

# The National Child Benefit



Progress Report 2008







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# Message from Federal/Provincial/ Territorial Ministers Responsible for Social Services

Canada's Federal, Provincial and Territorial Ministers Responsible for Social Services<sup>1</sup> are committed to reporting to Canadians on the progress of the National Child Benefit (NCB) initiative. This report, *The National Child Benefit Progress Report: 2008*, is the tenth in a series of progress reports provided by Ministers since the joint NCB initiative was launched in 1998.

Ensuring that children have a good start in life is crucial, and governments recognize that child poverty has long-term consequences for children and society. The NCB is based on the principle that families are better off when parents are supported in their efforts to participate in the labour market. This is the most effective long-term approach to reducing low income among families. The NCB is supporting parents and children by providing a secure national platform of child benefits and improving the services and supports provided to low-income families with children.

The 2008 report provides updated information on the activities of Canada's federal, provincial and territorial governments and First Nations to improve the well-being of children in low-income families.

Specifically, it provides detailed information on the contributions of the Government of Canada through the Canada Child Tax Benefit including the NCB Supplement, along with information on the contributions of provincial and territorial governments and First Nations through the programs and services they provide under the NCB initiative. The report also provides an update on the progress the NCB is making in improving the economic well-being of low-income families with children. The report was prepared by a joint working group of officials representing federal, provincial and territorial governments.

Ministers Responsible for Social Services in Canada remain committed to improving the economic well-being of low-income families with children. We will continue to work together to meet the needs of Canadian children and families and report regularly on progress.

**Federal, Provincial, and Territorial Ministers  
Responsible for Social Services**

<sup>1</sup> The Government of Quebec has stated that it agrees with the basic principles of the NCB. Quebec chose not to participate in the NCB because it wanted to assume control over income support for children in Quebec; however, it has adopted a similar approach to the NCB. Throughout this report, references to joint federal/provincial/territorial positions do not include Quebec.





# Executive Summary

The National Child Benefit (NCB) is a joint initiative of Canada's federal, provincial and territorial governments,<sup>2</sup> which includes a First Nations component. The NCB initiative combines two key elements: federal monthly payments to low-income families with children; and benefits and services designed and delivered by the provinces, territories and First Nations to meet the needs of low-income families with children in each jurisdiction.

The NCB initiative has three goals:

- to help prevent and reduce the depth of child poverty;
- to promote attachment to the labour market by ensuring that families will always be better off as a result of working; and,
- to reduce overlap and duplication by harmonizing program objectives and benefits, and through simplified administration.

This tenth report to Canadians on the NCB is a key element of the *National Child Benefit Governance and Accountability Framework*, as it fulfils the commitment of Federal, Provincial and Territorial Ministers Responsible for Social Services to report annually to Canadians on progress made under this initiative.

Chapter 1 provides information about federal support for low-income families with children. The Government of Canada provides benefits directly to low-income families with children through the NCB Supplement. For the program year that ended June 2008, the Government of Canada provided \$3.5 billion through the NCB Supplement to 1.5 million families with 2.7 million children.

Chapter 2 provides information about programs and services for low-income families with children provided by provinces, territories and First Nations as a result of the NCB initiative. Provinces and territories have the flexibility to adjust social assistance or child benefit payments by an amount equivalent to the NCB Supplement and to reinvest savings in benefits and services for low-income families with children.

Total reinvestments and investments in programs and services for children and their families through the NCB initiative<sup>3</sup> are estimated to be \$857.4 million for 2007–2008, and \$764.0 million for 2008–2009. Provinces and territories reinvested and invested an estimated \$797.8 million in 2007–2008, and \$709.6 million in 2008–2009.

<sup>2</sup> The Government of Quebec has stated that it agrees with the basic principles of the NCB. Quebec chose not to participate in the NCB because it wanted to assume control over income support for children in Quebec; however, it has adopted a similar approach to the NCB. Throughout this report, references to joint federal/provincial/territorial positions do not include Quebec.

<sup>3</sup> This includes reinvestments and investments by provinces, territories, Citizenship and Immigration Canada and Aboriginal Affairs and Northern Development Canada.

Citizenship and Immigration Canada reinvested an estimated \$2.4 million in 2007–2008, and \$2.3 million in 2008–2009.

Chapter 3 describes the First Nations National Child Benefit Reinvestment, through which the Government of Canada and First Nations are cooperatively addressing the needs of children in low-income families on reserve. First Nations investments and reinvestments in programs and services are estimated to be \$57.2 million in 2007–2008, and \$52.2 million in 2008–2009.

Chapter 4 contains information about societal level indicators related to the NCB, such as the incidence, depth and duration of low income among families with children. Using Statistics Canada's post-tax Low Income Cut Offs (LICOs), the report shows that the percentage of families with children living in low income has declined significantly from a peak of 17.6 percent in 1996. In 2006, the incidence of low income among families with children fell slightly to

10.1 percent from 10.5 percent in 2005. A similar decline is seen using the Market Basket Measure (MBM), from 13.5 percent in 2005 to 13.1 percent in 2006.

Finally, Chapter 5 contains an analysis of the direct impact of the NCB in preventing and reducing low income among families with children. Using the MBM, it is estimated that, in 2006, as a direct result of the NCB, 151,700 children in 61,900 families were prevented from living in low income, a 11.5 percent reduction. These families saw their average disposable income increase by an estimated \$2,900, or 10.5 percent. The analysis also estimates that the low-income gap (the depth of low income for all families with children) was reduced by \$1.06 billion, or 23.8 percent.

All NCB partners remain committed to working toward improving the situation of families with children in Canada, and informing Canadians about progress made.

# The National Child Benefit Supplement



The National Child Benefit (NCB) is a joint initiative of federal, provincial and territorial governments to support Canadian children living in low-income families. The NCB initiative has three goals:

- to help prevent and reduce the depth of child poverty;
- to promote attachment to the labour market by ensuring that families will always be better off as a result of working; and
- to reduce overlap and duplication by harmonizing program objectives and benefits, and through simplified administration.

The initiative recognizes that both income support and a range of benefits and services are critical to sustained success in reducing low income.

## How the NCB Works

Before the NCB was introduced in 1998, there was minimal coordination between the federal system, which delivered child benefits through the income tax system, and provincial/territorial systems, which delivered child benefits through social assistance programs. The NCB initiative integrates federal, provincial and territorial systems of income support for children into a national platform of child benefits available to families on social assistance and low-income working families.

Before the NCB initiative, child benefits embedded in social assistance payments to parents were “needs-tested,” and their value increased with family size. By contrast, the income of a low-wage working family did not increase with family size. Families on social assistance who found paid work often saw their overall disposable income increase only slightly, and in some cases even saw a decline. Further, some families lost access to benefits and services available to people receiving social assistance such as extended drug, dental and optical benefits. Working families leaving social assistance also needed to pay taxes and employment-related costs out of their typically low wages.

This interaction between the labour market and government programs is commonly known as the “welfare wall”—a set of disincentives to labour force participation. The NCB is intended to help lower this welfare wall to ensure that families leaving social assistance are better off as a result of working. It is designed to support parents leaving social assistance for work, and to help low-income parents already in the labour market to stay there by reducing the role of social assistance in providing children’s basic income support.

Through the NCB initiative, federal, provincial and territorial systems of income support for children have been integrated to build a national platform of income-tested

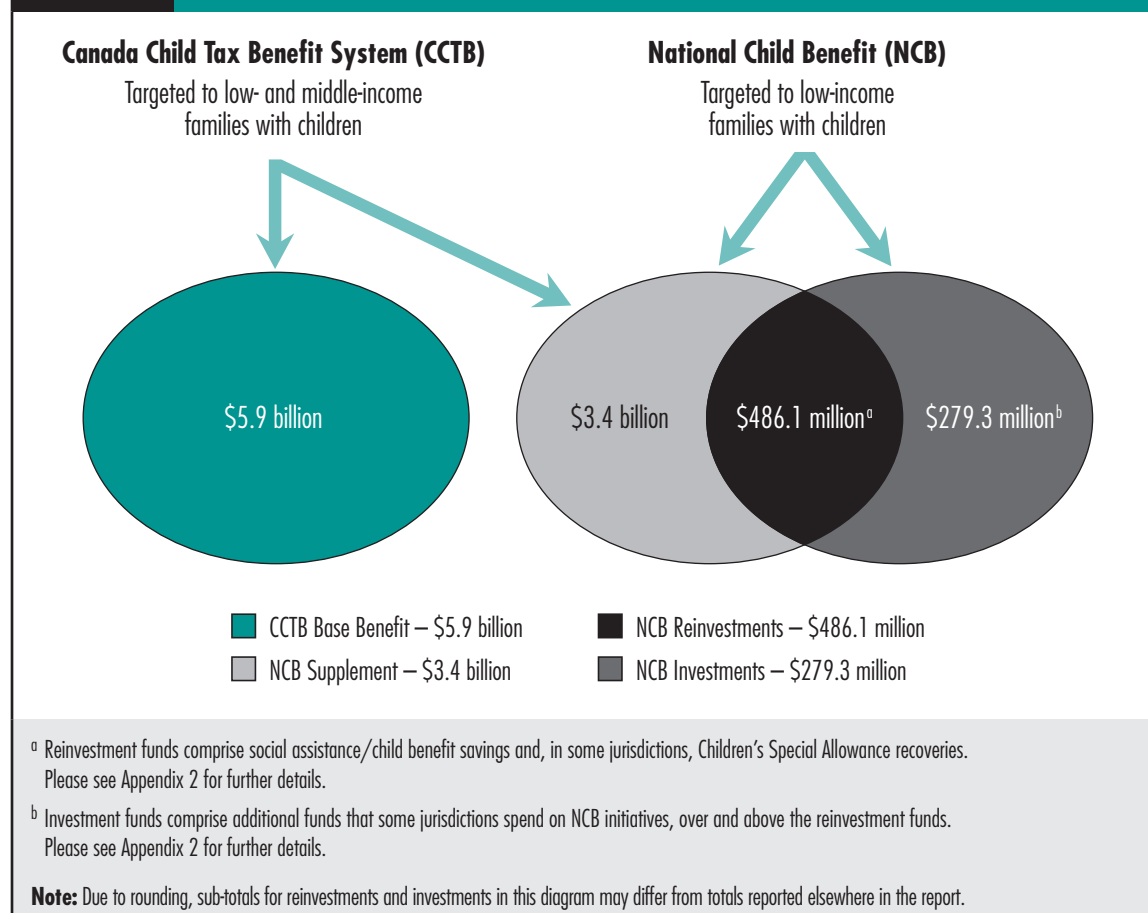
child benefits available to both social assistance families and low-income working families. The NCB initiative combines two key elements: federal monthly payments to low-income families with children, and benefits and services designed and delivered by the provinces, territories and First Nations to meet the needs of low-income families with children in each jurisdiction.

The Government of Canada provides monthly payments to low-income families with children through the NCB Supplement to the Canada Child Tax Benefit (CCTB) paid on a monthly basis. The NCB Supplement has increased incrementally since the inception of the initiative. Most provincial and territorial governments concurrently

reduced the child portion of social assistance benefits by the full or partial amount of the NCB Supplement without impacting families' overall income. Over time, the effect has been to displace an increasing proportion of child-related basic income support provided through social assistance.

Provinces and territories have the flexibility to adjust social assistance or child benefit payments by an amount equivalent to the NCB Supplement. Provinces, territories and First Nations reinvest these social assistance savings and invest additional funds in benefits and services for low-income families with children. These reinvestments and investments are discussed in detail in Chapter 2.

**Figure 1** How the NCB Works (2008 – 2009 [Estimates])



## The History of Federal Child Benefits in Canada

**1918 – Child Tax Exemption:** This exemption provided income tax savings that increased as taxable income increased. It did not provide benefits to families that did not have a tax liability.

**1945 – Family Allowance:** This benefit was provided to all Canadian families with dependent children.

**1973 –** The **Family Allowance** benefits were tripled, indexed to the cost of living, and made taxable.

**1978 – Refundable Child Tax Credit:** This targeted and income-tested child benefit, which was delivered through the tax system, provided a maximum benefit to low-income families, a declining amount to middle-income families, and no benefit to upper-income families.

**1993 – Child Tax Benefit (CTB):** This benefit consolidated refundable and non-refundable child tax credits and the Family Allowance into a monthly payment based on the number of children and level of family income. It also included the Working Income Supplement (WIS), which provided an additional benefit to low-income working families with children. In 1993, federal expenditures on child benefits, including WIS, totalled \$5.1 billion.

**1998 –** The CTB was replaced by the **Canada Child Tax Benefit (CCTB)**. The **National Child Benefit (NCB) Supplement** replaced the WIS, and is provided to all low-income families as part of the new CCTB.

**2006 –** The Government of Canada introduced the **Universal Child Care Benefit (UCCB)**. All families, including low-income families, are receiving \$100 a month for each child under the age of six, taxable in the hands of the lower-income spouse.

**2007 –** Budget 2007 announced a **Child Tax Credit** which provides additional tax relief for families with children. For 2012, this tax credit provides up to \$329 in tax savings for each child under the age of 18.

Since the inception of the NCB initiative, three distinct approaches have evolved by which provinces and territories replace social assistance benefits for children with the NCB Supplement. These approaches are also described in Chapter 2.

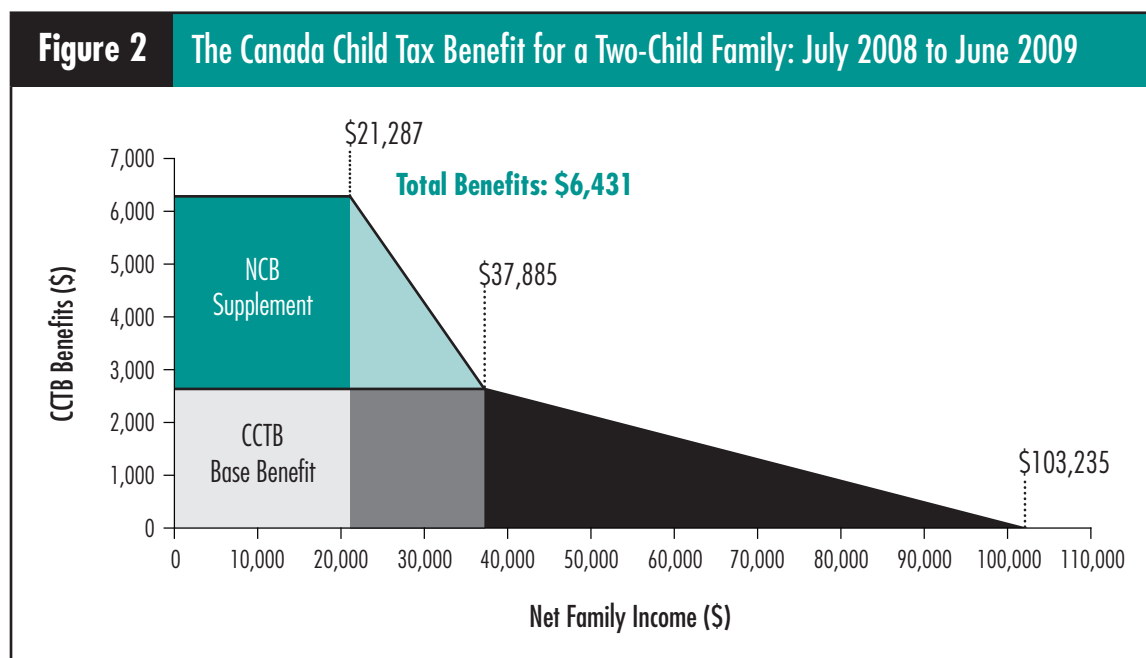
### The Government of Canada's Contribution to the NCB Initiative

Since July 1998, the Government of Canada has provided direct financial assistance to families with children through the CCTB. The CCTB is designed to help families with the costs of raising children and takes the form of a non-taxable monthly

payment for families with children, based on a family's net income and the number of children within the family.

The CCTB system is made up of two components: the **CCTB base benefit**, which is paid to low- and middle-income families with children; and the **NCB Supplement**, which is an additional benefit paid to low-income families with children. The NCB Supplement to the CCTB base benefit represents the Government of Canada's contribution to the NCB initiative. Eligible Canadian families with children receive the CCTB base benefit and the NCB Supplement through a single monthly payment. Between July 2007 and June 2008, approximately 3.3 million families with 5.9 million children received the base benefit of the CCTB. Between July 2007 and June 2008, 1.5 million families with 2.7 million children received the NCB Supplement.

Families' eligibility for CCTB and NCB child benefits is determined by family income. Figure 2 illustrates the CCTB structure for families with two children as of July 2008. During the 2008–2009 benefit year (from July 2008 to June 2009), two-child families with net incomes less than \$21,287 received the maximum benefit level of \$6,431. All families in receipt of the NCB Supplement receive the maximum level of the base benefit of the CCTB. Families with net incomes above \$21,287 but below \$37,885 continue to receive the maximum level of the base benefit of the CCTB, but the level of NCB Supplement to which they are entitled decreases as family income increases. Finally, those families with net incomes above \$37,885 receive only the base benefit of the CCTB. The level of this benefit also decreases as family income increases, and is fully phased out at \$103,235.



## Increased Federal Financial Assistance for Families with Children

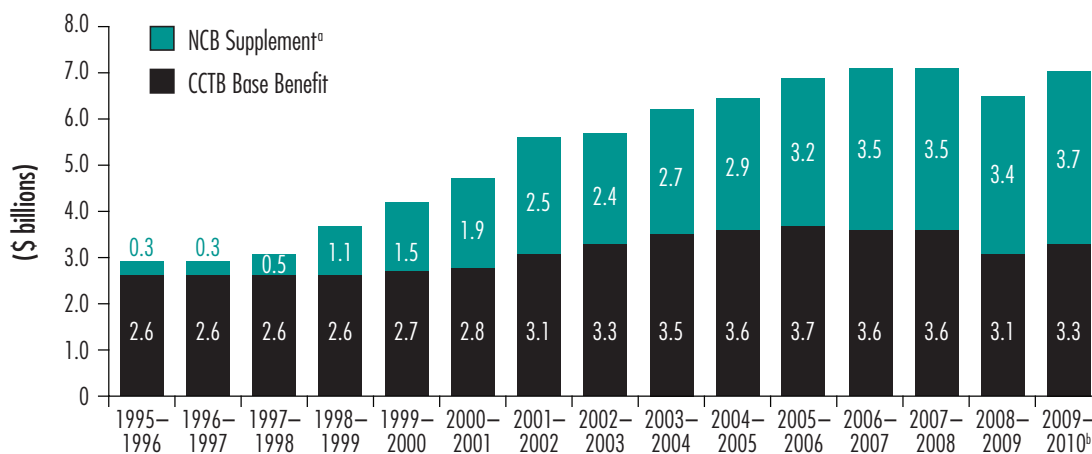
The Government of Canada has significantly increased its investments in supporting low-income families with children since the implementation of the NCB initiative. Figure 3 shows the increase in the value of annual federal expenditures on low-income families with children through the CCTB system from 1995–1996 to 2009–2010.

Prior to the NCB, federal spending through the former Working Income Supplement (WIS) was \$300 million in 1995–1996. As its initial contribution to

the NCB initiative, which replaced the WIS, the Government of Canada committed \$850 million to the NCB Supplement, in addition to the \$5.1 billion per year that had been provided under the former Child Tax Benefit. Additional investments in the program were announced in subsequent years, including the restoration of full indexation of benefit levels in 2000 to ensure that benefit increases are not eroded by inflation. Federal investment in the NCB Supplement has increased steadily and is projected to reach \$3.7 billion in 2009–2010. In addition, federal investment provided to low-income families with children through the base benefit of the CCTB has increased over this period. In 2009–2010, 3.3 billion

**Figure 3**

**Federal Investments for Low-income Families in Receipt of Both the CCTB Base Benefit and the NCB Supplement for Program Years (July to June)**



<sup>a</sup> Includes the former Working Income Supplement for the years 1995–1996 to 1997–1998.

<sup>b</sup> Figures for 2009–2010 are projections.

**Source:** CCTB administrative data from the Canada Revenue Agency (February 2010).

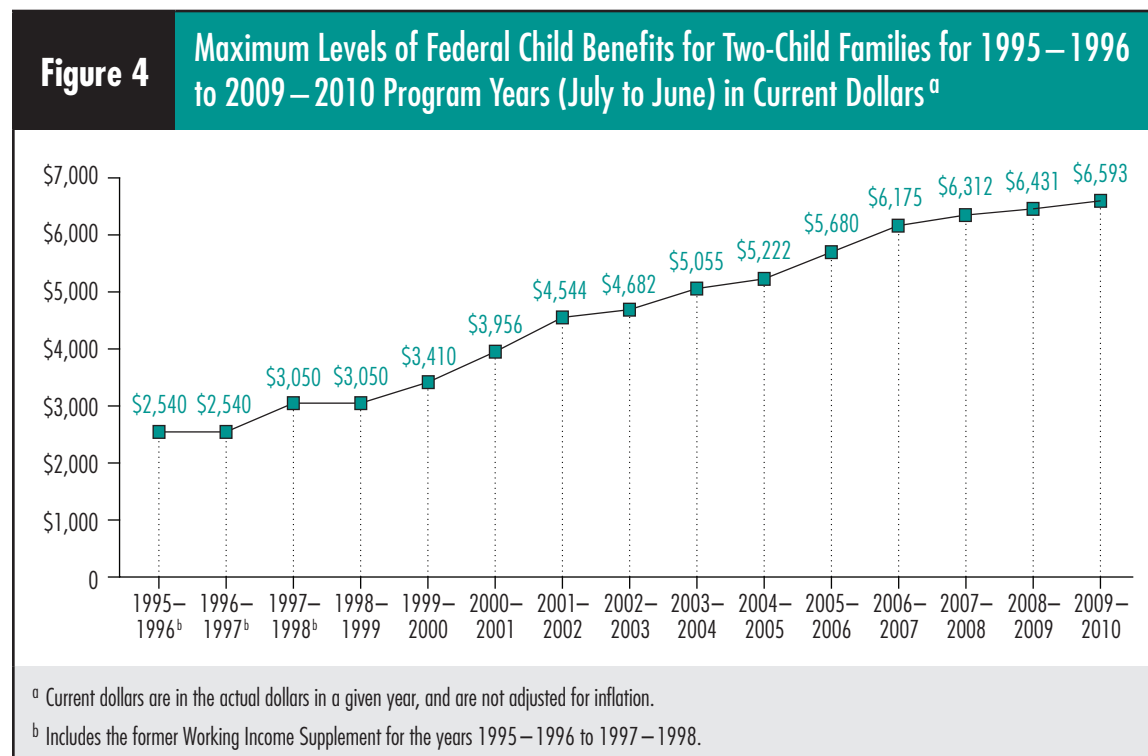


is projected to be provided to NCB Supplement recipients through the CCTB base benefit, compared to \$2.6 billion in 1995–1996.<sup>4</sup>

Canadian families with children have benefited significantly from increases to the base benefit of the CCTB and the NCB Supplement. As Figure 4 shows, prior to July 1997, the maximum benefit for a family with two children was \$2,540. In July 1997, when the Working Income Supplement was enhanced and restructured, prior to the launch of the NCB, the maximum benefit for a two-child family was \$3,050. In 2003, the Government of Canada announced a five year investment plan. In 2006, the NCB Supplement

increased incrementally by \$185 per child annually. Annual cost of living increases to the NCB Supplement have continued.

