

Appendix 1

Government of Canada Statistics

Introduction

The information contained in this appendix was obtained from Revenue Canada data on the Child Tax Benefit. The data are based on Revenue Canada tabulations of the Child Tax Benefit (CTB) and Working Income Supplement (WIS) over three benefit years, which run from July to June.

The Child Tax Benefit was introduced in 1993 as an income-tested benefit to replace the Family Allowance and refundable and non-refundable child tax credits.

The WIS was also introduced in 1993 to provide greater income support and to improve work incentives to low-income working families. The WIS paid up to \$500 per family for those families with earned income between \$3,750 and \$25,921. The changes to the CTB and WIS as part of the NCB were made in two phases:

- enhancement and restructuring of the WIS in 1997-98; and
- replacement of the CTB and WIS with the Canada Child Tax Benefit (CCTB) in 1998.

The tables show the value of the CTB and WIS for the benefit years 1995 to 1997, and the CCTB for the benefit year 1998. They also show benefits by family status and family net income.

Table 1-A: Child Tax Benefit Beneficiaries in Canada, by Family Type, Family Net Income Range and CTB/WIS, 1995-96 Benefit Year (July 1995 to June 1996)

Family Net Income	Children with CTB*	Families with CTB*	Total \$ CTB* paid	Children with WIS	Families with WIS	Total \$ WIS paid
LONE-PARENT FAMILIES						
\$15,000 or less	789,312	505,357	870,365,141	208,931	141,978	42,868,610
\$15,001 to \$25,921	473,354	270,499	547,228,944	287,217	188,252	62,776,103
More than \$25,921	318,921	209,529	234,476,767	n/a	n/a	n/a
Total**	1,581,587	985,385	1,652,070,852	496,148	330,230	105,644,713
TWO-PARENT FAMILIES						
\$15,000 or less	486,652	241,183	575,917,418	260,387	129,002	48,655,246
\$15,001 to \$25,921	716,029	360,774	876,170,471	588,011	303,579	100,555,424
More than \$25,921	3,253,380	1,664,604	2,000,804,198	16,902	9,285	1,803,909
Total**	4,456,061	2,266,561	3,452,892,087	865,300	441,866	151,014,579
ALL FAMILIES						
\$15,000 or less	1,275,964	746,540	1,446,282,559	469,318	270,980	91,523,856
\$15,001 to \$25,921	1,189,383	631,273	1,423,399,415	875,228	491,831	163,331,527
More than \$25,921	3,572,301	1,874,133	2,235,280,965	16,902	9,285	1,803,909
Total**	6,037,648	3,251,946	5,104,962,939	1,361,448	772,096	256,659,291
* Includes the WIS.						
** Rounding may cause discrepancies in totals.						

Source: Based on Revenue Canada CTB data.

Note: In general, CTB payment is based on the recipient's marital status as reported on the previous year's tax return. Accordingly, the family net income is also based on prior-year information.

Table 1-B: Child Tax Benefit Beneficiaries in Canada, by Family Type, Family Net Income Range and CTB/WIS, 1996-97 Benefit Year (July 1996 to June 1997)

Family Net Income	Children with CTB*	Families with CTB*	Total \$ CTB* paid	Children with WIS	Families with WIS	Total \$ WIS paid
LONE-PARENT FAMILIES						
\$15,000 or less	811,898	520,447	869,781,333	225,110	152,634	43,907,571
\$15,001 to \$25,921	471,734	267,954	538,911,631	294,077	191,700	62,131,401
More than \$25,921	366,559	236,054	276,385,241	24,036	13,747	3,709,440
Total**	1,650,191	1,024,455	1,685,078,205	543,223	358,081	109,748,411
TWO-PARENT FAMILIES						
\$15,000 or less	557,931	283,677	618,098,984	296,146	150,871	52,687,386
\$15,001 to \$25,921	697,549	351,810	835,456,239	584,411	302,044	97,281,796
More than \$25,921	3,233,735	1,659,457	1,938,896,838	25,055	12,729	2,823,674
Total**	4,489,215	2,294,944	3,392,452,062	905,612	465,644	152,792,856
ALL FAMILIES						
\$15,000 or less	1,369,829	804,124	1,487,880,317	521,256	303,505	96,594,957
\$15,001 to \$25,921	1,169,283	619,764	1,374,367,870	878,488	493,744	159,413,197
More than \$25,921	3,600,294	1,895,511	2,215,282,080	49,091	26,476	6,533,114
Total**	6,139,406	3,319,399	5,077,530,267	1,448,835	823,725	262,541,268
* Includes the WIS.						
** Rounding may cause discrepancies in totals.						

Source: Based on Revenue Canada CTB data.

Note: In general, CTB payment is based on the recipient's marital status as reported on the previous year's tax return. Accordingly, the family net income is also based on prior-year information.

Table 1-C: Child Tax Benefit Beneficiaries in Canada, by Family Type, Family Net Income Range and CTB/WIS, 1997-98 Benefit Year (July 1997 to June 1998)

Family Net Income	Children with CTB*	Families with CTB*	Total \$ CTB* paid	Children with WIS	Families with WIS	Total \$ WIS paid
LONE-PARENT FAMILIES						
\$15,000 or less	867,804	542,193	984,372,124	226,208	152,611	73,914,341
\$15,001 to \$25,921	390,354	228,112	499,420,959	291,108	188,489	104,333,827
More than \$25,921	361,719	234,030	279,378,711	22,083	11,948	6,542,915
Total**	1,619,877	1,004,335	1,763,171,794	539,399	353,048	184,791,084
TWO-PARENT FAMILIES						
\$15,000 or less	557,756	281,369	698,712,301	287,850	145,847	106,732,450
\$15,001 to \$25,921	672,678	339,572	920,471,319	578,709	298,773	194,151,189
More than \$25,921	3,119,763	1,603,845	1,881,911,895	15,529	3,145	932,403
Total**	4,350,197	2,224,786	3,501,095,516	882,088	447,765	301,816,042
ALL FAMILIES						
\$15,000 or less	1,425,560	823,562	1,683,084,425	514,058	298,458	180,646,791
\$15,001 to \$25,921	1,063,032	567,684	1,419,892,278	869,817	487,262	298,485,016
More than \$25,921	3,481,482	1,837,875	2,161,290,607	37,612	15,093	7,475,318
Total**	5,970,074	3,229,121	5,264,267,309	1,421,487	800,813	486,607,126
* Includes the WIS.						
** Rounding may cause discrepancies in totals.						

