

Understanding Systems: The 2021 Report of the National Advisory Council on Poverty

Executive summary

In our first annual report, the National Advisory Council on Poverty provided a broad understanding of poverty in Canada. We also reported on progress made toward the Government's poverty reduction targets and made a number of recommendations to the Government of Canada. This year, in addition to reporting on the Government's progress, we have also sought a deeper understanding of the systems, programs and supports that exist and the role they may play in creating, sustaining and perpetuating poverty.

According to Canada's Official Poverty Line, the poverty rate in Canada fell from 14.5% in 2015 to 10.1% in 2019. This represents a 30% reduction since 2015. While this continued progress is positive, a closer look reveals a number of concerns. First, the most recently available data comes from the 2019 Canadian Income Survey (CIS). This means that the data does not reflect the impacts of COVID-19. In addition, the overall number conceals some of the deep inequities that exist for low-income Canadians. Certain populations, including Black Canadians, racialized Canadians, immigrants, refugees, Indigenous people, persons with disabilities, and 2SLGBTQ individuals, all face higher rates of poverty.

The CIS data does not yet capture the full impact of COVID-19. We drew on available data sources to understand the impact that it has had on the most marginalized people. The virus itself and the public health measures put in place to stop it have disproportionately affected the most marginalized. They have higher infection rates and have been most impacted by job losses. The move to the digital delivery of education, health care, supports and programs has left many people behind. The closure of important programs and supports, as well as public health measures and stay-at-home orders, have led to increased isolation and mental health challenges. COVID-19 exposed and exacerbated many challenges in our existing systems and created new ones.

Despite all the negative repercussions, COVID-19 also presents a silver lining. It has caused people, governments and organizations to re-examine existing structures, assumptions and programs. It has demonstrated that many of our systems do not work for everyone. It has created a great deal

of empathy and an opportunity to do things differently. As we transition from pandemic life, it is essential that we equitably include those who have been the most impacted in recovery efforts.

Throughout our engagement sessions, we heard about the dehumanizing effect of living in poverty. We heard about supports and services that strip people of their dignity and humanity. We heard about programs and benefits, designed to help people, that instead cause trauma. We also heard about colonialism, racism and discrimination that are driving high poverty rates, challenges in the labour market and ongoing trauma.

We also heard how poverty is created by the systems, programs and inadequate benefits we have in place, as well as by labour market conditions. We heard that we have allowed the systems that create inequity to perpetuate.

We have made a number of recommendations in our report. First and foremost, our recommendations aim to reduce inequity. They also aim at addressing issues of systemic racism, discrimination and colonialism, to ensure that everyone has equal access to benefits, resources and opportunities. They aim at ensuring that people are treated equitably and with dignity when accessing important benefits and services.

Finally, they aim at ensuring that everyone has the resources they need to thrive.

1. Indigenous prosperity through truth, reconciliation and renewed relationships

- All signatories of the Indian Residential Schools Settlement agreement immediately implement the recommendations from the Truth and Reconciliation Commission of Canada.
- The Government of Canada implement the recommendations from *Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls*.

2. Building Equity through programs, supports and benefits

- All Statistics Canada and federal population-based surveys should ask inclusive questions and provide inclusive response options on women and gender equity, Indigenous heritage, immigration/refugee status, race/ethnicity, disability, prior or current institutionalization, and sexual orientation and gender identity, to allow for routine disaggregation of data to support better decision making and reporting of disparities.
- While working towards its overall poverty reduction goals, the Government of Canada should endeavor to reach those furthest behind first. To this end, the Government of Canada should commit to reducing poverty by 50% in 2030 for marginalized populations, including Black populations, 2SLGBTQ people, Indigenous people, and persons with a disability. The Government of Canada should also specifically name and focus on Black populations, 2SLGBTQ people, Indigenous people, and persons with a disability within existing and new Government of Canada strategies, initiatives, and supports.

3. Dignity through enhanced access and improved service design and provision

- Governments work to simplify the delivery of programs and supports for all people through enhanced coordination, improved low barrier access, and better coverage based on need. Specifically, we recommend that governments implement community feedback mechanisms that involve people with lived expertise in poverty in the development, implementation, evaluation and on-going evolution of policy, programs and services. Governments should collect disaggregated program data to demonstrate and improve equitable access and uptake programs and services.
- That the Government of Canada implement automatic enrollment for federal benefits to ensure that people are accessing the supports and services that could keep them out of poverty. Automatic tax-filing is one mechanism that can help with this.

4. Develop robust systems and structures focused on early intervention and poverty prevention

- The Government of Canada move to quickly implement all announced supports and benefits that have been publicly committed to. These significant investments (Canada-Wide Early Learning and Child Care System, Canada Disability Benefit, Canada Workers Benefit and the National Housing Strategy including Reaching Home) will both lift people out of poverty, and help prevent future generations from falling into poverty.
- The Government of Canada increase investments in the important social programs and benefits that allow people to meet their needs and keep them from falling into poverty. This includes investments in transportation, health, mental health, food security, educational attainment, skills development, support for families, and for people going through transition periods.

5. Employment income and income support

- The Government of Canada should collaborate with provinces and territories to build on its COVID-19 response and strengthen existing strategies, programs and policies. This would ensure a coordinated and robust social safety net in Canada by collectively providing income support that is at least at the level of Canada's Official Poverty Line.
- That the Government of Canada take a leadership role in both providing and incentivizing better employment opportunities for marginalized groups, including Indigenous people, racialized individuals, immigrants, refugees, youth, persons recently institutionalized and persons with a disability.
- The Government should continue to lead by example by implementing its existing commitments and pursue providing a minimum wage that is above Canada's Official Poverty Line (for full-time work) while consistently pursuing equitable employment practices. It should also use its influence including contract, grants

and contributions and employment supports to encourage all employers to implement equitable employment and wage policies.

- That the Government of Canada should increase access to employment benefits (such as, employment insurance and paid sick leave) for self-employed workers, workers in the gig economy and part-time workers.