As of July 2009, low-income families with children (whose family net income is equal to or below \$23,710) receive maximum annual CCTB benefits (base benefit of the CCTB and NCB Supplement) of \$3,416 for the first child and \$3,177 for the second child, bringing the amount of total federal child benefits for a family with two children to \$6,593, or more than double that of the pre-NCB 1996–1997 levels (see Table 1). An additional \$93 per year for third and subsequent children brings total maximum benefits to \$3,180.



<sup>4</sup> Figure 3 does not show federal expenditures on the base benefit of the CCTB for middle-income families who do not receive the NCB Supplement. In 2007–2008, the Government of Canada invested \$2.3 billion in the base benefit of the CCTB paid to 1.8 million families with 3.3 million children that had an income above the threshold at which the NCB Supplement is reduced to zero. Taking total expenditures on the base benefit of the CCTB and the NCB Supplement together, the Government of Canada's support to Canadian families with children reached a total of \$9.4 billion in 2007–2008, and is estimated to reach \$10.1 billion in 2009–2010.



**Table 1****Maximum Levels of Federal Child Benefits for 1996 – 1997  
and 2009 – 2010 Program Years (July to June) in Current Dollars<sup>a</sup>**

<b>Number of Children</b>	<b>1996 – 1997 Maximum CTB + WIS</b>	<b>2009 – 2010 Maximum Base Benefit + NCB Supplement</b>	<b>Percentage Increase from 1996 – 1997 to 2009 – 2010</b>
1	\$1,520	\$3,416	125%
2	\$2,540	\$6,593	160%
3	\$3,635	\$9,773	169%
4	\$4,730	\$12,953	174%

<sup>a</sup> Current dollars are in the actual dollars in a given year, and are not adjusted for inflation.

An on-line CCTB calculator to determine the amount of benefits families are entitled to is provided by the Canada Revenue Agency at:

[www.cra-arc.gc.ca/benefits/calculator/menu-e.html](http://www.cra-arc.gc.ca/benefits/calculator/menu-e.html)

## Federal Investment in the NCB Supplement by Province and Territory

Table 2 shows the breakdown of federal expenditures on the NCB Supplement and the number of children

who benefited by province and territory for 2006–2007 and 2007–2008. As shown in Table 2, federal expenditures on the NCB Supplement in 2007–2008 were \$3.5 billion and are estimated to be \$3.7 billion in 2009–2010.

**Table 2**

**Number of Children in Receipt of the NCB Supplement and Federal NCB Supplement Expenditures by Jurisdiction for 2006 – 2007 and 2007 – 2008 Program Years (July to June) in Current Dollars<sup>a</sup>**

Jurisdiction	July 2006 – June 2007		July 2007 – June 2008	
	Children Receiving NCB Supplement (thousands)	Benefits paid (\$ millions)	Children Receiving NCB Supplement (thousands)	Benefits paid (\$ millions)
Newfoundland and Labrador	46.0	61.0	44.1	59.5
Prince Edward Island	12.7	15.5	12.4	15.2
Nova Scotia	83.9	111.9	81.7	109.9
New Brunswick	67.6	88.5	65.6	87.1
Quebec	641.6	813.5	635.1	818.5
Ontario	1,003.1	1,269.5	996.6	1,287.3
Manitoba	140.2	185.5	139.3	187.7
Saskatchewan	122.6	164.1	119.8	162.9
Alberta	282.6	348.2	266.2	332.0
British Columbia	347.4	436.6	327.9	414.8
Yukon	2.4	2.9	2.3	2.8
Northwest Territories	4.2	5.3	4.0	5.2
Nunavut	6.5	8.1	6.5	8.4
<b>Total</b>	<b>2,763.5<sup>b</sup></b>	<b>3,512.2<sup>c</sup></b>	<b>2,703.9<sup>b</sup></b>	<b>3,493.3<sup>c</sup></b>

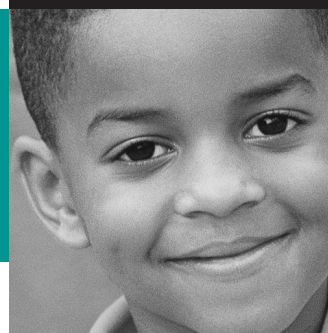
<sup>a</sup> Current dollars are in the actual dollars in a given year and are not adjusted for inflation.

<sup>b</sup> Includes Canadians living outside of Canada.

<sup>c</sup> Totals may not add due to rounding.

**Source:** CCTB administrative data from the Canada Revenue Agency.

# National Child Benefit Programs and Services for Low-income Families with Children



**T**he National Child Benefit (NCB) initiative includes federal as well as provincial, territorial and First Nations components.<sup>5</sup> The federal component, described in Chapter 1, provides benefits to low-income families with children through the NCB Supplement.

Increasing federal investment in the NCB Supplement has made it possible for provincial and territorial governments to adjust the income support to families with children on social assistance without impacting the overall disposable income of these families. Recovering social assistance/child benefit payments produces savings that provinces, territories and First Nations then reinvest to enhance existing programs or implement new programs or services aimed at reducing child poverty and supporting low-income families with children.

**Reinvestment** funds come from social assistance/child benefit savings and, in some jurisdictions, Children's Special Allowance (CSA) recoveries (see Appendix 2 for further details). In addition to reinvestments, many jurisdictions make additional **investments** in benefits and services that are consistent with the goals of the NCB initiative (see Appendix 2 for further details).

Reinvestments and investments in programs and services benefit children in low-income families whether their parents are employed or receiving social assistance. These supports, combined with the NCB Supplement, help reduce the "welfare wall" and aim to make it easier for families with children to become self-sufficient.

This chapter describes the differing approaches to reinvestment used by provinces and territories. It also describes the program areas in which provinces and territories reinvest funds made available through the NCB to provide supports for low-income families. First Nations follow the approach to replacing social assistance benefits for children used in the relevant province or territory. Key areas for First Nations reinvestments and investments<sup>6</sup> are briefly outlined, with further detail provided in Chapter 3.

<sup>5</sup> This report does not include data for Quebec. Quebec residents benefit in the same way as other Canadians from the Canada Child Tax Benefit. Moreover, they benefit from substantial investments made by the Quebec government, in the context of its family policy, in services for families with children.

<sup>6</sup> Aboriginal Affairs and Northern Development Canada reimburses Saskatchewan and the Yukon for the portion of provincial/territorial children's benefits paid to all low-income families living on reserve.

## The Children's Special Allowance (CSA)

The CSA is paid by the Canada Revenue Agency for children who are in the care of provincial/territorial child welfare authorities. It mirrors the maximum Canada Child Tax Benefit (CCTB) payments, including the base benefit and the NCB Supplement. Jurisdictions have the option to either recover, or pass on the increased NCB Supplement amount to child welfare authorities for child maintenance costs. In jurisdictions that recover the increase to the NCB Supplement, the amount is included in their reinvestment funds available for NCB-related programs and services.

In 2007–2008, it is estimated that \$20.3 million or 3.1 percent of the total reinvestment funds came from CSA recoveries.

## Approaches to Replacing Social Assistance Benefits for Children

Since the inception of the NCB initiative in 1998, three distinct approaches have evolved by which provinces and territories replace social assistance benefits for children with the NCB Supplement. These are:

- the social assistance offset approach;
- the integrated child benefit approach with adjustment; and
- the integrated child benefit approach without adjustment.

Three provinces, New Brunswick, Ontario<sup>7</sup> and Manitoba,<sup>8</sup> do not adjust social assistance benefits for children.

As the NCB has matured, child benefits embedded within social assistance have largely been displaced by the NCB Supplement. Therefore, the majority of provinces and territories no longer recover increases to the NCB Supplement, so that the vast majority of children living in low-income families have benefited from recent increases.

The three approaches are briefly explained below. For more details regarding the approaches used in specific jurisdictions, see Appendix 2.

<sup>7</sup> The 2004 through 2007 increases to the NCB Supplement were flowed through to social assistance recipients. The 2007 Ontario Budget announced that all future NCB Supplement increases would flow through to social assistance recipients and that the full value of the NCB Supplement would be exempt as income starting in July 2008.

<sup>8</sup> Effective July 2000, Manitoba discontinued recovering increases in the NCB Supplement for families receiving income assistance. Effective July 2001, Manitoba stopped recovering the NCB Supplement for children age six or under. Effective January 2003, Manitoba stopped recovering the NCB Supplement for children age seven to eleven; and effective January 2004, it stopped recovering the NCB Supplement for children age 12 to 17 years.

## 1. The Social Assistance Offset Approach

Under this approach, child benefits remain within the social assistance system, but have been gradually displaced by federal increases to the NCB Supplement. Provinces and territories either deduct the NCB Supplement as an unearned income charge against social assistance or reduce their social assistance rates for children. In the case of income offset, social assistance recipients have the amount of the NCB Supplement they receive deducted from their social assistance entitlement. This approach is used in Prince Edward Island,<sup>9</sup> Yukon, Northwest Territories and Nunavut. In the case of rate reduction, the social assistance rate is reduced by the maximum NCB Supplement. Alberta<sup>10</sup> uses this approach. Reinvestment funds under the Social Assistance Offset approach are the savings in social assistance.

## 2. The Integrated Child Benefit Approach with Adjustment

In the mid- to late-1990s, several jurisdictions restructured their social assistance systems. In two provinces, children's benefits are now delivered

through a separate income-tested child benefit program that is integrated with the CCTB. Under this approach, increases in the NCB Supplement are offset in full or in part against the provincial child benefit. In British Columbia, the savings from this offset become the province's reinvestment funds. In Saskatchewan, the amount of reinvestment funds is set at the amount that was being used for basic child benefits under the social assistance system at the time the system was restructured.

## 3. The Integrated Child Benefit Approach without Adjustment

Other jurisdictions chose similarly to restructure their social assistance systems. Basic benefits for children were removed from the social assistance program and are now provided through a separate income-tested program integrated with the CCTB. In these cases, however, there is no offset of the NCB Supplement against provincial child benefits. In Newfoundland and Labrador<sup>11</sup> and Nova Scotia<sup>12</sup> the amount of reinvestment funds is set at the funds that were being used for basic child benefits under the social assistance

<sup>9</sup> Since 2001, any increases in the NCB Supplement have been used to fund an increase in the Healthy Child Allowance, which is a social assistance benefit.

<sup>10</sup> Since 2003, Alberta has enhanced the mix of income and in-kind benefits and services to families receiving assistance through the Alberta Works – Supports for Independence (SFI) program by flowing through full increases to the NCB Supplement. Effective April 1, 2004, Alberta Works-Income Supports replaced SFI.

<sup>11</sup> Newfoundland and Labrador redesigned its income support program in 1999–2000. All basic benefits for children have been removed from the newly created Income Support Program as these benefits are now provided through the combined CCTB and Newfoundland and Labrador Child Benefit. As a result, Newfoundland and Labrador does not adjust its Income Support benefits for increases in the NCB Supplement, nor does it adjust the Newfoundland and Labrador Child Benefit.

<sup>12</sup> With the advent of the NCB Supplement in 1998, Nova Scotia enhanced the supports available for children of low-income families by introducing the Nova Scotia Child Benefit as a provincial reinvestment initiative. In 2001, children's benefits were removed from the province's income assistance program, substantially increased and fully integrated with the CCTB to establish a single, non-taxable monthly payment for all low-income families with children. At the same time, Nova Scotia ensured that any future increases to the NCB Supplement flowed directly through to families receiving income assistance.

system at the time the system was restructured and has remained the same for subsequent years.

## **NCB Reinvestments and Investments 2007–2008 to 2008–2009**

In 2007–2008, the ninth full year of the NCB initiative, provincial, territorial and First Nations reinvestments and investments are estimated at \$858.8 million.<sup>13</sup> It is estimated that reinvestments and investments will total \$765.3 million in 2008–2009. Table 3 provides a breakdown of each jurisdiction's expenditures over two full fiscal years of the initiative: 2005–2006 and 2006–2007. Estimates are given for 2007–2008 and 2008–2009, as final data are not available for many provinces and territories.

In deciding which benefits and services to support through NCB reinvestments and investments, provinces and territories are guided by a national reinvestment framework that was agreed to by the Ministers Responsible for Social Services. Under this framework, jurisdictions have the flexibility to direct reinvestments and investments to meet their own priorities and needs, provided they support the objectives of the NCB initiative.

Many provinces, territories and First Nations base their reinvestment decisions on consultation with their residents, or have included such consultation as part of an overall redesign of their income-support programs.

Under the reinvestment framework, reinvestments and investments are providing new or enhanced supports for low-income families with children. These supports are categorized in six key areas:

- child/day care initiatives;
- child benefits and earned income supplements;
- early childhood services and children-at-risk services;
- supplementary health benefits;
- youth initiatives; and
- other NCB programs, benefits and services.

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<sup>13</sup> This amount includes \$2.4 million in NCB reinvestments by Citizenship and Immigration Canada.

**Table 3** NCB Reinvestments and Investments by Jurisdiction and Fiscal Year (\$ millions)

Jurisdiction	Actuals				Estimates			
	2005–2006		2006–2007		2007–2008		2008–2009	
	Reinvestments	Reinvestments & Investments (Total)	Reinvestments	Reinvestments & Investments (Total)	Reinvestments	Reinvestments & Investments (Total)	Reinvestments	Reinvestments & Investments (Total)
Newfoundland and Labrador	10.0	19.7	10.7	20.3	11.4	22.1	11.4	22.4
Prince Edward Island	3.1	3.6	3.1	3.7	2.9	3.6	2.8	3.7
Nova Scotia	20.4	27.8	20.6	26.8	20.8	25.7	20.8	24.5
New Brunswick	—	11.4	—	12.2	—	12.0	—	12.0
Ontario <sup>a b</sup>	223.2	246.5	219.9	234.8	216.1	234.1	67.1	77.0
Manitoba <sup>c d</sup>	4.3	56.3	4.5	54.7	4.7	53.0	4.7	59.6
Saskatchewan	57.4	60.0	57.5	57.5	57.5	60.2	57.6	68.1
Alberta	36.6	48.8	36.0	47.3	37.7	50.1	41.9	60.5
British Columbia	277.1	328.5	242.0	319.7	230.0	329.7	221.5	373.2
Yukon	0.3	1.8	0.3	1.8	0.3	2.3	0.3	3.1
Northwest Territories	0.8	2.1	0.8	1.9	0.9	1.8	0.9	1.8
Nunavut	2.7	2.7	3.1	3.1	3.4	3.4	3.5	3.5
<b>P/T Sub-total</b>	<b>636.0</b>	<b>809.1</b>	<b>598.4</b>	<b>783.6</b>	<b>585.5</b>	<b>797.8</b>	<b>432.4</b>	<b>709.6</b>
First Nations	54.6	58.0	51.9	52.7	56.5	57.2	51.4	52.2
Citizenship and Immigration Canada <sup>e</sup>	2.5	2.5	2.1	2.1	2.4	2.4	2.3	2.3
<b>“Other” Sub-total</b>	<b>57.1</b>	<b>60.5</b>	<b>54.0</b>	<b>54.7</b>	<b>58.9</b>	<b>59.6</b>	<b>53.6</b>	<b>54.4</b>
<b>Total</b>	<b>693.0</b>	<b>869.6</b>	<b>652.4</b>	<b>838.4</b>	<b>644.4</b>	<b>857.4</b>	<b>486.1</b>	<b>764.0</b>

<sup>a</sup> Figures exclude an additional \$40 million previously committed to the Ontario Child Care Tax Credit.

<sup>b</sup> For fiscal year 2008–2009, NCB Supplement funds available for reinvestment are estimated based on the months of April to July 2008. With the introduction of the Ontario Child Benefit in July 2008, families on social assistance began to receive the full value of the NCB Supplement without an income charge.

<sup>c</sup> Figures include funding which is provided through remaining NCB Supplement recoveries, Children’s Special Allowance recoveries, federal transfers under the 2000 Early Childhood Development Agreement (\$18.3 million in 2005–2006 and 2006–2007, \$18.2 million in 2007–2008 and \$18.1 million in 2008–2009), federal transfers under the Multilateral Framework on Early Learning and Child Care (\$8.2 million in 2005–2006, \$10.8 million in 2006–2007, \$12.6 million in 2007–2008 and \$12.7 million in 2008–2009) as well as provincial revenue.

<sup>d</sup> Figures for Manitoba’s reinvestments and investments include expenditures on the restoration of the NCB Supplement for families in receipt of Employment Income and Income Assistance Benefits. In both 2005–2006 and 2006–2007, \$13.7 million was spent on the Restoration of the NCB Supplement. It is estimated that in both 2007–2008 and 2008–2009, \$13.7 million will be spent on the Restoration of the NCB Supplement.

<sup>e</sup> Citizenship and Immigration Canada administers the Resettlement Assistance Program (RAP) for refugees.

**Note:** Totals may not add due to rounding.

## NCB Reinvestments and Investments by Program Area

### Child/Day Care Initiatives

Accessible and affordable child care allows low-income parents to enter and stay in the labour market. Provincial/territorial NCB reinvestments and investments in child care have taken a variety of forms. In 2007–2008, child/day care programs accounted for the largest share of NCB initiative funding. About 56 percent of the total NCB-related child care expenditures are for a single program: the Ontario Child Care Supplement for Working Families.

Some jurisdictions provide funding through subsidies to child care facilities. These subsidies allow facilities to offer low-income working families access to child care at a more affordable price. Other jurisdictions provide assistance directly to families. This reduces families' share of child care costs while allowing them to choose the form of child care that best meets their needs. Some jurisdictions combine both approaches. Each of these forms of support is designed to help low-income families cover the costs of child care associated with being employed. Table 4 provides data on child/day care reinvestments and investments.



**Table 4** NCB Reinvestments and Investments by Program Area (\$ millions)

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures	Expenditures	Estimates	Estimates
<b>Child/Day Care Initiatives</b>				
Provincial/territorial expenditures	\$267.4	\$270.9	\$265.3	\$180.8
Percentage of total NCB reinvestments and investments	30.7%	32.3%	30.9%	23.7%
<b>Child Benefits and Earned Income Supplements</b>				
Provincial/territorial and Citizenship and Immigration Canada expenditures	\$149.4	\$104.5	\$89.6	\$87.7
Percentage of total NCB reinvestments and investments	17.2%	12.5%	10.5%	11.5%
<b>Early Childhood Services and Children-at-Risk Services</b>				
Provincial/territorial expenditures	\$153.2	\$161.3	\$160.2	\$141.9
Percentage of total NCB reinvestments and investments	17.6%	19.2%	18.7%	18.6%
<b>Supplementary Health Benefits</b>				
Provincial/territorial expenditures	\$61.0	\$64.6	\$69.9	\$80.0
Percentage of total NCB reinvestments and investments	7.0%	7.7%	8.1%	10.5%
<b>Youth Initiatives</b>				
Provincial/territorial expenditures	\$43.9	\$47.4	\$47.6	\$55.8
Percentage of total NCB reinvestments and investments	5.1%	5.7%	5.5%	7.3%
<b>Other NCB Programs, Benefits and Services</b>				
Provincial/territorial and Citizenship and Immigration Canada expenditures	\$136.6	\$136.5	\$167.7	\$165.7
Percentage of total NCB reinvestments and investments	15.7%	16.3%	19.6%	21.7%
<b>Note:</b> First Nations reinvestments and investments are reported separately in Chapter 3.				

## Child Benefits and Earned Income Supplements

Child benefits and earned income supplements provide important financial support to low-income families through monthly cash payments to the parent or guardian of the child. These benefits improve the financial stability of low-income families by helping to make up for the relatively low wages that often come with entry level jobs, and by supporting parents to stay in the labour market and work toward higher wages in the future.

A number of provinces and territories are now providing child benefits outside of the social assistance system, so that families receive these benefits regardless of the parents' employment situation. Several provinces have completely restructured their social assistance systems so that they now provide child benefits to all low-income families with children, while benefits for adults continue to be provided through social assistance. As a result, families in these provinces keep their provincial child benefits—in addition to the NCB Supplement—when parents make the transition from social assistance to work. Several other jurisdictions provide child benefits that top up the amount that families receive through social assistance in support of their children. In most of these cases, the provincial or territorial child benefit is combined with the federal CCTB in a single monthly payment, which is administered by the Canada Revenue Agency.

Some jurisdictions also provide low-income working families with children with an earned income supplement in order to provide incentives to work. Eligibility is tied to earning a certain minimum amount

from employment. Earned income supplements top up family-earned income for low-wage earners, helping families to cover the added costs of employment.

In 2007–2008, child benefits and earned income supplements accounted for the fourth-largest portion of NCB reinvestments and investments (see table 4).

## Early Childhood Services and Children-at-Risk Services

Experts on child development agree that the first six years of life are critical to a child's development and future well-being. Several jurisdictions are focusing NCB reinvestments and investments on services that provide early support to children in low-income families in order to optimize child development and give young children a healthy start in life. These programs range from prenatal screening to information on mother and child nutrition and parenting skills. Children-at-risk services, ranging from early literacy classes to recreation programs, can make a positive difference in the lives of these children.

Programs in this key area accounted for the third-largest share of NCB initiative funding in 2007–2008 (see table 4).

## Supplementary Health Benefits

Supplementary health benefits include a range of benefits that go beyond basic medicare coverage, such as optical care, prescription drugs, dental care or other benefits. The nature of these benefits varies among jurisdictions, many of which have long provided similar benefits to families with children receiving social assistance. Now, NCB reinvestments and investments in some provinces and territories are

providing these benefits to all children in low-income families. These programs ensure that families do not lose important health benefits for their children when they move from social assistance to the labour market.