Source: Based on Revenue Canada CTB data.

Note: In general, CTB payment is based on the recipient's marital status as reported on the previous year's tax return. Accordingly, the family net income is also based on prior-year information.

Table 2: Canada Child Tax Benefit – Base Benefit and National Child Benefit Supplement Payments for Canada, by Family Type, July 1998 to March 1999*

	Base Benefit		
	One-parent families	Two-parent families	All families
July 1998 - March 1999	\$1,237,335,846	\$2,325,213,911	\$3,562,549,754

	NCB Supplement		
	One-parent families	Two-parent families	All families
July 1998 - March 1999	433,961,602	332,998,685	766,960,293

	Total CCTB (Base Benefit and NCB Supplement)		
	One-parent families	Two-parent families	All families
July 1998 - March 1999	1,671,297,448	2,658,212,596	4,329,510,047

* Rounding may cause discrepancies in totals.

Source: Based on Revenue Canada CCTB data.

Provincial/territorial breakdowns of CCTB data are available at <http://socialunion.gc.ca>

Table 3: Estimate of Canada Child Tax Benefit Payments for Families Receiving the NCB Supplement, by Province/Territory, 1998-99 Benefit Year (July 1998 to June 1999)

Jurisdiction	1998-99			
	Base Benefit (\$ millions)	NCB Supplement (\$ millions)	Total CCTB Base Benefit and NCB Supplement (\$ millions)	Estimated Monthly Average Number of Children Receiving the NCB Supplement
Newfoundland and Labrador	48	24	72	51,081
Prince Edward Island	10	5	15	10,990
Nova Scotia	72	36	108	78,994
New Brunswick	59	30	89	63,639
Quebec	482	247	728	547,469
Ontario	714	350	1,065	788,753
Manitoba	98	48	146	110,284
Saskatchewan	97	47	144	108,621
Alberta	193	95	287	219,218
British Columbia	277	136	413	298,686
Northwest Territories	9	4	12	8,531
Yukon	2	1	3	2,459
Total**	2,061	1,023	3,083	2,289,465
* Totals include Canadian beneficiaries living abroad.				
** Rounding may cause discrepancies in totals.				

Source: HRDC estimates based on Revenue Canada administrative data.

Appendix 2

Provincial/Territorial and First Nations NCB Initiatives

This appendix provides information on the range of provincial/territorial and First Nations NCB initiatives for the 1998-99 fiscal year.

Reinvestment funds, and in some jurisdictions, additional investments, were used to establish new programs and services and/or to enhance existing initiatives for low-income families with children. The appendix does not contain any information for Quebec, which chose not to participate in the National Child Benefit initiative. However, Quebec residents still benefit from the increased Canada Child Tax Benefit.

The total amount of funding available for NCB initiatives is derived from the following sources.

Social Assistance Recoveries – jurisdictions estimated the amount of anticipated social assistance recoveries for 1998-99 (for the period after July 1998 to March 1999) and a complete fiscal year. During the initial months of the NCB, a monthly average of approximately 260,000 families on social assistance with 500,000 children experienced this adjustment (Quebec is not included in this estimate). Prince Edward Island, Nova Scotia, Ontario, Manitoba, Yukon and the Northwest Territories chose to consider the NCB Supplement as unexempt income in their welfare programs. Alberta reduced its welfare rates. British Columbia and Saskatchewan rolled the NCB Supplement into their existing or new benefits for children. Newfoundland and Labrador and New Brunswick did not adjust their social assistance benefits. In all

jurisdictions, social assistance families with children did not experience any reduction in their overall level of income support.

Transitional Funding – federal and provincial/territorial governments contributed equal amounts to ensure that no families on social assistance who previously received the federal Working Income Supplement experienced a reduction in their overall level of benefits as a result of the introduction of the National Child Benefit.

Children's Special Allowance – this is paid in respect of children who are in the care of provincial/territorial child welfare authorities. New Brunswick, Ontario, British Columbia, Yukon and the Northwest Territories used the NCB Supplement portion of the Children's Special Allowance to support children in care of child welfare authorities. Newfoundland and Labrador, Prince Edward Island, Nova Scotia, Manitoba, Saskatchewan and Alberta have allocated the increase to their overall reinvestment envelope.

Additional Investments – a number of jurisdictions have chosen to inject additional provincial/territorial funds into new and/or enhanced programs and services. These have been noted in the summaries which follow.

Newfoundland and Labrador

The province of Newfoundland and Labrador funded NCB initiatives during 1998-99 to the amount of \$7.8 million, estimated at \$10.45 million on a full fiscal year basis. These additional amounts correspond to the estimated amount of the NCB Supplement paid to social assistance families, which Newfoundland and Labrador chose to pass on in full to those families.

Additional funds for the improvement and expansion of licensed child-care services cover a range of program and service areas and have resulted in the establishment of new initiatives as well as the enhancement of existing programs. The following new initiatives have been established. Family Home Child Care is allowing for the gradual establishment of community-based, non-profit agencies licensed to approve family-based child-care homes. A certification model for Early Childhood Education Co-ordinators is being implemented, and additional funding for the recruitment of

Newfoundland and Labrador's NCB Initiatives	1998-99 (\$ thousands)
Child Care/Day Care	
Unlicensed Child Care	450.0
Family Home Child Care	487.5
Child Care Subsidy Program	1,987.5
School-Based Infant Care	56.2
Early Childhood Education Co-ordinators	225.0
Additional Child Care Support Services	618.8
Early Childhood Certification and Training	75.0
Early Childhood/Children-at-Risk Services	
Post Secondary Education Support Program	225.0
Family Resource Centres	862.5
Health Benefits	
Extended Drug Care Program	750.0
Other	
Community Youth Networks	2,100.0
Total	7,837.5

six full-time early childhood education co-ordinators has been provided. Funding is also supporting licensees in providing high quality services to children and families through Additional Child Care Support Services. The new funding has also resulted in the enhancement of three programs. The Child Care Subsidy Program has been expanded to provide more day-care subsidies as well as to increase subsidy rates. Unlicensed Child Care provides social assistance clients with increased subsidies, and School-Based Infant Care funding has permitted the establishment of three on-site child-care programs.

