly. In the 1990s and 2000s it was roughly equivalent to other provinces and territories, but by 2011 had climbed to represent the highest gap within Canada.<sup>63</sup> This increase, even worse in Alberta than the Canadian average, has meant that while the cost of living has risen, income and wealth are concentrated

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