The health benefits that are provided as NCB reinvestments and investments vary among jurisdictions. Approximately 43 percent of the NCB-related Supplementary Health Benefits can be attributed to Alberta's Child Health Benefit, which was the largest program of this type in the country in 2007–2008 (see table 4).

## Youth Initiatives

Youth initiatives include a range of benefits and services that are designed to assist and support youth, with particular attention to youth-at-risk. These programs are valuable in providing youth-at-risk with support to help them develop in positive directions. Youth initiatives, ranging from alcohol and drug strategies to transitional support for youth leaving child welfare, can make a positive difference in the lives of these young people (see table 4).

## Other NCB Programs, Benefits and Services

The flexibility of the NCB enables provinces and territories to address particular challenges facing their jurisdictions, and investments are made in other areas.

Ontario municipalities, which share responsibility for social assistance with the province, provide a wide array of reinvestment and investment programs and services, which are included in this category. These range from early intervention and child care to employment supports and prevention programs. Other reinvestments

and investments account for the second-largest share of NCB initiative funding (see table 4).

## Citizenship and Immigration Canada

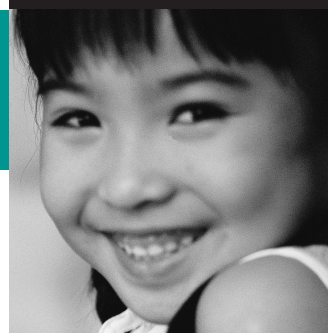
Citizenship and Immigration Canada (CIC) administers the Resettlement Assistance Program (RAP), which provided refugees with \$40.2 million in income support in 2007–2008, reflecting the amounts that jurisdictions provide through social assistance. This includes \$2.4 million, which is the NCB reinvestment portion of the RAP program. CIC reinvestments fall into two of the six key areas of investments and reinvestments: child benefits and earned income supplements, and other NCB programs, benefits and services.

## First Nations

First Nations follow a reinvestment framework administered by Aboriginal Affairs and Northern Development Canada (AANDC). First Nations reinvestments and investments are estimated to be \$57.2 million in 2007–2008, and constituted approximately 6.7 percent of total reinvestments and investments. However, First Nations' NCB reinvestments cover a wider range of program areas than those of the provinces and territories according to local needs, and are therefore discussed separately in Chapter 3 as well as Appendix 2.



# The First Nations National Child Benefit Reinvestment Initiative



**F**irst Nations of Canada have distinctive cultural, social, and economic characteristics; moreover, their members represent the youngest and fastest-growing segment of the national population. While much progress has been made over the years, in many communities significant social, health, and economic challenges persist. These challenges impact especially on the children of low-income parents, who may not have access to the financial and social resources needed to provide for their children's physical, emotional, and social well-being and development.

The goals of the National Child Benefit initiative are achieved through two measures: (1) income benefits for low-income families with children to enable them to meet their children's developmental needs adequately, and (2) reinvestment funds for the operation of projects that will address the effects of poverty on children, as well as help low-income families to achieve independence and self-sufficiency. In regard to the income benefits component, low-income families with children in First Nations communities are entitled to receive the Canada Child Tax Benefit (CCTB), National Child Benefit (NCB) Supplement, and provincial/territorial integrated child benefits in accordance with the same income and other eligibility requirements that apply to off-reserve populations.

In regard to the reinvestment component, since the inception of the National Child Benefit (NCB) in 1998 the federal government has worked collaboratively with First Nations in establishing and promoting the First Nations National Child Benefit Reinvestment (NCBR). The First Nations NCBR aims to provide opportunities for children of low-income parents to develop more fully their potential as healthy, active, and contributing members of their communities. The First Nations NCBR has the overall goals of reducing the depth and effects of child poverty and creating greater opportunities for low-income parents to participate in the work force.

National Child Benefit Reinvestment funds are obtained from adjustments to income assistance programs. Consistent with the intended structure of the NCB, many provinces and territories have adjusted their income assistance benefit rates downward by an amount equal to the NCB Supplement payments received by families. The "savings" to the income assistance program generated by these adjustments are what constitute the funding available for National Child Benefit Reinvestment projects. First Nations administering authorities employ the same income support schedules as their provincial/territorial counterparts, and similarly have reduced the benefits payable to parents in receipt of the NCB

Supplement (total family income does not decrease). The amount of available reinvestment funds is calculated regionally, according to the procedures followed by the provincial and territorial governments.

First Nation National Child Benefit Reinvestment decision-making processes include engagement with the people of the community. Generally, the approach taken is to prioritize needs, identify supports and services that are under-supplied relative to those needs, assess developmental possibilities in terms of available funding and staffing resources, and provide funding to new or existing operational structures to deliver the supports and services to the people who need them. The types of projects funded vary from First Nation to First Nation, and cover a wide range of services according to the needs and preferences expressed by the communities themselves. This flexibility is an important feature of the initiative, as it permits each First Nation to implement projects that not only are targeted at alleviating child poverty but are also culturally relevant and responsive to the unique characteristics of the community.

Reinvestment funds may be used to enrich existing services or to create new services. Many projects operate exclusively with First Nations NCBR funding. However, where available reinvestment funding is not sufficient in itself, a First Nation may seek out additional financial resources to meet the total cost of a project, for example, from grant making foundations, band revenue, daycare funding, or employment-creation programs.

Project activities may directly address children’s needs, e.g., through school nutrition projects or reinforcing cultural knowledge and values, or more indirectly, to parents, by providing additional child care spaces or providing parenting support programs and classes. The projects are categorized into five broad activity areas: child care; child nutrition; support to parents; home-to-work transition; and cultural enrichment. Descriptions of each activity and related quantitative data are available in Appendix 2.

In addition to First Nation National Child Benefit Reinvestment, Aboriginal Affairs and Northern Development Canada has also provided NCB investment funding to cover the on-reserve costs of integrated child benefits. Table 5 shows the total First Nations National Child Benefit Reinvestment and investment envelope from 1998–1999 to 2008–2009.

<div>Table 5</div> <div>First Nations: NCB Reinvestments and Investments</div>	
Year	Total (\$ millions)
1998–1999	30.1
1999–2000	50.2
2000–2001	54.3
2001–2002	57.0
2002–2003	56.0
2003–2004	53.2
2004–2005	55.1
2005–2006	58.0
2006–2007	52.7
2007–2008 (estimate)	57.2
2008–2009 (estimate)	52.2

Table 6 outlines the First Nations reinvestments and investments by region from 2005–2006 through to 2008–2009.

Table 7 shows the number of NCBR projects that have been operated by bands each during the period from 2004–2005 to 2007–2008.

<b>Table 6 First Nations: NCB Reinvestments and Investments by Region</b>				
Region	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Atlantic <sup>a</sup>	2,574	2,044	2,186	1,988
Quebec	3,134	3,045	3,360	3,056
Ontario	9,168	9,117	9,701	8,823
Manitoba <sup>b</sup>	—	—	—	—
Saskatchewan	22,710	21,180	24,015	21,842
Alberta	10,080	9,283	9,563	8,697
British Columbia	6,604	6,491	7,215	6,562
Yukon	345	720	447	407
<b>Sub-total</b>	<b>54,614</b>	<b>51,880</b>	<b>56,486</b>	<b>51,374</b>
Additional Investment Envelope <sup>c</sup>	3,434	780	702	780
<b>Total</b>	<b>58,048</b>	<b>52,660</b>	<b>57,188</b>	<b>52,154</b>
<sup>a</sup> Figures for the Atlantic region only includes First Nations in Nova Scotia and Prince Edward Island. <sup>b</sup> Effective January 2004, Manitoba fully discontinued the practice of recovering the NCB Supplement from families receiving income assistance, including First Nations families. As a result of flowing through the NCB Supplement to families, funds are no longer being recovered for reinvestment. <sup>c</sup> The additional investment envelope includes funding to reimburse Saskatchewan and the Yukon for the portion of provincial/territorial children's benefits paid on reserve.				
<b>Note:</b> Totals may not add due to rounding.				

<b>Table 7 First Nations: Number of NCB Reinvestments Projects by Region</b>				
Region	Number of Projects			
	2004–2005	2005–2006	2006–2007	2007–2008
Atlantic <sup>a</sup>	18	17	9	8
Quebec	99	109	105	98
Ontario	202	248	485	474
Manitoba	—	—	—	—
Saskatchewan <sup>b</sup>	180	218	645	688
Alberta	187	331	285	241
British Columbia	873	449	457	245
Yukon	10	7	5	17
<b>Total</b>	<b>1,569</b>	<b>1,379</b>	<b>1,991</b>	<b>1,771</b>
<sup>a</sup> Limited to Nova Scotia and Prince Edward Island. <sup>b</sup> The number has increased due to the revised reporting method used by Saskatchewan.				



## Monitoring and Reporting: First Nation Component

The *NCB Governance and Accountability Framework* sets out accountability requirements for all National Child Benefit partners. First Nations report annually to Aboriginal Affairs and Northern Development Canada (AANDC) on activities and results related to funding under the reinvestment component, according to the terms of their funding agreement(s). Using this information, and its own records, AANDC prepares and distributes annual progress reports as required by the Treasury Board Secretariat. The reports provide background information on the purposes and structure of the reinvestment component, as well as descriptions of the progress being made by First Nations in implementing the initiative, with examples of the kinds of projects that have been carried out. Expenditure and impact data are included. The annual reports are available at the *NCB Reinvestment Initiative in First Nations Communities* website at <http://www.aadnc-aandc.gc.ca/eng/1100100035078>.

## Proposal Development and Reporting Guide

The *Proposal Development and Reporting Guide*, developed in collaboration with First Nations NCB administrators, assists First Nation communities with the proposal process for approval of reinvestment projects as well as outlines annual reporting requirements. An electronic version is available at [http://www.aadnc-aandc.gc.ca/DAM/DAM-INTER-HQ/STAGING/texte-text/ncbrg\\_1100100011750\\_eng.pdf](http://www.aadnc-aandc.gc.ca/DAM/DAM-INTER-HQ/STAGING/texte-text/ncbrg_1100100011750_eng.pdf). The *Guide* provides detailed information on:

- Steps involved in planning and processing a proposal, including accessing funding, roles and responsibilities of staff, writing the proposal, a proposal checklist, and submitting the proposal. A proposal template is included in the guide.
- Reporting requirements, including time frames for reporting and information required for the First Nations NCB Annual Report on Reinvestment.
- Background information on the NCB Initiative.



## National Child Benefit Reinvestment Initiative National Manual

The *NCBR National Manual* was developed to provide direction to departmental regional officials and First Nations administrators on the interpretation and implementation of terms and conditions related to the reinvestment initiative. The manual is an ongoing document which is updated as necessary; the current version is available at the AANDC NCB website: <http://publications.gc.ca/collections/Collection/R2-331-2004E.pdf>.

## Review of Activities in First Nation Communities

A review of NCB reinvestment activities conducted by an independent consulting firm was released in 2005. The review, which was based on interviews with administrators from thirty-seven communities, examined community consultation processes; project administration and evaluation strategies; levels of community awareness and satisfaction with the NCB reinvestment initiative, resource distribution between target groups; the flexibility of design parameters; and suggestions for improvement to the initiative.

Suggested improvements from participants included (1) increasing networking opportunities for NCBR administrators to share information with their peers; (2) providing for longer-term approval of projects, beyond one year; and (3) confirming an expected duration of the initiative to reduce uncertainty regarding its longevity.

## Observations

The goals of reducing the depth and effects of child poverty and assisting low-income parents/guardians to participate more fully in the work force and in the life of the community are being significantly realized as a result of the leadership and efforts of First Nations governments, organizations, and individuals in implementing the National Child Benefit Reinvestment on-reserve.

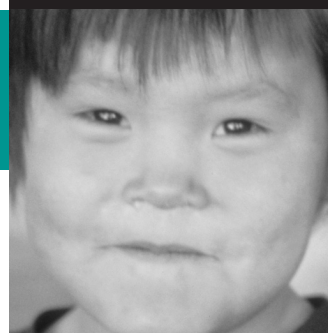
The benefits of the First Nations NCBR for children, families, and communities may be summarized as follows:

1. The reinvestment component has allowed First Nations to establish developmental, cultural, and social programs and services that would not, for lack of funding, otherwise exist in their communities. These services have improved the conditions of life for low-income families and their children, and enabled their greater participation in economic, social, and cultural activities.
2. The adaptability of the reinvestment component has afforded First Nations governments and organizations wide scope for the creation of projects that are especially responsive to the specific social conditions of their own communities. So long as projects are in accord with NCB objectives, First Nations are able to focus the resources on their own prioritized needs.
3. Cultural enrichment activities funded by the NCBR have raised awareness of community customs, values and First Nations languages, which have fostered a sense of pride, promoted healthier lifestyles for children and their families, and contributed to increases in children's self-esteem and confidence.

4. Because responsibility for the planning, development, and delivery of services, as well as the reporting of project activities and expenditures, is carried by the First Nations themselves, local officials and administrators have developed transferable managerial knowledge and skills that will continue to benefit their communities in the longer term.

The success of the First Nations NCBR stands as an example of the progress that is being made by the Government of Canada and First Nations in their shared effort to improve the quality of life for Aboriginal peoples.

# Monitoring Progress – Societal Level Indicators



Federal, provincial and territorial governments are committed to monitoring and reporting on the National Child Benefit (NCB) initiative in accordance with the *NCB Governance and Accountability Framework*.<sup>14</sup> This commitment is essential so that Canadians can be informed on the NCB's progress toward meeting its goals.

This chapter focuses on **societal level indicators**. These indicators of socio-economic trends are affected by the NCB as well as by many factors unrelated to the NCB, such as the general level of economic activity, government investments in income transfers, changes in tax policy, and demographic changes. While the NCB initiative has some influence on the trend of these societal level indicators, no attempt is made to isolate the impact of the NCB alone on these trends. Instead, the indicators reported in this chapter paint a broad picture of the condition of low-income families with children in Canada,<sup>15</sup> and provide a basis for comparison on the progress made over time. Chapter 5 reports on **direct outcome indicators**, which identify the direct impact of the NCB on families with children.

Table 8 describes the set of societal level and direct outcome indicators developed at the inception of the NCB initiative to track the degree to which each of its three goals is being achieved. This report provides information on many of these societal level indicators, including analysis of the incidence, depth, and persistence of low income among families with children in Canada over time. Information on other societal level indicators is included in the *Evaluation of the National Child Benefit Initiative: Synthesis Report*.<sup>16</sup>

It should be noted that the measures used in this chapter only indicate trends among Canadian families with children in terms of income. Many other investments in benefits and services introduced under the NCB initiative contribute to improving the well-being of children and their families. Many provincial and territorial NCB programs, benefits and services, such as supplementary health benefits, child/day care, early childhood and children-at-risk services, do not directly affect income trends but are still an important part of governments' strategies to support Canadian families.

<sup>14</sup> The *NCB Governance and Accountability Framework* is available on the NCB website, at: [www.nationalchildbenefit.ca](http://www.nationalchildbenefit.ca).

<sup>15</sup> Analysis in chapters 4 and 5 does not include the Territories as Statistics Canada's *Survey of Labour and Income Dynamics* (SLID) is a household survey that currently excludes residents of the Yukon, the Northwest Territories and Nunavut, residents of institutions and persons living on Indian reserves.

<sup>16</sup> The *Evaluation of the National Child Benefit Initiative: Synthesis Report* is available on the NCB website, at: [www.nationalchildbenefit.ca](http://www.nationalchildbenefit.ca).

The analysis in Chapters 4 and 5 is based on data from Statistics Canada's *Survey of Labour and Income Dynamics* (SLID). For a discussion of the SLID, its

strengths, and its limitations, please see Chapter 5 of *The National Child Benefit Progress Report: 2005*, which is available on the NCB website.

**Table 8 Outcome Indicators for the NCB**

Goals	Societal Level Indicators	Direct Outcome Indicators
Help prevent and reduce the depth of child poverty.	Incidence of low income Number and percentage of families and children living in low income (as defined by the LICOs, LIM and Market Basket Measure).	Incidence of low income The change in the number of families and children that fall below the low-income line, because of the NCB, within a year.
	Duration of low income Number and percentage of families and children who have been in low income during all four previous years.	Not applicable
	Depth of low income (dollar and percentage) Additional amount of income a low-income family would need to reach a pre-determined line (as measured by the LICOs, LIM and Market Basket Measure).	Depth of low income The change in the aggregate amount of income that low-income families would need to reach a pre-determined line, due to NCB benefits, within a year.
Promote attachment to the labour market by ensuring that families will always be better off as a result of working.	Labour market participation Number and percentage of earners in families below the low-income line. Average earned income of low-income families as a percentage of the low-income line. Average earned income of low-income families, over time, expressed in constant dollars. Number of families/children on social assistance.	Labour market participation The change in the difference in disposable income between social assistance and employment due to the NCB, within a year. The change in social assistance caseloads, exit rates and duration of spells on assistance due to the NCB.
Reduce overlap and duplication by harmonizing program objectives and benefits, and simplifying administration.	Level 1 — use of federal income tax system to deliver benefits. Level 2 — participation rates in NCB programs, examples of expanded information-sharing agreements. Level 3 — surveys of managers and other key informants (monitored as part of the NCB evaluation)	Not applicable

## Measuring Low Income

Canada does not have an official poverty line. Several different measures of low income are used in Canada. The most common are the Low Income Cut-offs (LICOs), the Low Income Measure (LIM) and the Market Basket Measure (MBM).

Prior to the development of the MBM the two most commonly used measures of low income in Canada were Statistics Canada's LICOs and LIM measures. LICOs are set according to the proportion of annual income spent on basic needs, including food, shelter and clothing. The LICO is the income level at which a family spends 20 percentage points more of its income on these items relative to the average family. The size of the family and community is taken into account, but geographic differences in the cost of living are not.

The LIM considers a family to be living in low income if its income, adjusted for family size, is less than half the median income (the income level at which the incomes of half of all families are higher and half are lower). The post-tax-and-transfer LIM is similar to measures used in international comparisons, but it does not reflect geographic differences in living costs across Canada.

Both the LICOs and the LIM can be calculated using either before- or after-tax income. Post-tax income is generally considered to be a better measure of low-income in Canada for two reasons. First, post-tax income more fully accounts for the re-distributive impact of Canada's tax system. Secondly, since the purchase

of necessities is made with after-tax dollars, this approach more fairly and consistently measures the economic well-being of individuals and families.

The MBM was developed in 1998 at the request of Federal/Provincial Ministers Responsible for Social Services in order to complement existing measures in evaluating the effectiveness of the National Child Benefit initiative in reducing the incidence and depth of child poverty in Canada. Seven years of data based on this measure are now available, making it possible to examine low income trends over a significant time period (2000 to 2006). Prior to the *National Child Benefit Progress Report: 2007*, MBM data was not included in the charts on low-income measurement. Building on last year's report, MBM data up to 2006 are incorporated to describe trends throughout this chapter.

The MBM provides a new, more intuitive approach to the measurement of low income. The MBM is based on estimates of the actual cost of food, clothing, shelter, transportation and other necessary goods and services, such as household supplies and telephone services.<sup>17</sup> The cost of this basket of goods and services is determined for 48 regions in the ten provinces. Using the MBM, households are considered to be living in low income if they are unable to purchase this basket of goods and services after accounting for income and payroll taxes and other non-discretionary out-of-pocket spending such as child care necessary to earn income, medically prescribed health expenses and aids for persons with disabilities.

<sup>17</sup> Not all jurisdictions agree on the estimated cost of housing currently used for the basket. The incidence of low-income and ranking of the rates are sensitive to the estimate of housing costs used.

Compared with the LICOs and the LIM, the MBM more precisely reflects differing living costs by geographic location because the thresholds are estimated by region, as well as urban population size.

## Key Trends

The societal level indicators discussed in this chapter measure the **incidence**, **duration**, and **depth** of low income among families with children in Canada over time. They also illustrate trends in **labour force attachment** and **social assistance caseloads**. In this section LICOs are used in order to show progress since the inception of the NCB. Using the societal level indicators for low-income families with children, this report identifies the following key trends:

- In 2006, using post-tax LICOs, the incidence of low-income among families with children fell to 10.1 percent from 10.5 percent in 2005. This is well below the high of 17.6 percent in 1996. The number of families with children living below the post-tax LICOs have fallen from 686,000 in 1996 to 384,600 in 2006, or a decline of 301,400 families.
- Using the MBM, the incidence of low income among families with children decreased from 13.5 percent in 2005 to 13.1 percent in 2006. In 2006, 497,600 families with children had incomes below the MBM threshold.
- The number of children living in low-income families has declined from a high of 1,301,100 in 1996 to 759,900 in 2006, or a decrease of 541,200 children, according to

the post-tax LICOs. According to the MBM, 954,500 children lived in low income in 2006.

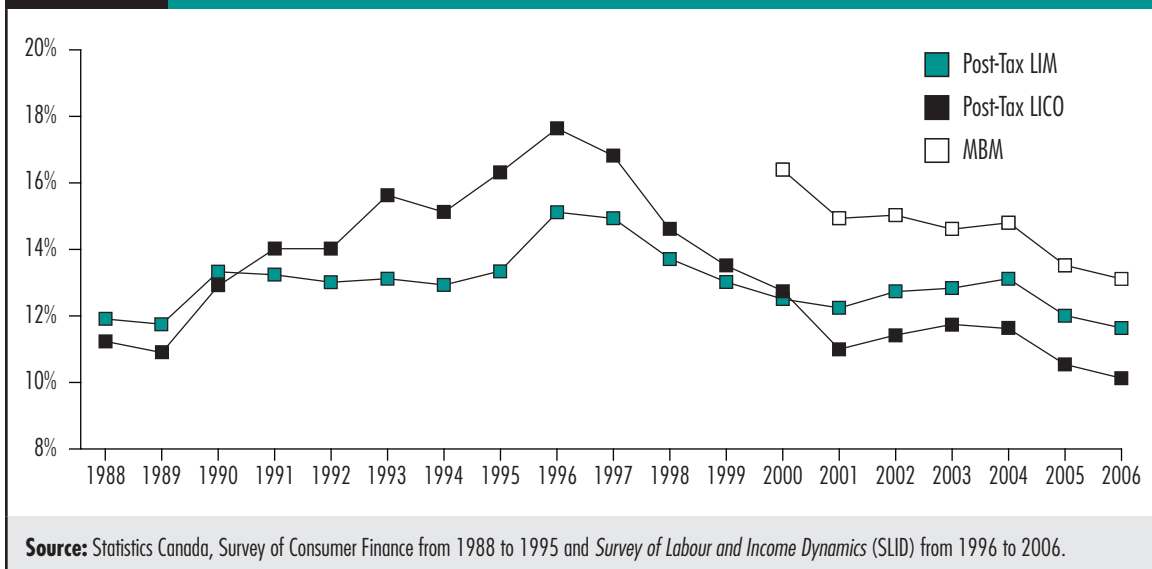
- The depth of low income (which is the additional amount of income needed by low-income families to reach the low-income line) decreased between 1996 and 2006 using the post-tax LICOs. Expressed in 2006 dollars, the average depth of low income was \$7,000 in 2006 compared to \$8,000 in 1996.
- Using the post-tax LICOs, the proportion of low-income families in which at least one parent was employed for pay<sup>18</sup> during the year increased from 55.7 percent in 1996 to 67.3 percent in 2006.
- There was a reduction in social assistance use by families with children, and corresponding evidence of increasing attachment to the labour force. Between 1996 and 2007, the total social assistance caseload for families with children declined by 59.4 percent, from 631,900 to 256,600 cases.