The Post Secondary Educational Support Program provides new funds to help former children in care attend post secondary educational facilities. The Family Resource Centres focus on providing services and supports, primarily to children up to six years of age, in order to promote healthy child development, enhance parenting skills and build community capacity to support the needs of families and children.

The Extended Drug Card provides full prescription drug coverage for families making the transition from social assistance to work.

Community Youth Networks are being developed to provide prevention and intervention services (e.g., peer counselling, mental health services, back-to-school initiatives), with a focus on youth at risk.

As a result, provincial day-care expenditures will more than double, from a total of \$2.8 million in 1997-98 to \$6.7 million in 1998-99. The remaining investments are all in new program areas, with some funding directed toward administrative and developmental costs.

Additional information about the Government of Newfoundland and Labrador's NCB initiatives may be obtained from:

Communications Division
Department of Human Resources and Employment
Government of Newfoundland and Labrador
P.O. Box 8700
St. John's NF A1B 3B2
Telephone: (709) 729-4062

Communications Division
Department of Health and Community Services
Government of Newfoundland and Labrador
P.O. Box 8700
St. John's NF A1B 3B2
Telephone: (709) 729-1377

Prince Edward Island

Prince Edward Island had \$850,000 available for reinvestment in provincial initiatives during 1998-99. This amount is expected to increase to \$1.275 million on a full-year basis.

Prince Edward Island' s NCB Initiatives	1998-99 Budget (\$ thousands)
Child Care/Day Care	
PEI Child Care Benefit	400.0
Early Childhood/Children-at-Risk Services	
Special Needs Grant	100.0
Looking After Children	20.0
Other child welfare initiatives	30.0
Other	
Employment Enhancement and Job Creation Program	200.0
PEI Institute of Adult and Community Education	100.0
Total	850.0

In its June 1998 program launch, the province announced that it would undertake two major reinvestment programs. The first of these was the PEI Child Care Benefit. This initiative, implemented in August 1998, enhanced the existing Child Care Subsidy Program by increasing the per diem subsidy and adjusting the sliding fee scale to provide greater access to the program. More than 800 children benefited from these enhancements.

The second major reinvestment activity is the PEI Family Health Benefit. This program will provide basic coverage for prescription drugs for families with children and incomes below \$20,000. Since Prince Edward Island has not had a program of this nature, it was necessary to undertake the design and development work for this program during 1998-99. This work has now been completed, and the PEI Family Health Benefit will be ready for operation as of April 1999.

Since the PEI Family Health Benefit was not in operation in 1998-99, the province was able to reassign reinvestment funds to a number of special, one-time initiatives. The Special Needs Grant enabled licensed early childhood centres to enhance their programming for special needs children. Additional funding was provided to the Employment Enhancement and Job Creation programs to allow more parents to participate in job skills upgrading and employment opportunities. A start-up grant was provided to the PEI Institute of Adult and Community Education toward its objectives of providing local educational upgrading. As well, special funding was provided to child welfare initiatives, including the Looking After Children initiative, to help it gear up for the monitoring of outcomes in child welfare.

Additional information on Prince Edward Island's NCB reinvestments can be obtained by contacting:

Child, Family and Community Services Division
PEI Department of Health and Social Services
P.O. Box 2000
Charlottetown PEI C1A 7N8

Telephone: (902) 368-6710
Fax: (902) 368-6156

Email: llandry@ihis.org

Nova Scotia

During 1998-99, Nova Scotia's reinvestment funds amounted to \$11.2 million. They are expected to increase to \$15.2 million on a full-year basis. The province's primary reinvestment has been in the Nova Scotia Child Benefit, a new income support program for low-income families with children.

Nova Scotia's NCB Initiatives	Estimated 1998-99 (\$ thousands)
Child Care/Day Care	
Centre-Based Child Care	562.5
Family Child Care	187.5
Early Childhood/Children-at-Risk Services	
Early Intervention Programs	168.7
Community-Based Prevention Programs	750.0
Child Benefit/Earned Income Supplements	
Nova Scotia Child Benefit	9,533.3
Total	11,202.0

The Healthy Child Development Initiative Steering Committee consulted with stakeholders in 1998. In the area of child care, Nova Scotia has expanded its Centre-Based Child Care by increasing the number of subsidized spaces and providing for portable spaces across the province for children with special needs. Efforts are under way to develop innovative child care solutions in areas where limited infrastructure exists.

Early Intervention Programs are being enhanced to provide services for an additional 75 pre-school children with special needs. The Community-Based Prevention Programs build on existing programs to enhance prevention efforts across the province. The prevention programs are specifically designed to promote support to low-income families.

The Nova Scotia Child Benefit became effective in July 1998. It provides an annual cash payment of \$250 for the first child, \$168 for the second child and \$136 for the third and each additional child in low-income households. Both the working poor and families receiving social assistance are eligible if family net taxable income is under \$16,000 per year. The payment is delivered as a combined payment with the Canada Child Tax Benefit through an agreement between the province and Revenue Canada. Approximately 51,000 children, including 32,000 children in social assistance families, will benefit from the Nova Scotia Child Benefit in 1998-99.

The additional funding has resulted in a 50 percent increase in the funding for community-based prevention programs over 1997-98 and a significant new commitment to low-income families with children. More than 52,000 children are benefiting as a result of these initiatives.

For additional information contact:

Communications Section
Department of Community Services
P.O. Box 696
Halifax NS B3J 2T7

Telephone: (902) 424-4326

Fax: (902) 424-0549

E-mail: webcoms@gov.ns.ca

New Brunswick

New Brunswick funded NCB initiatives during 1998-99 to the amount of \$2.1 million, estimated at \$2.8 million on a full-year basis. These amounts are in addition to the estimated amount of the NCB Supplement paid to social assistance families, which New Brunswick chose to pass on in full to those families.

Beginning in August 1998, the province invested \$2.1 million in child-care initiatives. The Day Care Subsidy Program per diem rates were increased and 200 to 400 additional spaces were added. In addition, the province has set aside 200 spaces for alternative child care. This service is available to applicants not eligible for basic financial assistance who do not have reasonable access to

licensed day-care facilities during certain hours. This program benefits people who work shifts and weekends. As a result of these new initiatives, the province's estimated expenditures on day care have increased to \$6.8 million for 1998-99.

