

By: Laurie Monsebraaten Social Justice Reporter, Published on Wed Nov 21 2012, Toronto Star

Campaign 2000 urges Ottawa to eliminate child tax credits and use money to fight poverty

Twenty-three years after a unanimous House of Commons pledge to eradicate child poverty by 2000, the national coalition is once again calling for a federal plan to get the job done.



Single mother Coleen Turner from Mississauga, Ont., would benefit if Ottawa axed three child tax credits and used the money to boost the National Child Benefit to \$5,400 per year, per child, as recommended in Campaign 2000's annual report to be released Wednesday. (Nov. 20, 2012)

Ottawa should streamline the “hodgepodge” of federal child tax credits and use the money to lift more children out of poverty, says Campaign 2000.

On the 23rd anniversary of a unanimous House of Commons pledge to eradicate child poverty by the year 2000, the national coalition is once again calling for a federal plan with goals and timelines to get the job done.

With one in seven Canadian children — including one in four in First Nations communities — still living in poverty, this year's progress report goes after Ottawa's “inefficient” tax system.

It takes aim at the “misnamed” Universal Child Care Benefit that provides \$100-per-month for children under age 6; the “regressive” Child Tax Credit that reduces federal income taxes by about \$300; and the Child Fitness Credit, worth a maximum of \$75 per child.

All three should be eliminated and the resources redirected to boost the National Child Benefit to a maximum of \$5,400 a year, up from the current maximum of \$3,485, the coalition says.

At \$5,400, a single parent with one child who is working full-time at \$11 an hour would be able to escape poverty.

More broadly, it would cut Canada’s child poverty rate by 15 per cent and lift 174,000 children out of poverty.

Ottawa would only have to contribute an additional \$174 million, the report says. This would drop to just \$74 million, if the recently announced Child Arts Tax Credit is also redirected to the child benefit.

Since more than 90 per cent of Canadian families receive the child benefit on a sliding scale based on income, the move would allow Ottawa to use its valuable resources in a more efficient and effective way to reduce child poverty, the coalition says in its report released Wednesday. On average, those families above the median family income (\$68,860) would pay more taxes or lose benefits, while those below the median would be better off.

“Right now the federal government oversees a hodgepodge of family tax credits meant to help low- and middle-income families,” said Dr. Sid Frankel, associate professor of social work at the University of Manitoba.

“Applying for these tax credits can be complicated and require upfront expenditures that low income families don’t have,” he said. “As a result, those who need the credits most go without.”

Coleen Turner, a Mississauga single mother of five, lost her home and family business after fleeing an abusive husband four years ago. She has been trying to work her way off welfare ever since.

Two of her three adult daughters still live at home while attending college and support themselves with student loans.

Meantime, Turner supports her son, 16, and a daughter, 12, on a meagre \$1,100 monthly welfare cheque and almost \$700 in monthly child benefit payments. Most months the family relies on food banks to make ends meet.

Because Turner pays little tax, she is ineligible for the child fitness and new arts tax credits.

“If the money was included in the child benefit, I could certainly use it,” she said.

As it is, tennis lessons last year for her son were “out of the question,” she noted.

Even with a subsidy, it will cost more than \$300 for her 12-year-old to sing in the Mississauga Festival Choir.

“When she went for the audition, I had no idea what it cost,” Turner said.

Campaign 2000 also calls on Ottawa to invest in a national child-care system, introduce a national housing strategy, restore and expand eligibility for Employment Insurance, address employment equity for “racialized communities” and improve funding for post-secondary education.

“Child poverty impairs our long-term national interests because it leads to higher health-care costs and spending on social support services, lost productivity and limited opportunities,” the report said.