## Incidence of Low Income among Families with Children:

### A Significant Decline Over Time

The incidence of low income refers to the number of families with children who fall below a pre-determined low-income line expressed as a percentage of all families with children. The trend in the incidence of low income among Canadian families with children since 1988 is shown in Figure 5, using the MBM, post-tax LICOs and post-tax LIMs.

<sup>18</sup> In this chapter, individuals are considered employed for pay if they have any income from wages or salaries or self employment income.

**Figure 5****Percentage of Families with Children Below MBM, LICOs and LIM Thresholds, 1988–2006**

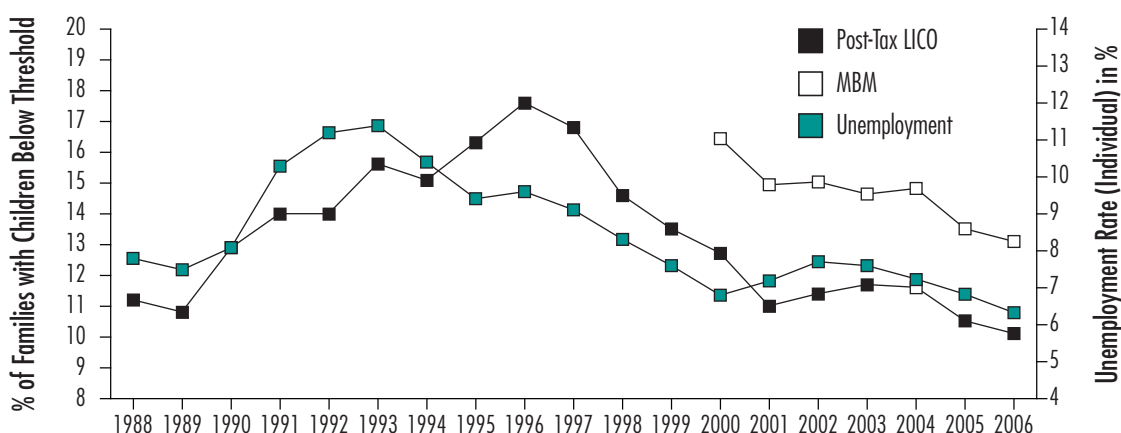
The proportion of families with children living in low income has closely followed the business and employment cycles (see Figure 6). Using the post-tax LICOs measure, Figure 5 shows that the incidence of low income among families with children dropped from 17.6 percent in 1996 to 11.0 percent in 2001 and then rose to 11.7 percent in 2003 and declined to 10.1 percent in 2006. The MBM shows a decline in the incidence of low income among families with children, from 16.4 percent in 2000 to 13.1 percent in 2006.

The low-income rate using the Market Basket Measure is higher than that obtained using Statistics Canada's post-tax Low Income Cut Offs. The most important reason for this, accounting for over 80% of the difference between the rates using the two measures, is that the definition of disposable income used when comparing families' income to the MBM low-income threshold is more

comprehensive than the definition of disposable income used by the Low Income Cut Offs. That is, the Market Basket Measure subtracts more items from gross income than the Low Income Cut Offs, such as payroll taxes, out-of-pocket child care costs, vision care, dental care, prescription drugs, alimony and child support payments. The remainder of the difference is accounted for by the choice of the modest but decent standard of living represented by the content of the MBM basket.

In 2006, there were 497,600 families with 954,500 children living below the MBM threshold compared to 514,000 families with 1,006,500 children in 2005. Since the year 2000, the incidence of low income among families with children has decreased by 21.4 percent. Overall, this means that 135,800 fewer families and 282,200 fewer children were living in low-income as defined by the MBM, in 2006 compared to 2000.



**Figure 6****Unemployment Rate and Percentage of Families with Children Below MBM Threshold and Post-tax LICOs, Canada, 1988–2006**

**Source:** Statistics Canada, Survey of Consumer Finance from 1988 to 1995, and Survey of Labour and Income Dynamics (SLID) from 1996 to 2006; Labour Force Survey from 1988 to 2006.

The longer term trend indicated by the post-tax LICOs data also shows a decline. In 2006, there were 384,600 families with 759,900 children living below the post-tax LICOs compared to 686,000 families with 1,301,100 children in 1996. This translates into a decrease in the incidence of low income among families with children of 43.9 percent. It is important to note that this decrease is greater than that shown using the MBM because of the difference in the period observed.

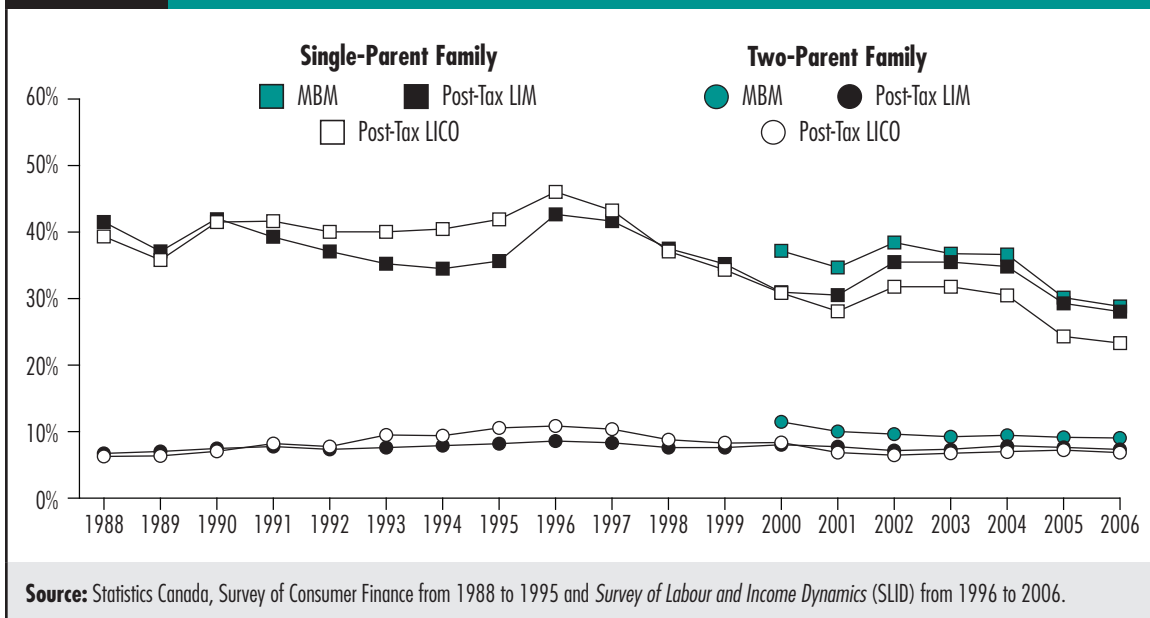
The reduction in the proportion of single-parent families living in low income since 1996 has been particularly significant.

As Figure 7 shows, the proportion of one-parent families living below the post-tax LICOs declined from 46.0 percent in 1996 to 23.2 percent in 2006. The proportion of two-parent families living below the post-tax LICOs also showed a decline, from 10.8 percent to 6.7 percent between 1996 and 2006. The proportion of one-parent families living below the MBM threshold declined from a high of 38.0 percent in 2002 to 28.7 percent in 2006. The proportion of two-parent families living below the MBM threshold also showed a decline, from 11.5 percent in 2000 to 9.0 percent in 2006.



**Figure 7**

## Percentage of Families with Children with Low Income, Single-Parent and Two-Parent Families, MBM, LICOs and LIM, 1988–2006



## Duration of Low Income: Low Income is Temporary for Most

Low income is usually not a permanent situation for most families with children. Most families who experience low income transition into and out of it over time.

From 1996 to 2006, on average, 12.9 percent of families with children lived in low income (post-tax LICOs) in any given year. As shown in Figure 8, from 1997 to 2000, about a quarter of all children aged 13 and under lived in a family which experienced low income for at least one of those four years (1,196,900 children in total). However, of those 1,196,900 children, less than one-half lived in low income for more than two of these four years (501,800 children in total, or 10.2 percent of all children age 13 and under). Only about a quarter of these children lived in a low-income

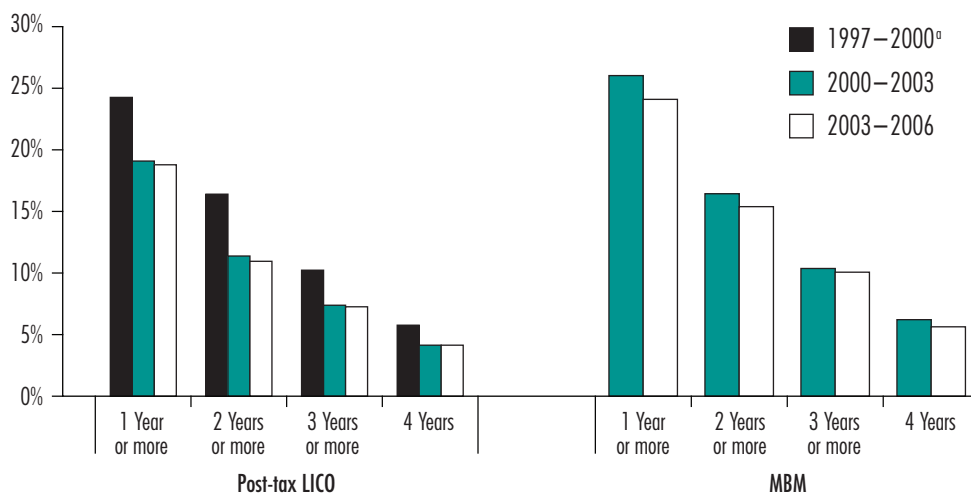
situation for all four years (279,600 children in total, or 5.7 percent of all children age 13 and under).

Comparing the 1997–2000 period to the next four-year period, 2000–2003, the proportion of children experiencing low income in at least one of the four years declined from 24.3 percent to 19.1 percent. This proportion declined further to 18.7 percent in the 2003–2006 period.

Of the 869,900 children aged 13 and under who lived in a family which experienced low income for at least one year from 2003 to 2006, less than one-half lived in low income for more than two of these four years (338,900 children in total, or 7.3 percent of all children age 13 and under). Less than a quarter of these children lived in low income for all four years (196,000 children in total, or 4.2 percent of all children age 13 and under).

**Figure 8**

**Children 13 and Under Living in Low Income, 1997–2000, 2000–2003, 2003–2006**



<sup>a</sup> MBM Data is not available for the 1997–2000 cohort.

Source: Statistics Canada, *Survey of Labour and Income Dynamics (SLID)*.

Figure 8 shows a similar trend when using the MBM threshold. From 2000–2003, slightly more than a quarter of all children aged 13 and under lived in a family which experienced low income for at least one of those four years (1,174,500 children in total). Of those 1,174,500 children, less than one-half lived in low income for more than two of these four years (468,900 children in total, or 10.4 percent of all children age 13 and under). Only about a quarter of these children lived in low-income situation for all four years (280,600 children in total, or 6.2 percent of all children age 13 and under).

Comparing the 2000–2003 period to the next four-year period, 2003–2006, the proportion of children experiencing low income in at least one of the four years declined from 26 percent to 24.1 percent.

Of the 1,128,500 children aged 13 and under who lived in a family with income

below the MBM threshold for at least one year from 2003–2006, less than one-half lived in low income for more than two of these four years (474,300 children in total, or 10.1 percent of all children age 13 and under). Less than a quarter of these children lived in low income for all four years (262,900 children in total, or 5.6 percent of all children age 13 and under).

## Depth of Low Income:

### Depth of Low Income Has Improved, Decreasing for Both Single and Two-Parent Families

The depth of low income measures how far family income falls below a given low-income line. It measures the additional amount of income a low-income family would need to reach a pre-determined low-income line, such as the MBM threshold or Statistics Canada's LICOs or the LIM.

Examples are given below in Tables 9a and 9b. Table 9a shows that the 2006 low-income line (post-tax LICOs) of a one-parent, one-child family living in a city of over 500,000 people is \$21,381. If such a family had a disposable income of \$16,036 in that year, its depth of low income would be \$5,345 (i.e., \$21,381 – \$16,036). Expressed as a percentage, the depth of low income of this family is equal to 25 percent of the low-income line (i.e., [ $\$5,345/\$21,381$ ] x 100).

Table 9b shows that the 2006 MBM threshold of a two-parent, two-child family living in an Ontario city of between 100,000 and 500,000 people is \$27,780. If this family had a disposable income of \$23,613 in that year, its depth of low income would be \$4,167 (i.e., \$27,780 – \$23,613). Expressed as a percentage, the depth of low income of this family is equal to 15 percent of the low-income line (i.e., [ $\$4,167/\$27,780$ ] x 100).

**Table 9a**

**Depth of Low Income for a One-Parent, One-Child Family Living in a City of Over 500,000 People in 2006**

	<b>Post-Tax LICOs</b>
2006 Low-Income Cut Off (Post-Tax)	\$21,381
Example Family's Disposable Income <sup>a</sup>	\$16,036
Difference Between Low-Income Cut Off and Example Family's Income (Depth of Low Income of that Family)	\$5,345
Percentage Points Below Low-Income Cut Off	25%

<sup>a</sup> MBM disposable family income is the sum remaining after deducting several items from total family income, such as, total income taxes paid; the personal portion of payroll taxes; other mandatory payroll deductions etc. For the post-tax LICOs and the LIM, only income taxes paid are deducted from total family income before comparison to the associated low-income thresholds.

**Source:** Statistics Canada, *Survey of Labour and Income Dynamics (SLID)* 2006.

**Table 9b**

**Depth of Low Income for a Two-Parent, Two-Child Family Living in an Ontario City of Between 100,000 and 500,000 People in 2006**

	<b>MBM</b>
2006 Market Basket Measure Threshold	\$27,780
Example Family's Disposable Income <sup>a</sup>	\$23,613
Difference Between MBM Threshold and Example Family's Income (Depth of Low Income of that Family)	\$4,167
Percentage Points Below MBM	15%

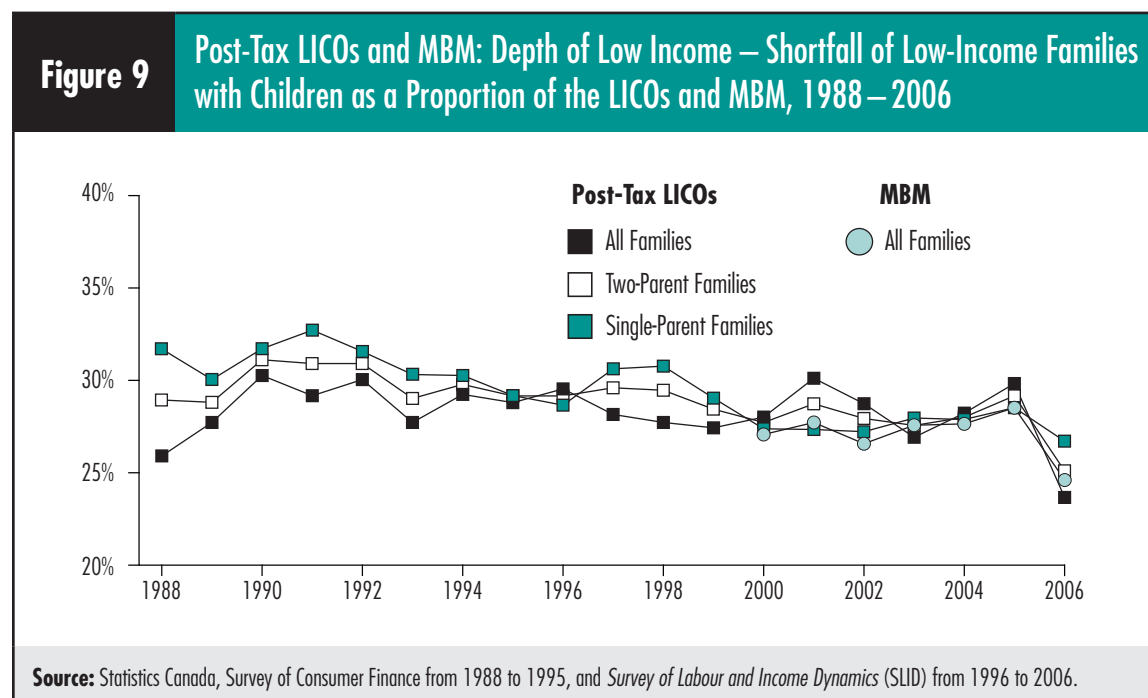
<sup>a</sup> MBM disposable family income is the sum remaining after deducting several items from total family income, such as, total income taxes paid; the personal portion of payroll taxes; other mandatory payroll deductions etc. For the post-tax LICOs and the LIM, only income taxes paid are deducted from total family income before comparison to the associated low-income thresholds.

**Source:** Statistics Canada, *Survey of Labour and Income Dynamics (SLID)* 2006.

The LICOs data in Figure 9 shows that between 1988 and 2006, there has been a decrease in the depth of low income among families with children, from 28.9 percent in 1988 to 25.1 percent in 2006. Between 1996 and 2006, the depth of low income among families with children improved, decreasing from 29.1 percent to 25.1. In dollar terms, the average depth of low income has also shown a decrease between 2000 and 2006. In 2000, low-income families with children had an average disposable income of \$20,100. These low-income families would have needed, on average, \$7,700 to reach the after-tax LICO threshold in their region. Comparatively, low-income families had an average disposable income of \$20,900 in 2006 and needed, on average, \$7,000 to reach the low-income line.<sup>19</sup>

The MBM data in Figure 9 shows that between 2000 and 2006, there has been a decrease in the depth of low income among families with children, from 27.0 percent in 2000 to 24.6 percent in 2006. In dollar terms, the average depth of low income has also shown a decrease between 2000 and 2006. In 2000, low-income families with children had an average disposable income of \$20,100. These low-income families would have needed, on average, \$7,400 to reach the MBM threshold in their region. Comparatively, low-income families had an average disposable income of \$20,900 in 2006 and needed, on average, \$6,800 to reach the MBM threshold.<sup>20</sup>

Complex factors make it difficult to interpret changes in the depth of low income. As described above, movements



<sup>19</sup> For comparison purposes, the figures in this paragraph are expressed in 2006 dollars.

<sup>20</sup> For comparison purposes, the figures in this paragraph are expressed in 2006 dollars.

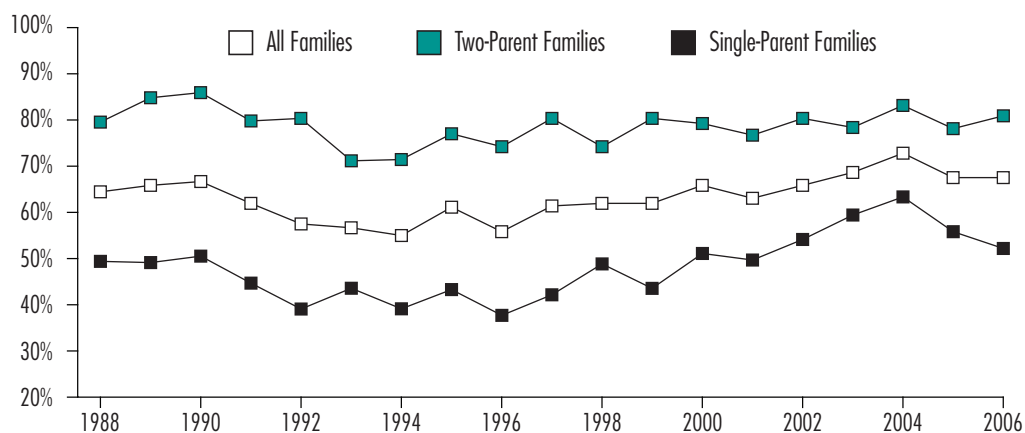
in and out of low income are significant and have an impact on the depth of low-income indicator. For example, if families that are closer to the low-income line increase their incomes enough to no longer be considered living in low-income, the average depth of low income for those who remain below the low-income line may actually increase. This result would give the impression that the situation has worsened for all, when it has really improved for many. Despite these limitations, the depth of low income is an important indicator of how low-income families are faring.

## Labour Market Attachment Among Low-Income Families: Employment Among Low-Income Parents Remains High

Promoting attachment to the labour force among low-income families with children is the second goal of the NCB initiative. Figure 10 indicates that the percentage of low-income families in which the parents had paid employment declined during the economic downturn in the early 1990s, but then continued to increase during the economic recovery of the late 1990s and the early part of this decade. As illustrated in Figure 10, the proportion of low-income families with children in which at least one parent was employed for pay<sup>21</sup> during the year increased from 55.7 percent in 1996 to

**Figure 10**

**Post-Tax LICOs: Percentage of Low-Income Families Employed for Pay During the Year, by Family Type, 1988–2006**



**Source:** Statistics Canada, Survey of Consumer Finance from 1988 to 1995, and Survey of Labour and Income Dynamics (SLID) from 1996 to 2006.

<sup>21</sup> Employed for pay refers to anyone that had greater than \$0 from wages or salaries, or income from self employment in the reference year.

67.3 percent in 2006. The proportion of one-parent families employed for pay rose from 37.5 percent in 1996 to 63.2 percent in 2004. However, since 2004, there has been a decline in the proportion of one-parent families with paid employment, from 63.2 percent to 52.1 percent in 2006.