New Brunswick recently invested \$25 million in the NB Child Tax Benefit and NB Working Income Supplement for low-income families with children under 18. The NB Child Tax Benefit provides \$250 annually for each child to families with a net income of \$20,000 or less; benefits are reduced for higher-income families. The NB Working Income Supplement provides up to \$250 per family with earnings of at least \$3,750 per year and an annual net income less than \$25,921. Both of these programs are administered by Revenue Canada through the Canada Child Tax Benefit program.

New Brunswick's NCB Initiatives	Estimates 1998-99 (\$ millions)
Child Care/Day Care	
Day Care Assistance Program	1.5
Alternative Child Care Program	0.6
Total	2.1

For further information, contact:

Communications Branch
 Human Resources Development - New Brunswick
 Box 6000
 Fredericton NB E3B 5H1

Telephone: (506) 453-2712

E-mail: wwwhrdnb@gov.nb.ca

Ontario

Ontario's reinvestment initiatives for 1998-99 are estimated at \$117 million, growing to \$156 million on an annualized basis.

As part of the Ontario NCB reinvestment strategy, the province created a new Ontario Child Care Supplement for Working Families (OCCSWF). The program benefits up to 350,000 children under the age of seven in 210,000 working families. In 1998-99 this program will cost \$140 million. To fund this program, the province combined \$95 million from its share of NCB reinvestment funds, \$40 million from the former Ontario Child Care Tax Credit, and an additional \$5 million in new provincial funds.

This new program took effect in July 1998 and provides low- to modest-income families with children with a maximum benefit of \$1,020 annually for each child under age seven. Families are eligible if they have work earnings exceeding \$5,000; if one parent is working and one stays at home to care for their children under age seven; or if they are attending school or training programs and have child-care expenses. The supplement is reduced as incomes exceed \$20,000.

In Ontario, municipalities also share in the NCB reinvestment because social assistance continues to be cost-shared between municipalities and the province. The municipal portion is estimated to be \$22 million in 1998-99. Ontario municipalities are implementing their own initiatives as part of the overall Ontario NCB reinvestment strategy in

Ontario' s NCB Initiatives	1998-99 Budget (\$ millions)
Provincial Initiative	
Ontario Child Care Supplement for Working Families	95.0
Provincial Total for 1998-99	95.0*
Municipal Initiatives	
	22.0
Ontario Grand Total	117.0

* As noted above, the full cost of the OCCSWF is \$140 million. To fund this program, the province combined \$95 million from its share of NCB reinvestment funds, \$40 million from the former Ontario Child Care Tax Credit and an additional \$5 million in new provincial funds.

ways that meet their local needs and priorities. Examples of these strategies include: Healthy Babies/Healthy Children; the Learning, Earning and Parenting Program; Ontario Works Child Care; and employment supports for families with children. Healthy Babies/Healthy Children is a prevention and early intervention program that screens all newborns, identifies those at high risk and ensures they receive community services. The Learning, Earning and Parenting (LEAP) Program provides supports to help teen parents on social assistance to improve their parenting skills and stay in school. Ontario will be issuing a separate report to highlight the specific details of municipal reinvestments.

For further information about the NCB in Ontario please contact:

Client Services Unit
Ministry of Community and Social Services
Room M1-57 900 Bay Street
Toronto ON M7A 1N3
Telephone: 1-888-789-4199
Fax: (416) 325-8207

Manitoba

In 1998-99, Manitoba budgeted more than \$15 million for early intervention and healthy child development programs and as support for children in lower-income families. Manitoba reinvested over \$10 million from National Child Benefit funds (estimated to be \$14 million on a full-year basis) and added approximately \$5 million more in new provincial funds. Provincial initiatives include the following:

Child Day Care has added over 1,000 subsidized spaces, extended funding to 2,000 existing infant and pre-school spaces, extended the Children with Disabilities Program and developed more flexible child-care arrangements.

Early Start provides focused early intervention for children aged two to five years to increase school readiness and decrease the need for costly education, health and social service interventions in the future. Early Start provides a home visitor to work with high-risk families which have special-needs children in licensed day-care centres.

Early Literacy supports programs that have success in increasing the reading and writing proficiency of the lowest-achieving children in Grade 1.

BabyFirst is a community-based, early childhood program designed to provide services to families living in conditions of risk, which have children from prenatal to three years of age. BabyFirst emphasizes positive parenting, enhanced parent-child interaction, improved child health and development and optimal use of community resources.

Manitoba's NCB Initiatives	Funding (\$ millions)
Child Care/Day Care	5.1
Early Childhood/Children-at-Risk Services	
Early Start	.7
Early Literacy	1.9
BabyFirst	1.7
Adolescent Pregnancy	.3
Women and Infant Nutrition (WIN) Program	1.8
Other	
Workforce Attachment	3.7
Total	15.2

Adolescent Pregnancy provides one-to-one counselling and other resources to pregnant adolescent women to delay further pregnancies.

The Women and Infant Nutrition (WIN) Program provides nutrition information and counselling to social assistance and low-income working families. As an incentive towards participation and nutrition improvements, the program offers a monthly supplement of \$65 to expectant mothers and mothers with infants up to one year of age if the families are in receipt of social assistance.

New workforce attachment programs have been introduced to help single parents, families led by persons with disabilities and part-time or low-income workers on income assistance. The province also helped ensure that working families which were receiving some income assistance did not lose overall income as a result of the introduction of the NCB.

In addition to its NCB reinvestments, Manitoba committed \$8.6 million in 1998-99 to Child and Family Services to help at-risk children.

Manitoba considers the National Child Benefit Supplement received by families on income assistance as non-exempt income and is adjusting the value of families' income assistance budgets by the full amount of the NCB Supplement. Funding also accrued from the increase in the Children's Special Allowance that Canada provides for children in care of the government.

Contact Manitoba Family Services for additional information on the provincial initiatives for families, children and youth:

Policy and Planning
Manitoba Family Services
219 - 114 Garry Street
Winnipeg MB R3C 4V6

Telephone: (204) 945-3242

E-mail: polplan@fs.gov.mb.ca

Saskatchewan

Saskatchewan reinvested approximately \$11.25 million during 1998-99. This reinvestment will total \$15 million per year on a full-year basis. The province has devoted 1998-99 reinvestment funds to three programs: the Saskatchewan Child Benefit, the Saskatchewan Employment Supplement and Family Health Benefits.

Saskatchewan's programs benefited approximately 40 percent of the province's children, or 100,000 children in 50,000 families. This includes Saskatchewan Child Benefit payments received on behalf of 8,800 First Nations families which are living on reserve land. The federal Department of Indian Affairs and Northern Development pays the benefit cost for these First Nations children.

The Saskatchewan Child Benefit is a payment to low-income parents to help with the costs of raising a child. Saskatchewan's program is integrated

with the Canada Child Tax Benefit. It uses the same information base as the CCTB to determine income and eligibility. Benefits are combined with the NCB Supplement into a single monthly payment to reduce duplication and simplify administration.

The Saskatchewan Employment Supplement is a benefit paid to low-income parents who are working or who receive maintenance payments. The supplement provides an incentive to employment by offsetting additional child-related costs that a parent may incur through working. It improves incentives to collect maintenance payments by increasing the net value of the payment to the family.

The Family Health Benefits program provides extended health benefits to low-income families with children. A full range of benefits is provided for children and partial benefits for adults. With this program, low-income families are assured of retaining health benefits as they leave social assistance for work opportunities.

Saskatchewan's NCB Initiatives*	1998-99 Reinvestment (\$ millions)
Child Benefit/Earned Income Supplements	
Saskatchewan Child Benefit	8.25
Saskatchewan Employment Supplement	2.00
Health Benefits	
Family Health Benefits	1.00
Total	11.25

* In addition to this reinvestment, the province added \$27.9 million in 1998-99 to complete the development of the three Saskatchewan programs. This additional expenditure allowed the removal of the children's basic benefit from the provincial social assistance program in July 1998. It will gradually become part of the province's reinvestment as further federal investments are made in the National Child Benefit Supplement.

For further information on Saskatchewan's NCB initiatives please contact:

Communications and Public Education Branch

Saskatchewan Social Services

1920 Broad Street

Regina SK S4P 3V6

Telephone: (306) 787-3686

Fax: (306) 787-8669

Alberta

Alberta allocated approximately \$13.5 million for NCB initiatives during 1998-99. Reinvestments from Phase 1 of the NCB initiative will total about \$21 million on a full-year basis. The province devoted 1998-99 reinvestment funds to the Alberta Child Health Benefit, child care subsidies, shelter benefits for families on social assistance, and to launch a new initiative aimed at children involved in prostitution.

Alberta's NCB Initiatives*	1998-99 (\$ millions)
Health Benefits	
Alberta Child Health Benefit*	3.7
Child Care/Day Care	
Child Care Subsidy	1.9
Other	
Child Prostitution Initiative	0.6
Shelter benefit increase for families on welfare	0.7
Unspent	6.6
Total	13.5

* Does not include the program for upgrading students on grants: the \$1 million funding for this comes from reducing student assistance grants offsetting part of the NCB Supplement received by students.

Of approximately 112,000 families receiving the NCB Supplement in Alberta in any given month, roughly 16,300 families on welfare saw adjustments in their welfare benefits as federal benefits increased. This included about 13,100 single-parent families and, in total, affected on average 37,500 children each month from August 1998 to March 1999.

Alberta's choices for NCB initiatives complement existing programs and services aimed at low-income families with children. As a result of the 1993 welfare reforms, Alberta put extensive programs in place for upgrading and training, as well as services to prevent dependence on welfare and to facilitate the transition from welfare to work. In addition, since 1997, the Alberta Family Employment Tax Credit has provided direct financial support to low- and middle-income working families with children.

The Alberta Child Health Benefit was introduced in August 1998 as a new program providing support outside the welfare system to children in low-income families for prescription drugs, dental care, optical care, and ambulance and diabetic services. In January 1999, co-payments expected initially were eliminated. So far, more than 35,000 children have benefited from this program. Since the program had a slower start-up than initially expected, part of the budget set aside in 1998-99 will not be spent this year. Alberta will allocate the equivalent of the 1998-99 unspent reinvestment funds over the next two years for Alberta's reinvestment programs.

Reinvestment funding for child care occurred in conjunction with a shift from operating allowances for day care to increased child care subsidies for low- and middle-income families. The NCB funding allowed the province to raise the net income qualification levels for the child-care subsidy by an additional \$80 per month to bring levels closer to the maximum CCTB level.

Shelter Benefit increases for families on welfare became effective in February 1999, benefiting about 30,000 children in 15,000 families each month. Shelter ceilings were raised by \$33 to \$41 per family.

NCB funding is being used to help launch the new Children Involved in Prostitution legislation, and prevention and early intervention strategies.

For further information on Alberta's NCB initiatives, contact:

Communications Branch
Alberta Family and Social Services

Telephone: (780) 427-4801

Fax: (780) 422-3071

British Columbia

Although the National Child Benefit initiative was launched in July 1998, British Columbia's Family Bonus program – one of the models for the National Child Benefit Supplement – was introduced in 1996. From 1996 to 1998, British Columbia invested over \$800 million in the BC Family Bonus and approximately \$15 million in its Healthy Kids Program. This represents a significant pre-investment toward the goals of the NCB initiative. British Columbia continued its commitment to these programs in 1998-99. The NCB Supplement allowed the province to reduce expenditures in the BC Family Bonus and redirect those expenditures

from social assistance families (about \$60 million in 1998-99 and \$80 million on a full-year basis) to initiatives benefiting more than 100,000 children in low-income families.

As a result of the BC Family Bonus, British Columbia has made measurable progress in meeting the goals of the NCB initiative by reducing the depth and impact of child poverty.

- Families have moved from welfare to work in record numbers. There are 17,000 fewer families and 31,000 fewer children dependent on welfare now than when the BC Family Bonus was launched. That is a 23.1 percent decline over two years.

British Columbia's NCB Initiatives	Estimated 1998-99 (\$ millions)
Child Care/Day Care	
Supported Child Care – Special Needs	6.00
Early Childhood/Children-at-Risk Services	
Building Blocks	1.50
FosterCare 2000	.75
Youth Initiatives	1.87
Safe Schools	1.00
Employment Supplements	
BC Earned Income Benefit	48.75
Other	
Youth Community Action Program	.37
Total	60.24

- The poverty gap has been reduced for low-income working families from 25.5 percent to 19 percent (based on Low-Income Cut-Off statistics).