Additional information on labour force attachment can be gained by examining the sources of income of low-income families with children. For example, Figure 11 shows the average level of government transfers received and average earnings of low-income families with children between 1988 and 2006 (expressed in 2006 dollars).

While there has been variation from year to year, from the early 1990s to 2005, there was a moderate upward trend in the level of earnings of low-income families with children and in the proportion of after-tax income that comes from employment earnings. In 1992, low-income families

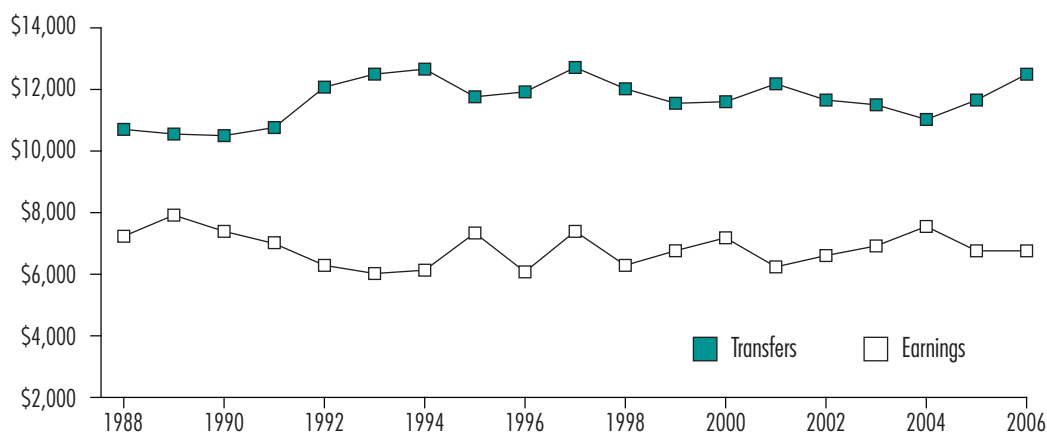
earned, on average, \$6,281. This amount represented approximately 34.2 percent of the after-tax income of low-income families. In 2005, low-income families earned, on average, \$6,718, which was 33.9 percent of their total after-tax income. In 2006, the average earnings of low income families rose slightly to \$6,755 or 32.3 percent of after-tax income. During this same period, the trend in government transfers was slightly upward, and transfers continued to play an important role as a source of family income for low-income families.

### Fewer Canadian Children Are Living on Social Assistance

While it is not a direct indication of increased labour force attachment, there was a significant decline in the number of families receiving social assistance during the late 1990s. Figure 12 shows that between 1996 and 2006, the number of one-parent families relying on social

**Figure 11**

**Source of Family Income, Low-Income Families with Children, Post-Tax LICOs (expressed in 2006 dollars)**



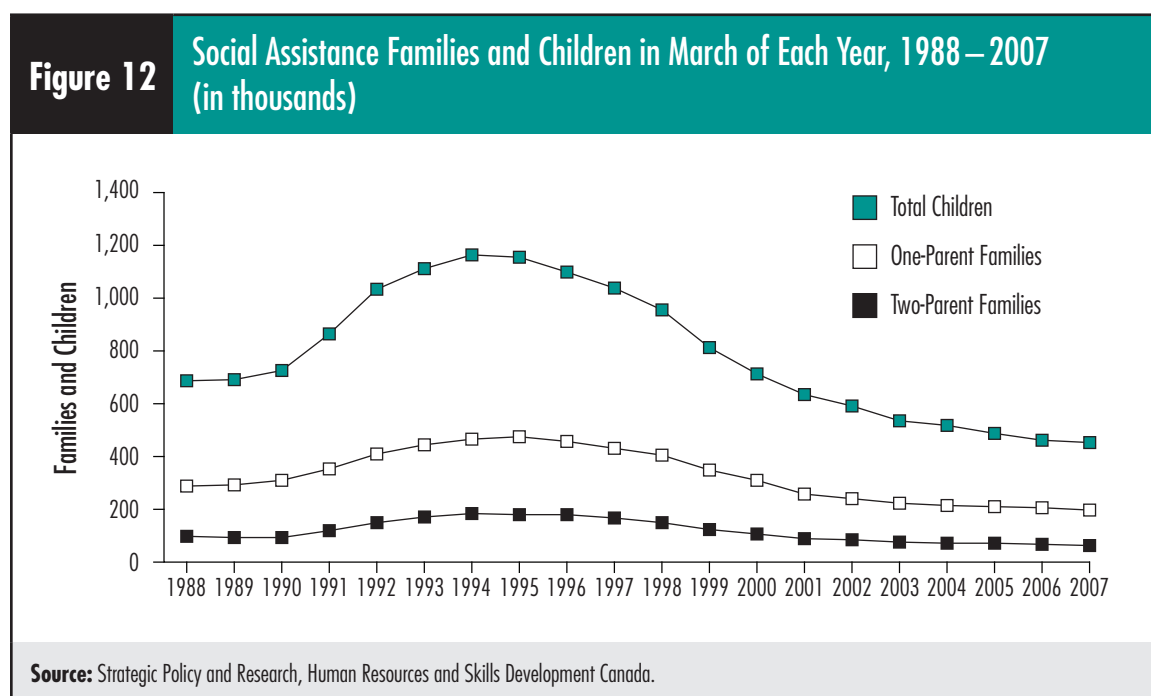
**Source:** Statistics Canada, Survey of Consumer Finance from 1988 to 1995, and Survey of Labour and Income Dynamics (SLID) from 1996 to 2006.

assistance decreased by 55.3 percent (from 454,500 to 203,300 households). By 2007, the decline reached 57.2 percent (down to 194,400 households). Between 1996 and 2006, the number of two-parent families with children relying on social assistance decreased by 63.7 percent (from 177,400 to 64,400 households). By 2007, the decline reached 64.9 percent (down to 62,200 households). As a result, between 1996 and 2006, the overall number of children living in families relying on social assistance decreased by 58.2 percent (from 1,096,900 to 458,100 children). By 2007, the decline reached 59.1 percent (down to 448,800 children).

It is interesting to compare the reduction in social assistance caseloads for families with children with the situation of childless families. Figure 13 shows that between 1996 and 2007, the two-parent family social assistance caseload numbers

decreased by 64.9 percent. By comparison, between 1996 and 2007, the caseload numbers for couples without children decreased by only 30.7 percent. Similarly, between 1996 and 2007, the caseload for one-parent families declined by 57.2 percent while the caseload numbers for singles without children declined by only 16.4 percent.

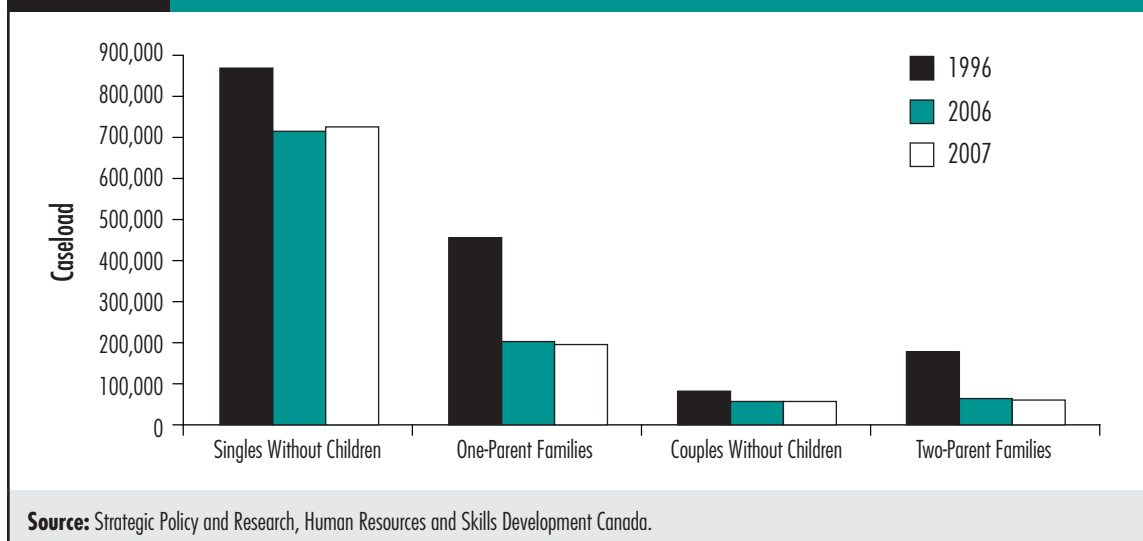
Economic growth in the late 1990s was one of the main reasons for the overall reduction in social assistance caseloads. In addition, welfare reform measures, including the restructuring of social assistance systems in several provinces as part of the NCB initiative, were a contributing factor in the decline in the caseload of families with children. Finally, evidence from the federal, provincial and territorial evaluation of the NCB initiative suggests that the NCB was associated with social assistance caseload reductions.<sup>22</sup>



<sup>22</sup> See *Evaluation of the National Child Benefit Initiative: Synthesis Report* (2005), page 20, available on the NCB Web site at: [www.nationalchildbenefit.ca](http://www.nationalchildbenefit.ca).



**Figure 13** Social Assistance Data as of March of Each Period, 1996, 2006 and 2007



## Summary

This chapter has shown that the incidence of low income among families with children has fallen significantly since the inception of the NCB initiative. From a peak of 17.6 percent in 1996 according to the post-tax LICOs, the incidence of low income among families with children fell to 10.1 percent in 2006. This represents a decrease of 43.9 percent from 1996 levels. With respect to the duration of low income, generally there were declines in the proportion of children experiencing low income in the 1997–2000, 2000–2003 and 2003–2006. The depth of low income for families with children has decreased from \$8,000 in 1996 (expressed in 2006 dollars) to \$7,000 in 2006 according to the LICOs, or, from \$7,400 in 2000 (expressed in 2006 dollars) to \$6,800 in 2006 according to the MBM.

In terms of attachment to the labour market, the proportion of earnings from employment was higher in 2006 than in 1996. The percentage of low-income

one-parent families employed for pay was substantially higher in 2006 compared to 1996, however, there was a decline in employment participation from 2004 to 2006. Also, the number of families in receipt of social assistance has continued to gradually decline.

These indicators are important in monitoring the overall economic well-being of low-income families with children. However, the extent to which the NCB has contributed to these changes cannot be directly determined from the societal level indicators reported on in this chapter. They do not tell us the extent to which the NCB is responsible for changes in these trends. Chapter 5 will describe the direct contribution of the NCB in preventing and reducing the incidence and depth of low income among families with children.



# Assessing the Direct Impact of the National Child Benefit Initiative



The previous chapter examined societal level indicators such as the incidence and depth of low income. This chapter reports on the direct impact of the income component of the National Child Benefit (NCB) initiative in making progress on its first goal, to help prevent and reduce the depth of child poverty.<sup>23</sup>

The chapter presents evidence based on a simulation using the 2006 *Survey of Labour and Income Dynamics* (SLID). The simulation compares the actual NCB income benefits structure to a hypothetical scenario based on the benefits structure that existed prior to the NCB. This is the eighth in a series of simulations providing information to Canadians on the progress of the NCB. Six previous simulations were included in *The National Child Benefit Progress Report: 2001, 2002, 2004, 2005, 2006 and 2007*. A seventh simulation, *Impact of the National Child Benefit on the Incomes of Families with Children: A Simulation Analysis*, was released by Federal, Provincial, and Territorial Ministers Responsible for Social Services in August 2005.<sup>24</sup>

## The Simulation Approach

The simulation presented in this chapter focuses on the income benefits component of the NCB initiative: both the federal NCB Supplement and provincial/territorial reinvestments and investments in income benefits. Although provincial, territorial and First Nations reinvestments and investments in non-income programs and services also contribute to the NCB goal of preventing and reducing the depth of child poverty, isolating the impact of these non-income programs and services is beyond the scope of this analysis.

The report presents a simulation of the direct impact of the NCB income benefits on the following three outcome indicators for the period from January to December 2006:

- the change in **number** and **incidence** of children as well as families with children living in low income;
- the average **change in disposable income** that families with children saw in 2006 as a direct result of the NCB; and
- the change in the **depth of low income**, or the low-income gap (the aggregate amount of income that low-income families would need to reach a predetermined low-income line).

<sup>23</sup> Analysis in chapters 4 and 5 does not include the Territories as Statistics Canada's *Survey of Labour and Income Dynamics* (SLID) is a household survey that currently excludes residents of the Yukon, the Northwest Territories and Nunavut, residents of institutions and persons living on Indian reserves.

<sup>24</sup> This simulation was based on the 2001 data.

The impact of the income benefits of the NCB is determined by comparing the difference in each of these outcome indicators under two different federal/provincial/territorial child benefit structures in 2006: the actual structure with the NCB initiative, and a simulated structure without the NCB initiative. The impact of NCB income benefits is measured as the difference between these two child benefit structures. This methodology captures an estimated \$2.6 billion of NCB income benefits. Key characteristics of these two child benefit structures are presented in Table 10.

This methodology has the advantage of isolating the impact of the income benefits of the NCB initiative on the three outcome indicators described above, while keeping other socio-economic variables such as the level of employment or earnings unchanged. However, the methodology used in this report cannot capture changes in the economic behaviour of low-income families with children which may have been caused by the NCB. For example, on the one hand, the NCB may have encouraged low-income families to enter the workforce from social assistance. On the other

hand, the NCB Supplement reduction rates may have had a negative impact on the number of hours worked by some workers. These dynamic effects are not captured by this methodology.

The application of the above methodology to the data from Statistics Canada's 2006 *Survey of Labour and Income Dynamics* (SLID) made it possible to assess the impact of NCB income benefits on families with children who were in receipt of the NCB Supplement. As discussed in Chapter 4, the MBM was developed in 1997 at the request of Federal, Provincial and Territorial Ministers Responsible for Social Services specifically for the purpose of assessing the progress of the NCB initiative. This chapter will analyse direct impacts of the NCB using the MBM in addition to the post-tax LICOs. Analysis using post-tax LIMs will be maintained for continuity with previous reports. Appendix 3 provides a detailed breakdown of these impacts as measured by Statistics Canada's post-tax Low-Income Measure (LIM) along with the MBM and post-tax LICOs.

**Table 10** Comparison of Two Federal/Provincial/Territorial Child Benefit Structures in 2006

Structure 1 Without NCB Initiative	Structure 2 With NCB Initiative
Maintain the Working Income Supplement (WIS) structure <sup>a</sup>	Introduce the NCB Supplement
No adjustments to provincial/territorial income support programs for increases in the NCB Supplement	Introduce adjustments to provincial/territorial income support programs for increases in the NCB Supplement
No provincial/territorial reinvestment programs and additional investments in income benefits directly related to the NCB initiative	Introduce provincial/territorial reinvestment programs and additional investments in child benefits and earned income supplements

<sup>a</sup> The Working Income Supplement (WIS) was a federal program that preceded the NCB, providing income support to supplement the earning of low-income working families. The WIS was replaced in July 1998 by the NCB Supplement.

## The NCB Reduced the Number of Families with Children Living in Low Income in 2006

The NCB initiative was responsible for preventing an estimated 61,900 families with 151,700 children from living in low income in 2006 (see Table 11), using the MBM. This represents an 11.5 percent reduction in the number of families with children living in low income from 539,300 to 477,400, in 2006. Analysis of the 2006 SLID data indicates there were an estimated 477,400 families with 908,300 children living in low income in 2006, representing 12.6 percent<sup>25</sup> of all Canadian families with children. If the NCB had not been introduced, an estimated 539,300 families with 1,060,000 children would have lived in low income in 2006, translating into 14.2 percent of all families with children.

The final row of Table 11 indicates the percentage point decline in the incidence of low income brought about by the NCB in 2006. As indicated above, with the NCB in place, the incidence of low income for families with children in 2006 was 12.6 percent. Without the NCB, this incidence would have been 14.2 percent. Therefore, the NCB was responsible for a 1.6 percentage point decrease in the incidence of low income among families with children.

As indicated in Table 11, the overall reduction of 11.5 percent can be further broken down into a 10.3 percent reduction

in the number of lone-parent families living in low income, and a 12.5 percent reduction in the number of two-parent families living in low income. In 2006, the incidence of low income was higher among lone-parent families than two-parent families. There were an estimated 219,100 lone-parent families with 386,400 children living in low income, representing 28.3 percent of all lone-parent families. By comparison, only 8.5 percent (or an estimated 255,300) of two-parent families with 518,700 children were living in low income in 2006.

The NCB has made a more significant contribution to the decline in the incidence of low income for lone-parent families than for two-parent families. Without the NCB, an estimated 244,300 lone-parent families with 448,000 children would have lived in low income, translating into 31.6 percent of all lone-parent families with children. With the NCB, the incidence of low income for lone-parents was 28.3 percent, indicating that the NCB reduced the incidence of low-income by 3.3 percentage points.

Among two-parent families, the incidence of low income declined by 1.2 percentage points in 2006 due to the NCB. If the NCB had not been introduced, an estimated 291,700 two-parent families with 608,500 children would have lived in low income in 2006, translating into 9.7 percent of two-parent families with children. With the NCB, the incidence of low income for two-parent families was 8.5 percent.

<sup>25</sup> The 12.6 percent refers to the percentage of families with children living in low income and receiving the NCB Supplement. By contrast, in Chapter 4, when considering all families with children, regardless of whether they receive the NCB Supplement, 13.1 percent were living in low income in 2006.

**Table 11****Change in the Incidence of Low Income Among Families by Family Type  
Due to the NCB: January 2006 to December 2006**

SLID 2006	One-Parent Families	Two-Parent Families	All Families <sup>a</sup>
<b>MBM</b>			
Decline in Number of Children Living in Low Income	61,500	89,800	151,700
Decline in Number of Families Living in Low Income	25,200	36,400	61,900
Percentage Change in Number of Families Living in Low Income	-10.3%	-12.5%	-11.5%
Decline in Incidence of Low Income Among Families with Children <sup>b</sup>	-3.3%	-1.2%	-1.6%
<b>Post-Tax LICOs</b>			
Decline in Number of Children Living in Low Income	53,400	78,000	132,900
Decline in Number of Families Living in Low Income	25,900	28,900	56,300
Percentage Change in Number of Families Living in Low Income	-12.7%	-12.6%	-12.9%
Decline in Incidence of Low Income Among Families with Children <sup>b</sup>	-3.3%	-1.0%	-1.5%

<sup>a</sup> The "All Families" group includes one-parent, two-parent and other family types (e.g. children in foster homes). Children in other family types do not fall in the category of one- or two-parent families.

<sup>b</sup> Decline in incidence of low-income is expressed in percentage points.

**Source:** Based on Statistics Canada Special Tabulations from the *Survey of Labour and Income Dynamics (SLID) 2006*.

Analysis based on LICOs data shows similar impacts.<sup>26</sup> Using the LICOs, the NCB initiative was responsible for preventing an estimated 56,300 families with 132,900 children from living in low income in 2006 (see Table 11). This represents a 12.9 percent reduction in the number of families with children living in low income from 435,500 to 379,200, in 2006. Analysis of the 2006 SLID data indicates there were an estimated 379,200 families with 746,100 children living in low income

in 2006, representing 10.0 percent<sup>27</sup> of all Canadian families with children. If the NCB had not been introduced, an estimated 435,500 families with 879,100 children would have lived in low income in 2006, translating into 11.5 percent of all families with children.

As with the MBM, LICOs data show that the incidence of low income for lone-parent families was greater than for two-parent families. Without the NCB,

<sup>26</sup> As discussed in Chapter 4, MBM shows a higher rate of low-income than that obtained using post-tax LICOs as the definition of disposable income used when comparing families' income to the MBM low-income threshold is more comprehensive than the definition of disposable income used by the LICOs. As a result, the MBM subtracts more items from gross income than the LICOs.

<sup>27</sup> The 10.0 percent refers to the percentage of families with children living in low income and receiving the NCB Supplement. By contrast, in Chapter 4, when considering all families with children, regardless of whether they receive the NCB Supplement, 10.1 percent were living in low income in 2006.

an estimated 203,700 lone-parent families with 380,700 children would have lived in low income, translating into 26.3 percent of all lone-parent families with children. With the NCB, the incidence of low income for lone parents was 23.0 percent, indicating that the NCB reduced the incidence of low-income by 3.3 percentage points. Among two-parent families, the incidence of low income declined by 1.0 percentage points in 2006 due to the NCB. If the NCB had not been introduced, an estimated 228,200 two-parent families with 494,600 children would have lived in low income in 2006, translating into a 6.6 percent reduction of two-parent families with children.

## The NCB Improves Disposable Incomes of Low-Income Families with Children

NCB income benefits have reduced the number of families with children living in low income by improving their disposable income. Statistics Canada's 2006 *Survey of Labour and Income Dynamics* (SLID) was used to simulate the average increase in the level of disposable income that families with children saw as a direct result of NCB income benefits. As shown in Table 12, these increases in disposable income were estimated for three groups of families in 2006:

- families with children who were prevented from living in low income as a direct result of the NCB Supplement;
- families with children who remained in low income despite receiving the NCB Supplement; and
- all other families with children who received the NCB Supplement in 2006 (i.e., families who were above the MBM or LICO low-income threshold with or without the NCB Supplement).

As indicated in Table 12, for those families with children who were prevented from living in low income as measured by the MBM threshold in 2006 due to the NCB, disposable incomes were, on average, \$2,900 higher than they would have been in the absence of the NCB initiative. This represents an increase of 10.5 percent in their disposable incomes.<sup>28</sup>

For those families with children who remained in low income as measured by the MBM threshold, despite receiving the NCB Supplement in 2006, the NCB resulted in disposable incomes being, on average, \$2,100 higher than what they would have been in the absence of the NCB initiative. This represents an increase of nearly 11.0 percent in their disposable incomes.<sup>29</sup>

- families with children who were prevented from living in low income as a direct result of the NCB Supplement;

<sup>28</sup> For those families with children who were prevented from living in low income due to the NCB in 2006, average, annual after-tax income was \$30,700. Without the NCB in place, average, annual after-tax income would have been \$27,800.

<sup>29</sup> For those families with children who remained in low income during 2006, average, annual after-tax income was \$20,900. Without the NCB in place, average, annual after-tax income would have been \$18,800.