British Columbia's main post-1998 investment is the BC Earned Income Benefit. This new employment incentive program ensures the transition to the NCB framework does not result in a loss of benefits for any family in the province. The BC Earned Income Benefit, together with the BC Family Bonus, make it more attractive for those on welfare to seek work and remain employed. Benefits from these programs have been combined with the CCTB into a single monthly payment.

British Columbia's other reinvestment programs are new or enriched services designed to strengthen families, to prevent or reduce the impact of poverty on children and youth, or to promote attachment to the labour market.

Additional information on British Columbia's NCB reinvestments can be found on the Ministry of Human Resource's Web site at:

<http://www.mhr.gov.bc.ca>



The Yukon government reinvested approximately \$110,000 during 1998-99. Reinvestments from Phase 1 of the NCB initiative will total about \$160,000 on a full-year basis. The Yukon government has devoted the 1998-99 reinvestment funds to four programs: the Children's Drug and Optical Program, a children's recreation fund, a school food program and the Healthy Families Program. The reinvestment programs will benefit about 1,000 children.

The Children's Drug and Optical Program covers the cost of medication and optical care for children in low-income families. Children in moderate-

income families are also eligible for benefits after a deductible is paid.

A special children's recreation fund has been established to help children and youth in low-income families participate in organized sport, recreation, arts, cultural and social activities by covering fees and some equipment costs.

Reinvestment money has been allocated to supplement an established school food program which makes funding available to provide breakfast, lunch or nutritious snacks to children who do not have food from home.

The Healthy Families Program monitors all newborns and pre-schoolers at risk, and assists their families to provide the care and services needed to reduce the risk.

Yukon's NCB Initiatives	1998-99 Budget (\$ thousands)
Health Benefits	
Children's Drug and Optical Program	20.0
Early Childhood/Children-at-Risk Services	
Children's recreation fund	40.0
School food program	30.0
Healthy Families Program	20.0
Total	110.0

Additional information about the Yukon government's NCB reinvestment programs may be obtained from:

Policy and Program Development (H-1)
 Department of Health and Social Services
 Box 2703
 Whitehorse YK Y1A 2C6
 Telephone: (867) 667-5747

Northwest Territories

The Northwest Territories reinvested approximately \$1.4 million during 1998-99. The Territories devoted all of its 1998-99 reinvestment funds, supplemented by \$1.3 million in new funding, to the Northwest Territories Child Benefit (NWTCB), which includes the Territorial Working Supplement (TWS). Phase 1 of the NCB will result in about \$2.1 million in reinvestment funds, supplemented by \$2 million in territorial funds, on a full-year basis. The benefits are delivered as a combined payment with the Canada Child Tax Benefit, through an agreement between the Territory and Revenue Canada.

The NWTCB is paid to all families with net income of \$20,921 or less in the previous year. Families receive \$330 for each child under age 18 living at home.

The TWS is an additional benefit to compensate for any loss as a result of the discontinuation of the federal Working Income Supplement. Working families with children under age 18 living at home receive up to \$275 for the first child and \$75 for the second. To qualify, the family must have earned income of at least \$3,750 in the previous year.

These payments benefited approximately 12,500 children in 5,700 families.

About 2,200 families on social assistance, including more than 1,500 single-parent families and 4,800 children, were assisted each month by the adjustments related to the NCB. NCB Supplements were deducted as “unearned” income from clients’ assessed needs when determining their assistance. All low-income families received the NWTCB, and those with more than \$3,750 in working income in the previous year also received the TWS.

Northwest Territories’ NCB Initiatives	1998-99 Budget (\$ millions)
NWT Child Benefit	2.7
Total	2.7

For further information on the Northwest Territories’ NCB initiatives please contact:

Income Support Division
Department of Education, Culture and Employment
P.O. Box 1320
Government of the Northwest Territories
Yellowknife NT X1A 2L9

Telephone: (867) 873-7746

Fax: (867) 873-0443

Email: Linda_ecklund@gov.nt.ca

First Nations

Funding for First Nations* NCB Initiatives, 1998-99

Region	1998-99 (\$ millions)
Atlantic**	1.0
Quebec [□]	7.5
Ontario	2.7
Manitoba	4.3
Saskatchewan	4.4
Alberta	1.7
British Columbia	2.3
Yukon	0.2
Total reinvestment envelope	24.1
Additional Investment [§]	6.2
Total NCB Investments	30.3

* Excludes self-governing bands, bands funded under different arrangements in B.C., Yukon and Newfoundland and Labrador, and bands under an Alternative Funding Arrangement and Financial Transfer Arrangement in Alberta and B.C. Funding for social assistance and NCB-related initiatives in the Northwest Territories is provided by the territorial government. These figures are estimates and will be confirmed when First Nations complete their fiscal year end report.

** Atlantic region excludes the amount of NCB Supplement that was passed on to social assistance families living on reserves in New Brunswick (estimated \$0.8 million in 1998-99).

□ Reinvestment funds in Quebec First Nations are composed of both savings from the introduction of the new provincial Family Allowance program and the National Child Benefit. An additional four months of savings (December 1997 - March 1998) of \$642,000 is also available due to these reforms to the income security program in Quebec.

§ In Saskatchewan, in 1998-99, an additional \$6.2 million in new funds is available for NCB-related reinvestment initiatives for First Nations families living on reserves.

Over the last year, the Department of Indian Affairs and Northern Development (DIAND) has been working in partnership with First Nations at the regional level on mutually acceptable frameworks to guide the development and implementation of NCB reinvestment initiatives. The reinvestment frameworks are both consistent with the objectives of the NCB

and flexible enough to address the different priorities and needs in First Nations communities.

In 1998-99, First Nations are investing approximately \$30 million in a wide range of community-based programs for low-income families with children living on reserves, such as income support, child care, child nutrition, parenting,

family services, recreation, youth development, clothing outlets and training and employability skills. The programs are linked by the objectives of the NCB, which aim to prevent and reduce the depth of child poverty and promote attachment to the workforce. Some currently operational programs include the following.