Finally, for those other families with children who received the NCB Supplement (i.e., families with children above the MBM low-income threshold with or without the NCB Supplement), disposable incomes rose, on average, \$1,300 due to the NCB. This represents an increase of about 3.1 percent in their disposable incomes.<sup>30</sup>

Similar trends are observed using the LICOs thresholds (as indicated in Table 12). For those families with children who were prevented from living in low income in 2006 due to the NCB, disposable incomes were, on average, \$3,000 higher than they would have been in the absence of the NCB initiative. This represents an increase of 11.1 percent in their disposable incomes.<sup>31</sup>

**Table 12**

**Change in Disposable Incomes Due to the NCB Among Families with Children by Family Type: January 2006 to December 2006**

SLID 2006	One-Parent Families	Two-Parent Families	All Families
<b>MBM</b>			
<b>Were Prevented from Living in Low Income</b>			
Increase in Disposable Income	\$3,100	\$2,800	\$2,900
Percentage Increase in Income	12.5%	9.4%	10.5%
<b>Remained in Low Income</b>			
Increase in Disposable Income	\$1,900	\$2,300	\$2,100
Percentage Increase in Income	11.7%	10.5%	11.0%
<b>Other Families Who Received NCB Supplement</b>			
Increase in Disposable Income	\$1,400	\$1,100	\$1,300
Percentage Increase in Income	3.4%	2.7%	3.1%
<b>Post-Tax LICOs</b>			
<b>Were Prevented from Living in Low Income</b>			
Increase in Disposable Income	\$2,900	\$3,200	\$3,000
Percentage Increase in Income	12.8%	10.2%	11.1%
<b>Remained in Low Income</b>			
Increase in Disposable Income	\$1,900	\$2,500	\$2,200
Percentage Increase in Income	11.7%	11.2%	11.4%
<b>Other Families Who Received NCB Supplement</b>			
Increase in Disposable Income	\$1,400	\$1,200	\$1,300
Percentage Increase in Income	3.5%	2.7%	3.1%
<b>Source:</b> Based on Statistics Canada Special Tabulations from the <i>Survey of Labour and Income Dynamics (SLID) 2006</i> .			

<sup>30</sup> For families who were above the low-income threshold, with or without the NCB, average, annual after-tax income was \$42,200. Without the NCB in place, average, annual after-tax income would have been \$41,000.

<sup>31</sup> For those families with children who were prevented from living in low income due to the NCB in 2006, average, annual after-tax income was \$29,900. Without the NCB in place, average annual after-tax income would have been \$26,900.



For those families with children who remained below the LICOs, despite receiving the NCB Supplement during 2006, the NCB resulted in disposable incomes being, on average, \$2,200 higher than what they would have been in the absence of the NCB initiative. This represents an increase of nearly 11.4 percent in their disposable incomes.<sup>32</sup>

For those other families with children who received the NCB Supplement (i.e., families with children above the LICO threshold with or without the NCB Supplement), disposable incomes rose, on average, \$1,300 due to the NCB. This represents an increase of about 3.1 percent in their disposable incomes.<sup>33</sup>

## The NCB Reduced the Low-Income Gap for All Families

The NCB reduced the depth of low income, or low-income gap, for families with children who received the NCB Supplement in 2006. As indicated in Table 13, NCB income benefits closed the MBM low-income gap by a total of \$1.06 billion, or 23.8 percent in 2006. The LICOs low-income gap was closed by a total of \$910 million, or 25.3 percent in 2006.

- The simulation found that NCB income benefits decreased the MBM low-income gap by \$440 million for lone-parents living in low income, a reduction of 23.0 percent (a reduction of \$370 million or 23.8 percent using the LICOs).
- For two-parent families, the MBM low-income gap was closed by \$620 million, a reduction of 24.5 percent (a reduction of \$540 million or 26.5 percent using the LICOs).

Table 13					Change in Depth of Low Income Due to the NCB Among Families Remaining in Low Income: January 2006 to December 2006			
SLID 2006		One-Parent Families		Two-Parent Families		All Families		
MBM								
Decline in Low Income Gap (In Millions of Dollars)		\$440		\$620		\$1,060		
Percentage Change in Low Income Gap		-23.0%		-24.5%		-23.8%		
Post-Tax LICOs								
Decline in Low Income Gap (In Millions of Dollars)		\$370		\$540		\$910		
Percentage Change in Low Income Gap		-23.8%		-26.5%		-25.3%		
Source: Based on Statistics Canada Special Tabulations from the <i>Survey of Labour and Income Dynamics</i> (SLID) 2006.								

<sup>32</sup> For those families with children who remained in low income during 2006, average annual after-tax income was \$21,400. Without the NCB in place, average, annual after-tax income would have been \$19,200.

<sup>33</sup> For families who were above the low-income threshold, with or without the NCB, average, annual after-tax income was \$43,900. Without the NCB in place, average annual after-tax income would have been \$42,600.

## The NCB Helps Low-Income Working Families

In addition to preventing and reducing the depth of child poverty, the NCB was designed to encourage families to leave social assistance for work by improving their incomes and maintaining child benefits when they join the labour force. The previous analysis identified the impact of the NCB on all families that received NCB income benefits. This section examines the impact of the NCB on families who were working during 2006.

Results of the direct impact analysis of the NCB indicate that of the 50,300 working families with children who were prevented from living below the MBM thresholds in 2006 due to the NCB, disposable incomes were, on average, \$3,200 higher than they would have been in the absence of the NCB initiative. This represents an increase of 11.5 percent in their disposable incomes.<sup>34</sup>

The NCB has also made a significant contribution to improving the level of disposable income for the estimated 310,500 working families who remained in low income during 2006. As a direct result of the NCB, disposable incomes of these families were on average \$2,400 higher than they would have been in the absence of the NCB initiative. This represents an increase of more than 12.7 percent in disposable incomes in 2006.<sup>35</sup> As such,

families who remained below the MBM low-income threshold in 2006 were, on average, \$2,400 closer to the income level above which they would no longer be considered low-income families. The “low-income gap” was reduced for these families by \$802 million in 2006, representing a decline of 24.7 percent.

Finally, there were 491,200 additional working families who received the NCB Supplement but were not living in low income in 2006 (with or without the NCB). As a result of the NCB, these families saw their incomes increase on average by \$1,300 or 3.1 percent.<sup>36</sup>

Using post-tax LICO data, results of the direct impact analysis of the NCB indicate that of the 45,300 working families with children who were prevented from living below the LICOs in 2006 due to the NCB, disposable incomes were, on average, \$3,100 higher than they would have been in the absence of the NCB initiative (representing an increase of 11.1 percent in their disposable incomes).

In addition, findings using the LICOs show the NCB initiative increased the disposable incomes of the estimated 232,600 working families who remained in low income during 2006 by \$2,600 (an increase of more than 13.6 percent). This resulted in the “low-income gap” for these families being reduced by \$675 million in 2006 (representing a decline of 27.0 percent).

<sup>34</sup> For those working families who were prevented from living in low income in 2006 due to the NCB, average, annual after-tax income was \$30,700. Without the NCB in place, average annual after-tax income would have been \$27,600.

<sup>35</sup> For those working families who remained in low income in 2006, average, annual after-tax income was \$21,100. Without the NCB in place, average annual after-tax income would have been \$18,700.

<sup>36</sup> For those working families who were above the low-income threshold with or without the NCB in 2006, average annual after-tax income was \$41,900. Without the NCB in place, average, annual after-tax income would have been \$40,600.



Finally, according to the LICOs, there were 574,200 additional working families who received the NCB Supplement but were not living in low income in 2006 (with or without the NCB). As a result of the NCB, these families saw their incomes increase on average by \$1,300 or 3.1 percent.

## Summary

This chapter assesses the direct impact of the NCB initiative's income benefits component. A simulation approach is used to compare the actual NCB income benefits structure to a hypothetical scenario based on the benefits structure that existed prior to the NCB.

According to this simulation, the NCB initiative was responsible for preventing an estimated 61,900 families with 151,700 children from living below MBM low-income thresholds in 2006, a 11.5 percent reduction in the incidence of low income among families with children. The NCB increased the disposable incomes of these families by an average of 10.5 percent, or \$2,900. Further, the NCB narrowed the low-income gap for all families with children. The combined amount of income that would be required for all low-income families to reach the MBM threshold was reduced by 23.8 percent or \$1.1 billion in 2006 as a result of the NCB.



# The Way Ahead



**T**hrough the collaboration of federal, provincial and territorial governments and First Nations, the National Child Benefit (NCB) initiative has established the key components of an integrated child benefit system. This system has resulted in a stronger national platform of child benefits, along with additional benefits and services provided at the provincial and territorial levels and by First Nations.

Since 1997, the Government of Canada has increased the level of benefits paid to low-income families with children in July of each year. Most recently, in Budget 2009, the Government of Canada increased the amount that families with children can earn before benefits under the Canada Child Tax Benefit (CCTB), including the NCB Supplement, are reduced, thereby providing increased support for low- and modest-income families with children.

As of July 2009, annual federal support to Canadian families with children delivered through the CCTB system is projected to reach \$10.1 billion. The objective of replacing the child portion of social assistance benefits with an income-tested benefit for all low-income families has largely been achieved. As illustrated in Table 14 by 2009–2010, the amount of total federal child benefits for which low-income families are eligible will have increased by well over 100 percent from the 1996–1997 level, before the NCB was launched. Cost of living increases to the NCB Supplement will continue.

The benefits and services that provinces, territories and First Nations provide under the NCB initiative are important components of the system. These investments have been expanded since the NCB was established and have benefited from jurisdictions' shared knowledge and experiences. Since the establishment of the NCB, almost half of the jurisdictions have restructured their child benefit systems.

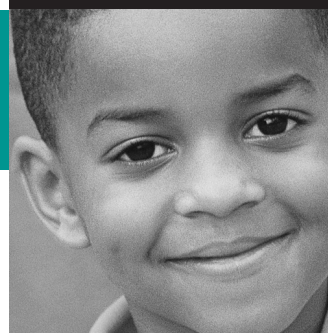
Federal, provincial and territorial cooperation has been key to the success of the NCB initiative. All jurisdictions remain committed to working toward improving the situation of families in Canada, and informing Canadians about progress made. A process to evaluate the NCB initiative is currently underway.

**Table 14****Maximum Levels of Federal Child Benefits for 1996–1997 and  
2009–2010 Program Years (July to June) in Current Dollars <sup>a</sup>**

<b>Number of Children</b>	<b>1996–1997 Maximum CTB + WIS</b>	<b>2009–2010 Maximum Base Benefit + NCB Supplement</b>	<b>Percentage Increase from 1996–1997 to 2009–2010</b>
1	\$1,520	\$3,416	125%
2	\$2,540	\$6,593	160%
3	\$3,635	\$9,773	169%
4	\$4,730	\$12,953	174%

<sup>a</sup> Current dollars are in the actual dollars in a given year, and are not adjusted for inflation.

# Glossary



## **Canada Child Tax Benefit (CCTB):**

A federal income support program for Canadian families with children that is delivered through the income tax system. The CCTB includes two components: a base benefit for low- and middle-income families with children, and the National Child Benefit (NCB) Supplement, which provides additional support to low-income families with children.

**Depth of Low Income:** The additional amount of income a low-income family would need to reach a pre-determined line, such as Statistics Canada's Low-Income Cut-Offs (LICOs), the Low-Income Measure (LIM), or the Market Basket Measure (MBM).

**Disposable Income:** The income that a family has left after paying personal income taxes and other payroll deductions, such as Canada Pension Plan contributions and Employment Insurance premiums.

**Earnings Supplements:** Payments by governments to families that top up work-related earnings. Earnings supplement programs are often targeted to low-income working families, and they provide benefits based on the number of children in a family.

**Incidence of Low Income:** The proportion of families with children with annual income falling below a pre-determined line, such as Statistics Canada's LICOs, the LIM, or the Market Basket Measure (MBM).

**Indicators:** In the context of this report, indicators are statistics that assess how well Canadian families are faring.

**Societal Level Indicators** measure areas such as low income and labour force attachment and do not assume that any changes are necessarily caused by the NCB.

**Direct Outcome Indicators**, on the other hand, measure only those changes that are directly caused by the NCB.

## **Market Basket Measure (MBM):**

An additional research tool for governments and other interested Canadians to use in analyzing low income. The MBM provides a new perspective on low income, as it is based on a specific transparent basket of goods and services. The MBM identifies disposable income levels that are required to purchase this basket of goods and services in various communities across Canada. Compared with Statistics Canada's Low-Income Cut-Offs (LICOs) and Low Income Measure (LIM), the MBM is a more precise reflection of differing living costs by geographic location.

**National Child Benefit (NCB):** A joint federal, provincial and territorial government initiative designed to support low-income families with children. It includes increased federal income support plus provincial, territorial and First Nations

reinvestments and additional investments in programs and services. The NCB began in July 1998.

**NCB Reinvestment Funds:** Comprise social assistance/child benefit savings and, in some jurisdictions, Children's Special Allowance (CSA) recoveries. Provinces and territories have the flexibility to adjust social assistance or child benefit payments by an amount equivalent to the NCB Supplement. These savings can then be reinvested to provide funding for new or enhanced programs, benefits and/or services to meet local needs and priorities (see Appendix 2 for further details).

**NCB Investment Funds:** Comprise additional funds that some jurisdictions devote to the NCB, over and above the reinvestment funds.

**NCB Supplement:** The federal contribution to the NCB Initiative—a monthly payment targeted to low-income families to help with the costs of raising children. It is a component of the CCTB.

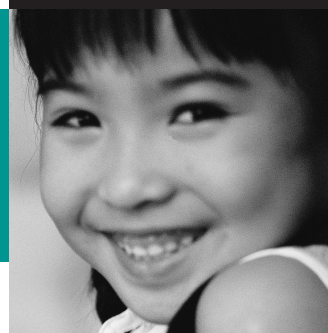
**SLID, or the *Survey of Labour and Income Dynamics*:** A longitudinal labour market and income survey to study changes over time in Canadians' labour force status and economic well-being.

**Social Assistance (SA):** A needs-tested, last-resort system of income support administered by provincial and territorial governments. It is commonly known as welfare.

**The Welfare Wall:** Describes an array of barriers that can make it less financially attractive for people to move from social assistance to the labour market due to the loss of income or services.

**Working Income Supplement (WIS):** A federal program that preceded the NCB. It provided income support to supplement the earnings of low-income working families with children. The WIS was replaced in July 1998 by the NCB Supplement. Some provinces and territories have reinvested NCB funds in their own versions of an earned income supplement.

# Provincial, Territorial and First Nations National Child Benefit Reinvestments and Investments



**T**his appendix provides information on the National Child Benefit (NCB) reinvestments and investments that jurisdictions<sup>37</sup> have undertaken. Some of these reinvestments and investments are new programs or services, while others are enhancements to existing programs. This appendix includes descriptions, actual expenditure data for 2005–2006 and 2006–2007, and estimated expenditure data for 2007–2008 and 2008–2009.

There are two sources of funds for NCB initiatives: reinvestment funds and investment funds. The data presented in this appendix represents the total of reinvestment and, where applicable, investment funds.

Reinvestment funds result from savings related to the federal NCB Supplement that free up provincial and territorial funds previously used for social assistance. Some jurisdictions make adjustments to their social assistance payments based on the NCB Supplement. The amount of the adjustment then becomes available

for reinvestment. Other jurisdictions have restructured social assistance to implement income-tested child benefits delivered outside of social assistance. Among these jurisdictions, some adjust their child benefits to match, in whole or in part, the NCB Supplement, while some do not make any adjustment. For those that make an adjustment related to the NCB Supplement, funds available for reinvestments increase along with the NCB Supplement. For those that do not make such adjustments, funds available for reinvestments are deemed to be “fixed” to the amount of savings at the time their system was restructured. That amount is available for reinvestment each year.

Investment funds are additional funds that some jurisdictions have chosen to devote to the NCB initiative, over and above the reinvestment amounts.

<sup>37</sup> This report does not include data for Quebec. Quebec residents benefit in the same way as other Canadians from the Canada Child Tax Benefit. Moreover, they benefit from substantial investments made by the Quebec government, in the context of its family policy, in services for families with children.

## Sources of Reinvestment Funds

There are two sources of reinvestment funds:<sup>38</sup>

### 1. Social Assistance/Child Benefit Adjustments

Chapter 3 provides a summary of the various approaches that have evolved with respect to the adjustment of social assistance benefits and child benefits through the NCB.

### 2. Children's Special Allowance Adjustments

The Children's Special Allowance is paid on behalf of children who are in the care of provincial and territorial child welfare authorities. It mirrors the maximum Canada Child Tax

Benefit payments, including the NCB Supplement. Jurisdictions have the option to either recover, or pass on the increased NCB Supplement amount to child welfare authorities for child maintenance costs. Newfoundland and Labrador, Prince Edward Island, Nova Scotia, Manitoba, Saskatchewan and Alberta have chosen to recover the increased amount, and it is considered to be part of NCB reinvestment funds.

<sup>38</sup> Between July 1998 and June 1999, a third source of reinvestment funds was Transitional Assistance. It ensured that no families that previously received the Working Income Supplement experienced a reduction in the overall benefits they received as a result of the introduction of the NCB Supplement.



## Newfoundland and Labrador

In Newfoundland and Labrador, the NCB initiatives have improved the well-being of low-income families in the province. These initiatives promote labour market attachment for low-income families and support early childhood and youth initiatives to improve the well-being of young people living in low-income families.

There was no adjustment to Income Support benefits in 1998–1999. The NCB Supplement was not deducted from benefits provided to families in receipt of Income Support. As a result, all programs funded under the NCB Initiatives in 1998–1999 were investments by the province.

As a result of the second increase in the NCB Supplement in 1999, the Income Support Program was redesigned, resulting in the introduction of the Newfoundland and Labrador Child Benefit (NLCB). Income Support benefits were reduced for families with dependent children as basic benefits for children were removed from the allowance. However, the reduction was offset by the 1999 increase in the NCB Supplement and the new NLCB, which all low-income families receive, including families in receipt of Income Support. All families in receipt of Income Support realized an increase in their monthly income.

### Newfoundland and Labrador's NCB reinvestments and investments include:

#### Newfoundland and Labrador Child Benefit (NLCB) (Reinvestment) –

This is a provincial child benefit paid to all low-income families in Newfoundland and Labrador. The NLCB is administered by the Canada Revenue Agency on behalf

of the province, and payments are included in the Canada Child Tax Benefit cheque. In 2001–2002 and 2002–2003, as a result of slippage in program expenditures because of an improved economy, making fewer families eligible for this benefit, the income threshold of the NLCB was increased to follow increases in the NCB Supplement. In 2003–2004, the slippage in the program expenditure was used to increase the first child rate by \$12 per year. In both 2004–2005 and 2005–2006, the slippage in the program expenditure was used to increase the first child rate by \$12 per year and to offset the cost of indexing the Newfoundland and Labrador Child Benefit. In 2006–2007, the slippage in program expenditure was used to increase the first child rate by \$7.00 per year by offsetting the cost of indexing the NLCB. In 2007–2008, the first child rate was indexed and had a rate increase of \$60.00 which resulted in a total annual increase of \$64.92. As a result of indexing, in July 2008 the annual NLCB increased from \$322 to \$326 for the first child.

In December 2001, the **Mother Baby Nutrition Supplement (MBNS)** was added as an additional benefit to the NLCB in the form of a nutritional supplement of \$45 per child per month, for children under one year of age living in families eligible for at least \$1 of NLCB. This benefit is funded through redirecting funds from the Income Support Program into the NLCB. In 2007–2008 the MBNS was increased to \$60.00 per child per month.

Note: The pre-natal portion of the MBNS, of \$45 per month per family, was also part of the Income Support Program. This was also removed from the Income

Support Program and is delivered as an income-tested benefit outside the Income Support Program. Funding for this initiative is provided through funds redirected from the Income Support Program and through funding from the Early Childhood Development Initiative. In 2007–2008 the pre-natal portion of the MBNS was also increased to \$60.00 per month per family and included a one time birth benefit of \$90 during the month of the child's birth.

#### **Unlicensed Child Care (Investment) –**

This initiative increases financial support to families with dependent children who require child care in order to seek and retain employment or are involved in post-secondary pursuits, but for various reasons, cannot access licensed child care. This service increases benefits to families receiving Income Support and ensures families are not worse off as a result of going to work. This initiative came into effect October 1, 1998.

#### **Family Home Child Care Agencies**

**(Investment)** – Refers to community-based, non-profit organizations that recruit, support, approve and monitor regulated child care services in private family homes. The agency is licensed to approve individual homes according to standards provided by the Regional Health Authorities. In Newfoundland and Labrador, two family home child care agencies receive NCB funding.

#### **Child Care Subsidy Program**

**(Investment)** – NCB funding builds on the base provincial allocation for the Child Care Subsidy Program. The program is income-tested and available to families in receipt of benefits from the Income Support Program and to low-income families (net income up to \$27,480 and a partial

subsidy on a declining scale thereafter). NCB funding has made it possible to increase the subsidy rate and to provide greater access for families to regulated child care spaces. The funding also supports transportation costs on behalf of the families where a child care subsidy applies.

#### **Funding to Centres (Investment) –**

NCB funding supports the provision of annual equipment grants to licensed child-care centres. This component assists in supporting quality care in licensed group care.

#### **School-Based Infant Care (Investment) –**

This initiative offers group infant child care in high schools at no cost for students who require on-site care and increased support to continue their high school education. This initiative combines access to quality child care services and direct supportive assistance to parents attending high school. During the school day, the teen parents are encouraged to spend breaks and free time in the centre for purposes of interacting with their baby and to gain insights and support on parenting skills. Transportation to and from the school for babies and parents is also provided.

#### **Early Childhood Education**

##### **Certification (Investment) –**

This component supports two ongoing initiatives which are delivered through the Association of Early Childhood Educators of Newfoundland and Labrador (AECENL): (1) Child Care Services Certification – the process that allows for the assessment of the level of Early Childhood Educator (ECE) specific training. ECEs in the province are required by legislation to be certified. The certification process results in assignment of levels and classifications so that

individuals can work in the ECE sector; and (2) Delivery of Orientation Courses – provide a means to receive a particular classification of certification. They are specific to the age group in which the participants choose to work such as in infant care, preschool, school age or family child care. The courses are approximately 40–60 hours in length and are delivered in a variety of formats.

### **Child Care Service Consultants**

**(Investment)** – On an annual basis, NCB funding supports six Child Care Consultant positions in the province. These positions are located across the province within Regional Health Authorities. These positions add to the licensing, support and child care expertise available in the province.

### **Extended Drug Card Program**

**(Investment)** – This initiative extends the health-care benefits to six months for individuals/families leaving the Income Support Program for employment. This initiative helps recipients make the transition from dependence on Income Support to employment. While the Income Support Program continues to determine the eligibility for the extended drug card under the Newfoundland and Labrador Prescription Drug Program (NLPDP), responsibility for the issuing of the drug card was transferred to the Department of Health and Community Services (HCS) in 2007–2008. In addition, HCS administers all aspects of the NLPDP.

### **Family Resource Programs**

**(Investment)** – Family resource programs are community-based services that are designed to provide a range of drop-in support services and learning activities for young children and their families. Objectives of the services are

to improve child development outcomes, to support adults in their respective caregiving roles, and to increase community involvement in the support available for young children and families. The target group is primarily children up to six years of age (and up to 12 where needed), pregnant women, parents, family members and other caregivers. Healthy baby clubs are a specific service that is provided through family resource programs or other similar community-based services. Healthy baby clubs are prenatal programs that provide a range of one-on-one and group services to pregnant women to help support the best possible birth outcome. Particular emphasis is placed on nutrition, healthy lifestyle and personal support. NCB funding supports nine family resource programs, including healthy baby clubs (seven of the family resource programs operate with a main hub site and several satellite service sites).

### **Intervention Program Supports**

**(Investment)** – Intervention Program Supports encompass two initiatives: (1) support for implementation of home-based early intervention services for families with children under age 6 years and with significant delay or disabilities, including intensive intervention services for children diagnosed with autism spectrum disorder; and (2) enhancement to the Special Child Welfare Allowance for eligible families with children with disabilities who require additional support in the home environment. These combined activities are designed to support families who have children with special needs and require additional supports to improve both child and family outcomes.

### **Child, Youth and Family Services**

**(Reinvestment)** – These programs and services are designed to support the safety, health and well-being of children, youth and families. They include support services for families, protective intervention (including children in care), youth services and adoptions.

### **Community Youth Network**

**(Investment)** – The Community Youth Network provides community-based facilities for youth aged 12 to 18 years, in addition to offering programs and services to other ages from 5 to 29 years. There are fifteen hub sites with an additional 12 satellites throughout the province, all with the capacity to serve several other communities within their respective catchment areas. This initiative aims to provide services and support along four business lines: learning, employment, community building and services. Services and support are provided in youth-friendly settings that combine many positive strategies to encourage youth participation and learning. Programs that involve intensive one-on-one support and skill development, group social, academic, recreational, and leadership approaches are used to enhance the lines of business. The projects are run by community coalitions (including youth participation); they are designed to build partnerships and support young people, especially youth who require increased assistance to achieve success in life. The Community Youth Network is very highly regarded at the community level, and an independent formative evaluation of the initiative has been completed.

### **Residential/Mental Health Services**

**(Investment)** – This refers to annual funding provided to Regional Health Authorities to support youth aged 12 to 18 years. At the regional level, the funding is allocated to residential and mental health services as needed to increase support to youth-at-risk and to provide preventive, community-based solutions for young people.

### **Project Administration (Investment) –**

This is funding reserved to support overall administration of the NCB programs, services and initiatives that fall under the responsibility of the Department of Health and Community Services.

**Table 15** Newfoundland and Labrador: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child Benefits &amp; Earned Income Supplements</b>				
Newfoundland and Labrador Child Benefit (NLCB) <sup>a</sup>	8,328	8,075	8,782	8,666
<b>Child/Day Care</b>				
Unlicensed Child Care	600	600	600	600
Family Home Child Care Agencies	250	251	254	251
Child-Care Subsidy Program	1,736	1,737	1,737	1,737
Funding to Centres	251	253	253	254
School-Based Infant Care	66	84	84	84
Early Childhood Education Certification	78	106	120	118
Child Care Service Consultants	320	320	320	320
<b>Supplementary Health Benefits</b>				
Extended Drug Card Program	975	953	1,068	955
<b>Early Childhood/Children-at-Risk Services</b>				
Family Resource Programs	1,690	1,690	1,690	1,690
Intervention Program Supports	1,101	1,000	1,258	1,336
Child, Youth and Family Services	1,700	2,627	2,647	2,710
<b>Youth Initiatives</b>				
Community Youth Network	1,417	1,417	2,067	2,597
Residential/Mental Health Services	964	964	964	964
<b>Other NCB Programs, Benefits &amp; Services</b>				
Project Administration	226	176	208	120
<b>Total</b>	<b>19,701</b>	<b>20,253</b>	<b>22,052</b>	<b>22,401</b>

<sup>a</sup> Mother Baby Nutrition Supplement was added to the NLCB in December 2001. Funding for this initiative is provided through redirecting funds from the Income Support Program into the Newfoundland and Labrador Child Benefit.

**Note:** Totals may not add due to rounding.

**Table 16**

## Newfoundland and Labrador: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

NCB Initiatives by Program Name <sup>a</sup>	2005–2006		2006–2007		2007–2008		2008–2009	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Newfoundland and Labrador Child Benefit	18,246	28,393	17,329	27,072	16,258	25,297	14,956	23,640
Unlicensed Child Care <sup>b</sup>	291	411	291	411	254	406	240	384
School-Based Infant Care	n/a	8	n/a	8	n/a	7	n/a	9
Extended Drug Card Program <sup>b</sup>	780	1,257	780	1,257	957	1,523	1,078	1,667
Family Resource Programs <sup>b,c</sup>	2,500	3,200	2,629	3,108	2,637	2,959	3,258	3,145
Community Youth Network	3,480	7,974	3,501	8,140	4,300	11,240	4,600	11,900

<sup>a</sup> Programs with no available data are not listed.

<sup>b</sup> Represents monthly average.

<sup>c</sup> In 2008–2009, the number of families in the Family Resources Program includes participants from the Healthy Baby Club. Healthy Baby Club is a prenatal nutrition support program offered to eligible women who may need extra support during and after their pregnancy.

**Note:** n/a indicates the data for this category is not available.



## Prince Edward Island

In Prince Edward Island, the NCB has had a dual focus: to support parents to join and remain in the workforce and to enhance early childhood services. Prince Edward Island has put in place a number of reinvestment initiatives that serve both purposes.

Prince Edward Island adopted the social assistance offset approach when the program originated. This means the province treated the NCB Supplement as an unearned income charge against social assistance until 2001. Therefore, the province deducted the amount of the NCB Supplement from the social assistance entitlement to families with children. Since 2001, any increases in the NCB Supplement have been used to fund an equal increase in the Healthy Child Allowance, a social assistance benefit.

### Prince Edward Island reinvestments and investments include:

**PEI Child Care Benefit** – An enhancement to the Child Care Subsidy Program. This benefit has provided increased access and financial support for licensed child care for Island children.

**PEI Family Health Benefit** – This program helps lower income families with the cost of prescription drugs. Eligibility is based on family size and net family income for the previous year.

**Looking After Children** – NCB funds have been key to implementing this project for the delivery of services to children in public care. The project has included the development of research-based policies, training for care providers, materials and review processes.

**Children-in-Care Initiatives** – NCB funds have also been used to support the delivery of children-in-care services to children in Prince Edward Island. Staffing increases within the renewed child protection services have resulted in enhanced quality of service planning with children/families.

### Children's Mental Health –

NCB has provided the funding necessary to establish new children's mental health therapist positions. These positions provide an improved response to Island families who have children with complex mental health problems.

**Healthy Child Allowance** – This is a social assistance benefit payable to families with children under the age of 18 to provide for participation in sport, recreation and/or cultural activities. Effective August 2008, the benefit increased to \$102 per month (from \$99/month).

### Literacy/Adult Basic Education

**Program** – One of the stepping stones to independence is literacy. This program, delivered by the Adult and Community Education Program of Holland College, has helped make adult literacy education available at the community level. NCB funds annually help low-income parents to take advantage of this program.

### Family Legal Aid Program –

This program provides legal services to low-income custodial parents and their children to determine matters of custody and access/support in relation to matters of family law. Effective 2006–2007, due to restructuring of the Department of Social Services and Seniors, this program is funded from other sources.

**Table 17** Prince Edward Island: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child/Day Care</b>				
PEI Child-Care Benefit	700	700	700	700
<b>Supplementary Health Benefits</b>				
PEI Family Health Benefit	250	250	254	293
<b>Early Childhood/Children-at-Risk Services</b>				
Looking After Children	50	50	50	50
Children-in-Care Initiatives	450	450	450	450
Children's Mental Health	250	250	250	250
Healthy Child Allowance	1,753	1,871	1,836	1,850
<b>Other NCB Programs, Benefits &amp; Services</b>				
Literacy/Adult Basic Education Program	100	100	100	100
Family Legal Aid Program <sup>a</sup>	80	—	—	—
<b>Total</b>	<b>3,633</b>	<b>3,671</b>	<b>3,640</b>	<b>3,693</b>

<sup>a</sup> As of 2006–2007, the Department of Social Services and Seniors and the Department of Health were restructured and this program is now funded from other sources.

**Note:** Totals may not add due to rounding.



**Table 18****Prince Edward Island: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

<b>NCB Initiatives by Program Name</b>	<b>2005–2006</b>		<b>2006–2007</b>		<b>2007–2008</b>		<b>2008–2009</b>	
	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>
PEI Child-Care Benefit <sup>a</sup>	1,450	2,200	1,250	2,050	1,350	2,100	1,450	2,200
PEI Family Health Benefit	560	890	550	900	550	960	740	1,280
Looking After Children	160	180	150	170	140	160	120	140
Children-in-Care Initiatives	265	295	250	280	240	260	200	230
Children's Mental Health	1,200	1,300	n/a	1,100	n/a	980	n/a	520
Healthy Child Allowance <sup>b</sup>	1,150	2,100	1,780	3,200	1,640	2,900	1,530	2,800
Literacy/Adult Basic Education Program <sup>c</sup>	100	n/a	100	n/a	60	n/a	52	n/a
Family Legal Aid Program <sup>d</sup>	25	—	—	—	—	—	—	—

<sup>a</sup> Numbers include families and children assisted from all provincial sources of funds.

<sup>b</sup> As of 2006–2007, all families and children receiving Healthy Child Allowance during the fiscal year were counted and reported. Before that time, average numbers of recipients per month were counted and reported.

<sup>c</sup> The numbers reported here are participants in the Literacy/Adult Basic Training program who have self-reported as Social Assistance recipients, and it is known that this status is underreported by program participants.

<sup>d</sup> As of 2006–2007, the Department of Social Services and the Department of Health were restructured and this program is now funded from other sources.

**Note:** n/a indicates the data for this category is not available.

## Nova Scotia

Effectively supporting children and youth continues to be a key priority for Nova Scotia. This commitment, in combination with the joint federal, provincial and territorial NCB initiative, has resulted in a sharp drop in the number of children living in poverty in Nova Scotia. The province is building on that progress by strengthening the supports available to low-income families with children and introducing some new ones. In 2007–2008 Nova Scotia spent a total of \$2.6 million on NCB programs.

Nova Scotia is moving forward on its development of a Poverty Reduction Strategy. A Poverty Reduction Working Group comprised of government staff and community stakeholders was created in 2007. The needs of families and children were identified as a priority very early on in their work. The Working Group submitted its recommendations in June 2008. The recommendations will be used to inform the development of the province's strategy.

Nova Scotia also supported families with children by making significant investments in child care through the Early Learning and Child Care plan over the past two years, including the approval of 550 new licensed child care spaces. An additional 250 new child care subsidies brings the total number of subsidies provided to Nova Scotian families to more than 3,000.

Nova Scotia introduced a **Low Income Pharmacare for Children** program October 1, 2006 as part of the province's continuing commitment to the NCB initiative. The program provides prescription medication to children under

the age of 18 whose families receive the Nova Scotia Child Benefit and who do not have prescription coverage under another health insurance plan. This program is not available to families who already receive pharmacare from the Department of Community Services. Eligible families pay \$5 per prescription for their dependent children, making medications more affordable for low-income families in need. The province continues to help thousands of families with the cost of prescriptions through its Low Income Pharmacare for Children Program every year since 2006. In 2007–2008, 14,317 children in 8,694 low income families received benefits under the Low Income Pharmacare for Children program. The Low Income Pharmacare for Children Program is a provincial investment in the National Child Benefit initiative and this report includes information on the numbers of families and children benefiting from the program, and the costs associated with the program since its inception.

### Nova Scotia's NCB initiatives include:

**Nova Scotia Child Benefit** – In 1998, the government established the Nova Scotia Child Benefit to provide low-income families with monthly payments to assist them with the cost of raising children under 18 years of age.

This benefit is fully funded by the province and is provided in addition to the NCB Supplement. The Nova Scotia Child Benefit is delivered as a combined payment with the CCTB and the NCB Supplement. In 1999, the Nova Scotia government promised that any future increases to the NCB Supplement would flow directly through to families.

In July 2001, as part of Nova Scotia's redesign of its social assistance system, children's benefits were removed from social assistance. This policy change meant that parents with low incomes would receive child benefits from both governments whether or not they were receiving income assistance. The Nova Scotia Child Benefit was enhanced in 2001 to provide a maximum annual benefit of \$445 for the first child, \$645 for the second child and \$720 for third and each additional child in low-income families. The Nova Scotia Child benefit made a substantial increase to the household incomes of low-income families and helped with the costs of raising a child.

The Nova Scotia Child Benefit also made it easier for parents to enter or stay in the work force. Providing child benefits outside the income assistance system made it easier and more financially viable for parents receiving income assistance to return to work because they did not lose their child benefits when they left income assistance. Qualifying low income working parents also received the Nova Scotia Child Benefit.

The Canada Revenue Agency delivers the Nova Scotia Child Benefit, as well as the base benefit of the CCTB, and the NCB Supplement.

In 2007–2008, 24,836 families with 42,468 children received the Nova Scotia Child Benefit. The number of Nova Scotian children needing the NCB Supplement decreased from 2006–2007 as the economy continues to improve and more low-income families earned higher incomes through secure employment.

### **Low Income Pharmacare for Children –**

The program provides prescription medication to children younger than 18 whose families receive the Nova Scotia Child Benefit. Eligible families pay \$5 per prescription for their dependent children, making medications more affordable for low-income families in need. In 2007–2008, 14,317 children in 8,694 low-income families received benefits under the Low Income Pharmacare for Children program.

**Centre-Based Child Care –** Two hundred and thirty new subsidized centre-based child care spaces have been funded under the auspices of the NCB since 1998, including 30 spaces for children with special needs.

**Early Intervention Programs –** These programs help pre-school aged children with developmental disabilities to reach their potential. Additional operating grants have been made to existing centres and new programs have been initiated to ensure all families throughout the province have access to this service.

**Table 19** Nova Scotia: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child Benefits &amp; Earned Income Supplements</b>				
Nova Scotia Child Benefit	25,597	24,337	22,894	21,625
<b>Child/Day Care</b>				
Centre-Based Child Care	1,537	1,537	1,537	1,537
<b>Supplementary Health Benefits</b>				
Low Income Pharmacare for Children <sup>a</sup>	—	264	564	705
<b>Early Childhood/Children-at-Risk Services</b>				
Early Intervention Programs	675	675	675	675
<b>Total</b>	<b>27,809</b>	<b>26,813</b>	<b>25,670</b>	<b>24,541</b>

<sup>a</sup> This initiative was introduced in October 2006.

**Note:** Totals may not add due to rounding.

**Table 20** Nova Scotia: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

	2005–2006		2006–2007		2007–2008		2008–2009	
<b>NCB Initiatives by Program Name</b>	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Nova Scotia Child Benefit	28,215	48,033	26,762	45,511	24,836	42,468	23,006	39,572
Centre-Based Child Care	n/a	230	n/a	230	n/a	230	n/a	230
Low Income Pharmacare for Children <sup>a</sup>	—	—	7,212	12,322	8,694	14,317	7,958	12,788
Early Intervention Programs	n/a	105	n/a	105	n/a	105	n/a	105

<sup>a</sup> This initiative was introduced in October 2006.

**Note:** n/a indicates the data for this category is not available.

## New Brunswick

The government continues to build upon programs and services that help reduce and prevent child and family poverty, promote labour market attachment and foster early childhood development.

In 1998–1999, New Brunswick passed on the full value of the federal NCB Supplement to families on social assistance, and has continued to pass on all subsequent increases. In August of 1998, the province made investments under the NCB initiative through increased funding for child care and the creation of the Alternative Child-Care Assistance Program. New Brunswick has consistently maintained or increased the level of funding for each of its initiatives since the creation of the NCB in 1998.

### New Brunswick's investments include:

#### Day-Care Assistance Program –

The Day-Care Assistance Program is designed to help families get the best possible child care. This program offers parents or guardians financial assistance to help them access quality, affordable care at an approved day-care facility. In 1997–1998, prior to the NCB initiative, New Brunswick invested \$4.23 million in the Day-Care Assistance Program. New Brunswick has devoted additional incremental funds to the Day-Care Assistance Program to support the goals of the NCB each year since the initiative began in 1998.

#### Alternative Child-Care Assistance –

Financial assistance may also be available to low-income parents or guardians who are in school or are working and do not have access to licensed day care. This program is designed to assist those who require child care during evenings, nights and weekends or who have no licensed child-care facilities in their community.

#### Provincial Breastfeeding Strategy –

As part of its strategy to promote, protect and support breastfeeding, New Brunswick has adopted the WHO/ UNICEF Baby-Friendly Initiative (BFI). As such, all hospitals with maternity units, Public Health offices and Community Health Centres are required to take steps to achieve BFI designation. This long term project is underway in all Regional Health Authorities. The sum of \$100,000 has been allocated at the provincial level to support this initiative.

#### Healthy Minds Nutritional Partnership –

Initially called Healthy Minds Breakfast Pilot Program and begun as a pilot program, it addressed the nutritional needs of elementary school students by providing basic breakfast items, and benefited approximately 2,150 children. In 2000–2001, the program was significantly expanded and renamed the Healthy Minds Nutritional Partnership. By 2007–2008, the program benefited as many as 6,037 students across the province.

### Positive Learning Environment –

This program addresses the unmet needs of children by identifying best practices for discipline in the school system when a positive environment alone is not enough. These include setting limits for behaviour and identifying the responsibilities of all partners in the school system.

**Youth Addictions –** The Regional Addiction Services Youth Treatment Program is a community-based program offered by the Department of Health through Regional Health Authorities. It provides treatment to young substance abusers within their own community. In 1997–1998, prior to the NCB,

New Brunswick invested \$0.6 million in youth addiction treatment. Prior spending, combined with incremental investments, resulted in a significant increase to New Brunswick's expenditures in this program. Enhanced funding provided increased education, prevention and chemical dependency treatment for approximately 1,500 children and youth aged 12 to 19 years in 2007–2008.

In addition to its NCB initiatives, New Brunswick is also supporting the needs of families with children by funding the New Brunswick Child Tax Benefit, which includes the Working Income Supplement, with over \$20 million every year.

**Table 21** New Brunswick: NCB Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child/Day Care</b>				
Day-Care Assistance Program	4,768	4,768	4,768	4,768
Alternative Child-Care Assistance	717	717	717	717
<b>Early Childhood/Children-at-Risk Services</b>				
Provincial Breastfeeding Strategy	10	10	100	100
Healthy Minds Nutritional Partnership	744	939	851	884
Positive Learning Environment	3,638	4,146	4,000	4,000
<b>Youth Initiatives</b>				
Youth Addictions	1,477	1,655	1,542	1,565
<b>Total</b>	<b>11,354</b>	<b>12,234</b>	<b>11,978</b>	<b>12,034</b>

**Note:** Totals may not add due to rounding.

**Table 22****New Brunswick: Estimated Number of Families and Children Benefiting under NCB Investments**

<b>NCB Initiatives by Program Name<sup>a</sup></b>	<b>2005–2006</b>		<b>2006–2007</b>		<b>2007–2008</b>		<b>2008–2009</b>	
	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>
Day-Care Assistance Program	n/a	3,684	n/a	3,530	n/a	5,437	n/a	5,308
Alternative Child-Care Assistance	n/a	247	n/a	200	n/a	167	n/a	101
Healthy Minds Nutritional Partnership	n/a	6,344	n/a	6,219	n/a	6,037	n/a	5,907
Positive Learning Environment	n/a	114,820	n/a	112,031	n/a	110,288	n/a	108,407
Youth Addictions	n/a	1,683	n/a	1,574	n/a	1,486	n/a	1,459

<sup>a</sup> Programs with no available data are not listed.

**Note:** n/a indicates the data for this category is not available.

## Ontario

Ontario's NCB initiatives aim to prevent and reduce the depth of child poverty, encourage labour force attachment, and enhance learning and development for children in low-income families.

The 2004, 2005, 2006 and 2007 increases to the NCB Supplement were flowed through to social assistance recipients. Further, the 2007 Ontario Budget announced that **all** future NCB Supplement increases would flow through to social assistance recipients without an income charge and that the full value of the NCB Supplement would be exempt as income starting in July 2008.

In Ontario, the provincial government and municipalities have made significant investments in NCB initiatives. Since social assistance is cost-shared between the province and municipalities, each has a role to play in Ontario's reinvestment strategy.

### Ontario reinvestments and investments include:

#### Ontario Child Care Supplement for Working Families (OCCS) –

Each year, Ontario spends about \$200 million on the OCCS, funded in part from the NCB reinvestment funds and through additional provincial investments, including \$40 million carried forward from the former Ontario Child Care Tax Credit. The OCCS, created in 1998, provides low-to moderate-income working families with a benefit for each child under age seven. Families are eligible for the OCCS if they have employment earnings exceeding \$5,000 for the year, whether or not they have child care expenses. It is also available

to families where parents are attending school or training programs and have qualifying child care expenses. The benefit starts decreasing when family net income reaches \$20,000.

In 2000–2001, Ontario introduced an additional \$210 per child supplement for single parent families who qualify for OCCS, bringing the maximum annual OCCS benefit for single-parent families to \$1,310 annually per child under the age of seven (maximum benefit for two-parent families is \$1,100 per child). Funding for the single parent supplement represented an additional provincial investment in children in low-income families.

#### Child and Youth Mental Health –

In 2007–2008, the province reinvested \$20 million towards clinical service areas in child and youth mental health, including intensive child and family intervention services and the Ontario Child and Youth Telepsychiatry Program.

#### Children's Treatment Centres –

In 2007–2008, the province reinvested \$22 million towards the development of innovative approaches to assisting children with special needs.