- The Samson Cree Nation in Alberta has initiated the Healthy Families Project. This home visiting initiative seeks to ensure parents, particularly those at greatest risk, receive the support and education they need prenatally and through the first important years of their child's life.
- Lake Manitoba First Nation has implemented a variety of reinvestment programs, including a nutritional lunch program, day-care services, training programs and monthly preventative and parenting skills workshops geared to teens.
- The Council Huronne-wendat Nation of Quebec is using NCB reinvestment funds to run the Agoshin Counter. This nutrition and clothing centre has created jobs for two income security recipients and is providing services on a regular basis to low-income families with children. As well as providing low-income families with low-cost food and clothing, the centre offers

services such as collective kitchens, a meeting place and a reference service to help people gain access to the resources they need.

The funds for reinvestment come from adjustments to social assistance which are, for the most part, administered by First Nations through funding agreements with DIAND. Adjustments in each region have closely followed the adjustments made in the province or territory in which a First Nation resides.

Each funding agreement contains applicable terms and conditions, with customized reporting requirements designed to facilitate First Nations capacity and accountability. This has resulted in a reporting package which gathers a combination of information — statistical, financial and some program or operational information — which has been integrated into the National Child Benefit reporting regime. Given that the reporting cycle of this package is based on the fiscal year, DIAND will receive comprehensive national information on the first operational year of NCB reinvestment programs in July 1999. Once the first year of reporting is complete, DIAND and First Nations will begin assessing the breadth of reinvestment programming on reserves and the impact of the initiative on First Nations families with children.

For more information please contact:

Public Affairs Unit
Strategic Communications and Planning
Department of Indian Affairs and Northern Development
Les Terrasses de la Chaudière
10 Wellington Street
Hull QC K1A 0H4

Telephone: (819) 994-2044
Fax: (819) 997-0268

Appendix 3

Internet Resources

Statistical Information

To supplement the information contained in this report, additional statistics are available via the Internet at <http://socialunion.gc.ca>.

These tables, which focus on low income, labour force participation and social assistance trends, are listed below.

Table 1: Canada Child Tax Benefit - Base Benefit and National Child Benefit Supplement Beneficiaries and Payments, by Family Type and Province/Territory, July 1998 to March 1999

Table 2a: Pre-Tax LICOs, Income Thresholds by Family Size and Community Size, 1996

Table 2b: Post-Tax LIM, Income Thresholds by Family Size and Composition, 1996

Table 3: LICOs and LIM - Number and Percentage of Families who are Below the Low-Income Threshold, by Family Type, Canada, 1984 to 1997

Table 3a: LICOs - Number and Percentage of Families and Children Under 18 who are Below the Low-Income Threshold, by Family Type, Canada, 1984 to 1997

Table 3b: LIM - Number and Percentage of Families and Children Under 18 who are Below the Low-Income Threshold, by Family Type, Canada, 1984 to 1996

Table 4: LICOs and LIM - Percentage by which Family Income is Below the Low-Income Threshold, by Family Type, Canada, 1984 to 1997

Table 4a: LICOs - Percentage by which Family Income is Below and Above the Low-Income Threshold, by Family Type, Canada, 1984 to 1997

Table 4b: LIM - Percentage by which Family Income is Below and Above the Low-Income Threshold, by Family Type, Canada, 1984 to 1996

Table 5: LICOs and LIM - Percentage Change in the Amount by which Family Income is Below the Low-Income Threshold, due to Government Transfer Payments, by Family Type, Canada, 1984 to 1997

Table 5a: LICOs - Percentage Change in the Amount by which Family Income is Below and Above the Low-Income Threshold, due to Government Transfer Payments, by Family Type, Canada, 1984 to 1997

Table 5b: LIM - Percentage Change in the Amount by which Family Income is Below and Above the Low-Income Threshold, due to Government Transfer Payments, by Family Type, Canada, 1984 to 1996

Table 6: LICOs and LIM - Percentage of Low-Income Families Employed for Pay During the Year, by Family Type, Canada, 1984 to 1997

Table 6a: LICOs - Percentage of Low-Income and Non Low-Income Families Employed for Pay during the Year, by Family Type, Canada, 1984 to 1997

Table 6b: LIM - Percentage of Low-Income and Non Low-Income Families Employed for Pay during the Year, by Family Type, Canada, 1984 to 1996

Table 7: LICOs and LIM - Average Total Weeks Worked for Pay by All Adults in Low-Income Families, by Family Type, Canada, 1984 to 1997

Table 7a: LICOs - Average Total Weeks Worked for Pay by All Adults in Low-Income and Non Low-Income Families, by Family Type, Canada, 1984 to 1997

Table 7b: LIM - Average Total Weeks Worked for Pay by All Adults in Low-Income and Non Low-Income Families, by Family Type, Canada, 1984 to 1996

Table 8: LICOs and LIM - Percentage of Weeks Worked Full-Time for Pay by Low-Income Families, by Family Type, Canada, 1984 to 1997

Table 8a: LICOs - Percentage of Weeks Worked Full-Time for Pay by Low-Income and Non Low-Income Families, by Family Type, Canada, 1984 to 1997

Table 8b: LIM - Percentage of Weeks Worked Full-Time for Pay by Low-Income and Non Low-Income Families, by Family Type, Canada, 1984 to 1996

Table 9: LICOs and LIM - Average Earnings as a Percentage of the Low-Income Threshold for Low-Income Families, by Family Type, Canada, 1984 to 1997

Table 9a: LICOs - Average Earnings as a Percentage of the Low-Income Threshold for Low-Income and Non Low-Income Families, by Family Type, Canada, 1984 to 1997

Table 9b: LIM - Average Earnings as a Percentage of the Low-Income Threshold for Low-Income and Non Low-Income Families, by Family Type, Canada, 1984 to 1996

Table 10a: LICOs - Percentage of Low-Income Families Receiving Social Assistance during the Year, Showing Total Benefits as a Percentage of Total Income, by Family Type, Canada, 1984 to 1997

Table 10b: LIM - Percentage of Low-Income Families Receiving Social Assistance during the Year, Showing Total Benefits as a Percentage of Total Income, by Family Type, Canada, 1984 to 1996

Table 11: Estimated Number of Single-Parent and Two-Parent Families with Children under 18 Receiving Social Assistance and as a Percentage of all Single- and Two-Parent Census Families, Canada, 1987 to 1998

Descriptive Information

The following sites contain additional information for each jurisdiction:

Jurisdiction	Internet Resources
Newfoundland and Labrador	http://www.gov.nf.ca/hre http://www.gov.nf.ca/health
Prince Edward Island	http://www.gov.pe.ca http://www.gov.pe.ca/hss
Nova Scotia	http://www.gov.ns.ca/coms/newcb.htm http://www.gov.ns.ca/coms/ncb1.htm http://www.gov.ns.ca/coms/ncb2.htm http://www.gov.ns.ca/fina/financial/budget98/bullet/b02.htm
New Brunswick	http://www.gov.nb.ca/hrd
Ontario	http://www.gov.on.ca http://www.gov.on.ca/CSS http://www.gov.on.ca/CSS/page/services/sas.html http://www.gov.on.ca/FIN
Manitoba	http://www.gov.mb.ca http://www.gov.mb.ca/fs
Saskatchewan	http://www.gov.sk.ca/govt/socserv
Alberta	http://www.gov.ab.ca/fss
British Columbia	http://www.mhr.gov.bc.ca http://www.fin.gov.bc.ca http://www.mcf.gov.bc.ca http://www.bced.gov.bc.ca http://www.aett.gov.bc.ca
Yukon	http://www.gov.yk.ca
Northwest Territories	http://siksik.learnnet.nt.ca/income/main.htm http://www.gov.nt.ca/Publications/csp/iswmmmap.htm

Appendix 4

The Measurement of Poverty in Canada

Although Canada has no official measure of poverty, Statistics Canada currently calculates two measures of low income based on income before and after the payment of federal and provincial income taxes.

- *The Low-Income Cut-Offs (LICOs)* are income levels where a household will spend a share of its income on food, clothing and shelter that is 20 percent higher than the average family. Cut-offs are calculated for economic families ranging in size from one to seven or more, and for five different sizes of communities (urban 500,000+; urban 100,000-499,999; urban 30,000-99,999; urban under 30,000 and rural) in an attempt to account for geographical differences in living costs. Thus, there are 35 different income cut-offs in Canada.

The cut-offs have been calculated since 1961 and are the most commonly used measure of low income in Canada. They were revised in 1969, 1978, 1986 and 1992 to reflect changing consumption patterns. Between these revisions, they are adjusted each year to reflect changes in the national Consumer Price Index. This document uses the 1992 base cut-offs for all years beginning in 1984.

- *The Low-Income Measure (LIM)* is equal to half the adjusted median income of economic families in Canada. The adjustment to actual income levels reflects the fact that families can take advantage of economies of scale as they grow larger. For example, it does not cost twice as much for a couple to have the same standard of living as an unattached individual.

No adjustment is made to the LIM thresholds for community size to reflect different living costs in communities of varying populations.

Each year the LIMs change with median adjusted incomes: they rise in real terms if such incomes increase more than the Consumer Price Index and fall in real terms if they do not.

The post-tax LIM is very similar to the measure used for international comparisons of poverty by such agencies as the OECD and the United Nations.

Both the LICOs and the LIM, theoretically, are *relative* measures of low income. That is, they are calculated based on a fixed percentage of average or median consumption or income levels. They are therefore influenced by what is happening to overall income and consumption levels, not just for people at the lower end of the income distribution.

An *absolute* measure of low income, on the other hand, defines a minimum acceptable standard of living, represented by a basket of goods and services. The cost of this basket is then priced over time. In Statistics Canada's presentation of data derived using the LICOs, it applies the most recent set of LICOs back to 1980 adjusting the income levels using the Consumer Price Index. In this sense, the LICOs are presented as an absolute rather than a relative measure of poverty.

The LIM, on the other hand, is a purely relative measure of low income, rising or falling each year with the level of median adjusted family income.

Low income measures, whether or not they are relative or absolute in form, can also reflect different concepts of poverty. At one end of the spectrum, families and individuals are seen as poor if they cannot enjoy a standard of living which enables them to participate fully in their communities. The Social Planning Council of Metropolitan Toronto periodically calculates a budget guide for its community based on this approach and using a market basket methodology.

At the other end of the spectrum, poverty is seen as an inability to purchase subsistence levels of food, clothing and shelter. This was the concept underlying the first poverty lines developed in the United Kingdom at the end of the 19th century by Booth and Rowntree. The economist Christopher Sarlo has developed Canadian poverty thresholds based on a subsistence concept which are periodically published by the Fraser Institute.

Note that both the Social Planning Council of Metropolitan Toronto budget guides and the Sarlo poverty thresholds are calculated using an absolute approach, although they rest on polar opposite concepts of poverty.

The LICOs, on a pre-tax basis, approximate for many people a standard of living close to that permitting full participation in community life. The post-income tax LIMs, on the other hand, fall between this level and the Sarlo thresholds.

The Market Basket Measure (MBM) currently being developed by the Federal/Provincial/Territorial Working Group on Social Development Research and Information is intended to account more precisely for community differences in living costs than the LICOs (which use the imperfect proxy of community size) and to represent a standard of living for a reference family of two adults and two children, which allows for a basic adequate standard of living.

It uses a market basket methodology and will be updated over time by the costs of the goods and services in the basket. The scale used to adjust actual incomes according to the number of adults and children in the family for the LIM will be used to apply the cost of the market basket for the reference family to other household configurations. Periodically, the contents of the basket itself will be examined to ensure that they continue to reflect a basic adequate standard of living, given contemporary consumption patterns.

Whether a household is poor will be determined by whether it has the *disposable* income needed to purchase the goods and services in the basket in its community. Disposable income will be net of income and payroll taxes, actual out-of-pocket expenditures for non-insured, medically prescribed health services and aids for persons with disabilities, actual out-of-pocket child-care expenditures to enable a lone parent or both parents in a two-parent family to work for pay and child support payments made by non-custodial parents.

The main features distinguishing the new measure from the existing Statistics Canada measures are as follows:

1. It will be based on a specific standard of living, represented by the contents of the basket.
2. It will attempt to reflect more precisely the differing amounts needed to purchase such a standard of living in communities across the country and will not assume, unlike the LICOs, that such costs rise only with community size.
3. It will attempt to be sensitive to the effects of policy changes other than transfer payments (such as the expansion or restriction of insured provincial and territorial health services and the availability of child-care subsidies) which can improve or diminish the living standards and consumption opportunities of those at the lower end of the income scale.
4. More generally, it is designed to be sensitive to the changing consumption opportunities of those at the lower end of the income scale, not to what is happening to *general* living or consumption standards.