#### Municipal Reinvestment Strategies –

Ontario municipalities are implementing their own initiatives as part of Ontario's overall reinvestment strategy. These strategies, designed to meet local needs and priorities, include reinvestments in areas such as early intervention, child care, employment supports and prevention programs.



## Changes to social assistance and the Ontario Child Benefit

### The Ontario Child Benefit (OCB) –

Starting in July 2008, Ontario began to provide monthly OCB payments to low- to moderate-income families with children under the age of 18. The OCB treats all children in low- to moderate-income families equally by providing families with the same benefits for their children regardless of income source.

In July 2008 when monthly OCB payments began, social assistance benefits and the OCCS were restructured and families on social assistance began to receive the full value of the NCB Supplement.

Additional information is available on the Ontario Child Benefit website at [www.children.gov.on.ca](http://www.children.gov.on.ca).

**Table 23** Ontario: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates <sup>a</sup> (\$000)
<b>Child/Day Care</b>				
Ontario Child-Care Supplement for Working Families (OCCS) <sup>b</sup>	160,000	149,000	149,000	49,667
<b>Early Childhood/Children-at-Risk Services</b>				
Child and Youth Mental Health <sup>c</sup>	20,000	20,000	20,000	6,667
Children's Treatment Centres	22,000	22,000	22,000	7,333
<b>Other NCB Programs, Benefits &amp; Services</b>				
Municipal Reinvestments Strategies	44,533	43,809	43,050	13,381
<b>Total</b>	<b>246,533</b>	<b>234,809</b>	<b>234,050</b>	<b>77,048</b>

<sup>a</sup> For fiscal year 2008–2009, NCB Supplement funds available for reinvestment are estimated based on the months of April to July 2008. With the introduction of the Ontario Child Benefit in July 2008, families on social assistance began to receive the full value of the NCB Supplement without an income charge.

<sup>b</sup> Figures exclude an additional \$40 million previously committed to the former Ontario Child Care Tax Credit. The OCCS is an application-based program. Benefits are based on the previous year's tax return, and families have three years to file their tax return. After filing their tax return, families are given 18 months to return their OCCS application. Historically, it has taken about three years after the close of a given OCCS benefit year to achieve full take-up for that benefit year.

<sup>c</sup> Formerly called *4-Point Plan for Children's Mental Health*.

**Note:** Totals may not add due to rounding.

**Table 24****Ontario: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments<sup>a</sup>**

<b>NCB Initiatives by Program Name<sup>b</sup></b>	<b>2005–2006</b>		<b>2006–2007</b>		<b>2007–2008</b>		<b>2008–2009</b>	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Ontario Child-Care Supplement for Working Families (OCCS) <sup>c</sup>	222,000	350,000	222,000	350,000	n/a	n/a	n/a	n/a

<sup>a</sup> Based on Program Entitlement.<sup>b</sup> Programs with no available data are not listed.<sup>c</sup> The OCCS is an application-based program. Benefits are based on the previous year's tax return, and families have three years to file their tax return. After filing their tax return, families are given 18 months to return their OCCS application. Historically, it has taken about three years after the close of a given OCCS benefit year to achieve full take-up for that benefit year.**Note:** n/a indicates that data for this category is not available.

## Manitoba

Manitoba<sup>39</sup> has continued to invest in programs and services that help reduce and prevent child and family poverty, promote labour market attachment and foster early childhood development.

In 1998, when the NCB Supplement was introduced, Manitoba, like most provinces, reduced benefit levels for families receiving income assistance by the amount of the supplement and redirected those funds into programs and services for low-income families with children living in Manitoba.

In mid-2000 however, as a means of providing additional assistance to families receiving income assistance, Manitoba began a phased in restoration of the NCB Supplement. In January 2004 the final phase of the restoration was implemented and the NCB Supplement was fully restored for all families receiving income assistance.

### **In addition to the restoration of the NCB Supplement, Manitoba's investments and reinvestments include:**

**Manitoba Child Care Program** – Between April 1999, and March 2009, child care funding in Manitoba has increased by 110 percent to \$113.0 million,<sup>40</sup> improving salaries, as well as training opportunities and supports for early childhood educators

and providing additional subsidies for children. Increased funding has also been provided to integrate more children with disabilities into the child care system and to expand the number of funded child care spaces.

### **Children's Special Services (CSS) –**

Family-centred services are provided to birth, extended or adoptive families to assist them with caring for their children with developmental and/or physical disabilities in their own homes to the greatest extent possible and to promote the development of normalized community arrangements. Between April 1999 and March 2009, funding for the CSS program has increased by 148.9 percent to \$26.4 million, enabling more children with disabilities and their families to access the supports and services they need. As of March 31, 2009, a total of 4,568 children received services through the Family Support Services program of CSS, an increase of 5.1 percent over the previous fiscal year.

**Healthy Baby** – Healthy Baby is a two part program including the Manitoba Prenatal Benefit and Healthy Baby Community Support Programs. The Manitoba Prenatal Benefit (MPB) was launched in July 2001 for income-eligible pregnant women who live in Manitoba. It is intended to support women to meet their extra nutritional needs during pregnancy. The benefit also acts as

<sup>39</sup> Effective July 2000, Manitoba discontinued recovering increases to the NCB Supplement for all families receiving income assistance. Effective July 2001, Manitoba stopped recovering the NCB Supplement for children age six and under. Effective January 2003, it stopped recovering the NCB Supplement for children age 7 to 11 years; and, effective January 2004, it stopped recovering the NCB Supplement for children age 12 to 17 years.

<sup>40</sup> Includes funding provided through federal 2000 Early Childhood Development Agreement and 2003 Multilateral Framework on Early Learning and Child Care transfers as well as provincial revenue funds. Does not include 2005 and 2006 federal Early Learning and Child Care funds (\$25.6 million in 2005–2006, \$23.7 million in 2006–2007). The federal Early Learning and Child Care funding was cancelled in 2007–2008.

a mechanism to connect women to health and community resources in their areas. MPB applicants have the option to consent to have their contact information given to their local Healthy Baby program coordinator and/or public/community health provider. Healthy Baby Community Support Programs, via group sessions and outreach, are designed to assist pregnant women and new parents in connecting with other parents, families and health professionals to ensure healthy outcomes for their babies. Delivered through community-based partners, the programs provide pregnant women and new parents with practical information and resources on maternal/child health issues, prenatal/postnatal and infant nutrition, benefits of breastfeeding, healthy lifestyle options, parenting support, infant development and strategies to support the healthy physical, cognitive and emotional development of children.

**Families First** – This is a community-based home visiting program for families with children from conception to Kindergarten. Delivered by Regional Health Authorities across Manitoba, Families First begins with universal screening of families with a newborn. Based on the family's identified strengths and needs, the program offers a continuum of support to families including referral to other community services. Regular visits by public health nurses are augmented by weekly home visits from specially trained home visitors. These visitors establish trusting nurturing relationships with families, support parenting and secure attachment, promote problem solving skills and assist in strengthening the family support system.

### **Parent-Child Coalitions (formerly Parent-Child Centred Approach) –**

This brings together community strengths and resources within a geographic boundary through regional coalitions, with representation from a variety of community partners. There are 27 funded coalitions province-wide (11 regions outside Winnipeg, 12 community areas within Winnipeg and 3 cultural organizations). Parent child coalitions promote and support existing community-based programs and activities for children and families, and initiate new activities that reflect community diversity. Also, a number of family resource centres receive funding under this initiative. Core priorities include positive parenting, nutrition and physical health, learning and literacy and community capacity building.

**Stop FASD** – This is an intensive three-year outreach program for women who have used alcohol and/or drugs heavily during pregnancy and are not well connected to community support services. Paraprofessional mentors offer flexible services to help women build and maintain healthier lifestyles in a supportive, non judgmental way. Programming is client centered, tailored to each woman's individual goals, and aims to connect women to long term supports for her and her children. Stop FASD is currently offered in Winnipeg at two sites and in Thompson and The Pas. The program will be expanded to the communities of Portage la Prairie, Dauphin and Flin Flon in 2009–2010.

**Special Needs Programs for Children in Schools** – This initiative provides funding and consultative support for the development and operation of specific projects that provide school-based programming for students with special needs. Examples

include FASD in the Classroom which provides a specialized classroom setting to enhance the school experience and outcomes for children and youth with FASD, and COACH, which is a 24-hour wraparound program for children ages 5 to 11 years with extreme behavioural, emotional, social and academic issues in their home, school and community settings.

**Healthy Schools** – This is Manitoba’s school health initiative intended to promote the health of school communities. The initiative recognizes that good health is important for learning, and that schools are in a unique position to positively influence the health of children, youth and their families. Healthy Schools focuses on priority health issues including physical activity, healthy eating, safety and injury prevention, substance use and addictions, sexual and reproductive health, and mental health promotion. Healthy Schools includes three main components: promoting community-based activities; promoting targeted provincial campaigns in response to issues affecting health and wellness of the school community; and developing resources for province-wide use.

**Other Programs** – These community-based initiatives provide access to education and support services for children, youth and families in high needs communities and promote community awareness, ownership and capacity building of the participants. One example through Healthy Child Manitoba is the Neah Kee Papa program, a positive parenting program for young Aboriginal fathers, which is delivered by the Manitoba Metis Federation.

## **Early Childhood Development**

**Initiative (ECDI)** – ECDI provides funding support to school divisions in the provision of intersectoral services for preschoolers (birth to school age). ECDI, in partnership with parents, the community and Healthy Child Manitoba, is designed to facilitate preschoolers’ readiness to learn prior to school entry.

**Early Literacy** – This grant program supports school divisions in their efforts to implement early literacy intervention programs that will accelerate the literacy development of the lowest-achieving grade one students.

## **Middle Childhood and Adolescent Development (MCAD)** (for ages 6–18 years) (Formerly known as Healthy Adolescent Development) –

Funding is provided to programs and services that target children between the ages of 6 to 18. HCM supports a number of Middle Childhood (6–12 years) school-based and community programs including Big Brothers Big Sisters in-school mentorship program and the William Whyte School Worker Project. The Adolescent Development (13–18 years) component supports programs that focus on improving sexual and reproductive health from a harm reduction perspective. Some of the Healthy Child Manitoba funded programs include Teen Clinics in Winnipeg, Selkirk, The Pas, Flin Flon and Cranberry Portage, and health and education programs such as Teen Talk. Resource development for school-aged children and youth and the service providers who work with them is also a key component of the MCAD area.

**Workforce Attachment** – These initiatives provide low-income parents who are either working or on social assistance with a range of supports that help them obtain and maintain employment. Employment supports include needs/skills assessments, labour market information, job-focused education/skills development and job search/job placement assistance.

**Building Independence/New Income Assistance Initiatives** – Manitoba has increased supports for parents to enter or re-enter the labour market, and has improved benefits for families receiving income assistance. Job-centre supports and work incentives have been enhanced, and supports to help citizens become independent have been improved.

**Table 25** Manitoba: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child/Day Care</b>				
Manitoba Child Care Program <sup>a b c</sup>	5,324	5,100	4,420	9,108
<b>Early Childhood/Children-at-Risk Services</b>				
Children's Special Services <sup>a b</sup>	1,833	1,561	1,483	2,612
Healthy Child Manitoba:				
Healthy Baby <sup>b</sup>	4,845	4,824	4,569	4,693
Families First <sup>b c</sup>	9,418	9,268	9,359	9,654
Parent-Child Coalitions <sup>b</sup>	3,085	3,005	3,140	3,184
STOP FASD <sup>b</sup>	748	779	779	791
Special Needs Programs for Children in Schools	3,843	4,346	4,376	4,712
Healthy Schools	750	284	327	323
Other Programs	1,021	1,033	1,052	981
Early Childhood Development Initiative (ECDI) <sup>b</sup>	1,363	1,400	1,600	1,600
Early Literacy	6,058	6,181	6,200	6,200
<b>Youth Initiatives</b>				
Middle Childhood and Adolescent Development <sup>d</sup>	298	233	234	332
<b>Other NCB Programs, Benefits &amp; Services</b>				
Workforce Attachment <sup>e</sup>	2,252	1,266	—	—
Building Independence/New Income Assistance Initiatives <sup>a f</sup>	15,424	15,424	15,424	15,424
<b>Total <sup>b</sup></b>	<b>56,262</b>	<b>54,705</b>	<b>52,964</b>	<b>59,614</b>

<sup>a</sup> The amounts indicated for the Manitoba Child Care Program, Children's Special Services and New Income Assistance Initiatives represent new incremental funding amounts only and do not include base funding in place prior to the introduction of the NCB.

<sup>b</sup> Figures include funding which is provided through federal transfers under the Early Childhood Development Agreement (\$18.3 million in 2005–2006 and 2006–2007, \$18.2 million in 2007–2008 and \$18.1 million 2008–2009) as well as provincial revenue.

<sup>c</sup> Figure includes funding received through the federal transfers under the 2003 Multilateral Framework on Early Learning and Child Care (\$8.2 million in 2005–2006, \$10.8 million in 2006–2007, \$12.6 million in 2007–2008 and \$12.7 million in 2008–2009). Figure does not include the Early Learning and Child Care Funds.

<sup>d</sup> Formerly known as *Healthy Adolescent Development*.

<sup>e</sup> In 2006–2007, Workforce Attachment no longer included funding for New Training Strategies.

<sup>f</sup> Reinvestments and Investments include expenditures on the Employment and Income Assistance Rate Increase and the Restoration of the NCB Supplement for families in receipt of Employment and Income Assistance benefits. In both 2005–2006 and 2006–2007, \$13.7 million was spent on the Restoration of the NCB Supplement. It is estimated that in both 2007–2008 and 2008–2009, \$13.7 million will be spent on the Restoration of the NCB Supplement.

**Note:** Totals may not add due to rounding.

**Table 26****Manitoba: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

NCB Initiatives by Program Name <sup>a</sup>	2005–2006		2006–2007		2007–2008		2008–2009	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Children's Special Services <sup>b</sup>	n/a	4,049	n/a	4,186	n/a	4,345	n/a	4,568
Healthy Baby	7,695	n/a	7,732	n/a	7,336	n/a	7,601	n/a
Families First <sup>c</sup>	1,469	1,469	1,549	1,549	1,456	1,456	1,464	1,464
STOP FASD	110	400	110	400	115	400	130	400
Special Needs Programs for Children in Schools	78	78	78	78	78	78	78	78
Other Programs	734	837	774	450	752	475	721	429
Early Literacy	n/a	2,602	n/a	2,560	n/a	2,561	n/a	2,546
Middle Childhood and Adolescent Development <sup>c</sup>	n/a	2,045	n/a	2,514	n/a	2,656	n/a	1,262
Workforce Attachment <sup>d</sup>	612	n/a	151	n/a	—	—	—	—
Building Independence/New Income Assistance Initiatives								
Work Incentives	2,900	n/a	2,900	n/a	2,900	n/a	2,900	n/a
Job Centre Supports	2,214	n/a	2,214	n/a	2,214	n/a	2,214	n/a
Individual Development Accounts	15	n/a	15	n/a	15	n/a	15	n/a
School Supplies	6,940	n/a	6,940	n/a	6,940	n/a	6,940	n/a

<sup>a</sup> Programs with no available data are not listed.<sup>b</sup> Numbers include only those children in the Family Support Program.<sup>c</sup> Formerly known as *Healthy Adolescent Development*.<sup>d</sup> In 2006–2007, families in New Training Strategies were no longer included under Workforce Attachment. In 2007–2008, Opportunities for Employment under Workforce Attachment, was no longer funded through the NCB reinvestments.**Note:** n/a indicates the data for this category is not available.



## Saskatchewan

Saskatchewan's NCB reinvestment programs aim to reduce and prevent child poverty through programs that assist low-income families with the costs of raising children, promote labour market attachment for low-income families, and support early learning and child care.

NCB initiatives in Saskatchewan are designed to improve opportunities for greater economic independence, social inclusion, and improved health and well-being.

When the NCB was introduced in 1998, Saskatchewan restructured social assistance by removing children's basic benefits from social assistance and establishing a separate child benefit available to all low-income families. The restructured benefit, known as the Saskatchewan Child Benefit, was delivered as an integrated payment with the Canada Child Tax Benefit to reduce duplication and simplify administration. The new structure was designed to support the NCB strategy of lowering the "welfare wall" and providing income-tested child benefits that remain portable as families move from welfare into work.

From 1998 to 2006, the province adjusted the Saskatchewan Child Benefit rates by the amount of federal increases to the NCB Supplement. Families on social assistance received at least the same in combined federal/provincial child benefits as they would have received under the previous welfare model of child benefits. Under the adjustment approach, the Saskatchewan Child Benefit was designed to reduce over time, and eventually phase

out as it was replaced by increases to the NCB Supplement. The Saskatchewan Child Benefit was fully phased out in July 2006. All subsequent federal increases to the NCB Supplement flow directly through to families. All savings from the offset of the Saskatchewan Child Benefit expenditures have been reinvested in other NCB initiatives.

In 2008, Saskatchewan provided continued or enhanced support for its remaining NCB initiatives

### Saskatchewan's NCB initiatives include:

**Saskatchewan Child Benefit** – Together with the NCB Supplement, the program replaced social assistance for children and provided child benefits to low-income families, whether parents were on social assistance or employed. In July 2006, the Saskatchewan Child Benefit was phased out as benefits were fully displaced by federal increases to the NCB Supplement. Paying child benefits outside of social assistance through the NCB Supplement makes it easier for parents to move to or remain in the labour market. The province continues to make adjustment payments for a small number of families on social assistance who do not receive the maximum NCB Supplement.

### Saskatchewan Employment

**Supplement** – This benefit is paid to low-income parents who are employed or who receive maintenance payments. The supplement supports employment by offsetting child-related costs that a parent may incur through working. It also improves incentives to collect maintenance payments by increasing the net value of the payment to the family.

**Child Care Enhancements –** Access to suitable child care arrangements is a critical support that helps parents enter and remain in the labour force, especially those whose children have special needs. Incremental funding has been provided to enhance child care subsidy rates, and to develop additional child care spaces and supports for the inclusion needs of low-income and high-needs families. These targeted supports provide low-income families with affordable, reliable child care so they can go to work or school and feel secure about the care of their children.

**Family Health Benefits –** This program extends supplementary health coverage to low-income families to assist with the cost of raising children. The program provides additional children's coverage for dental, optometry, chiropractic services, prescription drugs, ambulance transportation, and medical supplies. More limited coverage for eye care, drugs, and chiropractic services is also provided to parents. With this program, low-income families are assured of retaining health benefits as they leave social assistance for work opportunities and are not forced onto assistance due to children's health costs.

**Community Schools Program –** In 2002–2003, incremental funding was provided to expand the Community Schools Program. Located in low-income areas, community schools attempt to address the barriers to success in school and in life, by drawing parents and community resources into the schools. Parenting, pre-kindergarten, teen parent programs, and child nutrition programs are among the programs offered in community schools.

**Employment Support Programs –** These programs provide on-the-job training, job coaching, and productivity supports to assist individuals to attach to and remain in the labour force. Incremental funding was provided in 2002–2003 to enable families on social assistance and high-risk youth under 18 years who are at risk of becoming reliant on social assistance, to access employment opportunities and make the transition to independence.

**Maintenance Enhancement Project –** This initiative, introduced in 2002–2003, assists low-income single parents to receive or increase maintenance income for their children. Three additional legal staff were added to assist single parents to obtain child support orders, or to obtain variations in existing orders where non-custodial parents have experienced increased incomes. The income from child maintenance payments helps parents achieve greater financial independence, and is eligible for additional supplementation under the Saskatchewan Employment Supplement.

**Saskatchewan Rental Housing Supplement –** This program, developed in 2004 and implemented in 2005, is intended to help low-income families gain access to quality and affordable rental housing. Rent supplements are available to low-income households in the labour market as well as to those on welfare. Additional support is available for those with a disabled family member. The supplements are unique in that to qualify, rental properties must meet basic health and safety standards. Providing the supplements outside of welfare helps to reduce barriers to work.

### Family Shelter Enhancements –

Since 2005, additional support has been provided to enhance shelter benefits for families living in locations facing higher rental costs. The adjustments better reflect local market rents in different parts of the province. The Saskatchewan Rental Housing Supplement provides further assistance for rental costs exceeding base shelter benefits.

### Child Nutrition and Development

**Program –** This program provides funding for a range of projects, including school and community nutrition and nutrition education programs, food security initiatives, and self-sufficiency projects such as collective kitchens, which address the long-term causes of hunger and help low-income families acquire skills and abilities necessary for independence. Since 2005, incremental funding has been provided to expand services and enhance support for existing initiatives.

**Table 27** Saskatchewan: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child Benefits &amp; Earned Income Supplement</b>				
Saskatchewan Child Benefit <sup>a</sup>	7,840	1,791	1,037	652
Saskatchewan Employment Supplement	20,341	19,635	18,674	21,521
<b>Child/Day Care</b>				
Child Care Enhancements	1,093	2,340	5,841	2,752
<b>Supplementary Health Benefits</b>				
Family Health Benefits	11,505	11,505	10,938	10,592
<b>Youth Initiatives</b>				
Community Schools Program	13,029	13,518	14,635	16,619
<b>Other NCB Programs, Benefits &amp; Services</b>				
Employment Support Programs	1,092	272	500	500
Maintenance Enhancement Project	276	311	339	340
Saskatchewan Rental Housing Supplement	2,871	4,558	4,812	8,033
Family Shelter Enhancements	1,409	1,876	2,728	6,309
Child Nutrition and Development Program	506	1,191	655	813
<b>Unspent reinvestment funds</b>		471		
<b>Total</b>	<b>59,962</b>	<b>57,468</b>	<b>60,159</b>	<b>68,131</b>

<sup>a</sup> Reflects net provincial expenditures after recovery of funds from Aboriginal Affairs and Northern Development Canada for benefits paid to on-reserve families.

**Note:** Totals may not add due to rounding.

**Table 28****Saskatchewan: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

<b>NCB Initiatives by Program Name<sup>a</sup></b>	<b>2005–2006</b>		<b>2006–2007</b>		<b>2007–2008</b>		<b>2008–2009</b>	
	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>	<b>Families #</b>	<b>Children #</b>
Saskatchewan Child Benefit	17,910	36,900	16,960	34,030	380	800	285	600
Saskatchewan Employment Supplement	7,680	15,140	6,850	13,620	6,045	12,125	5,875	11,860
Child Care Enhancements	1,530	2,000	1,170	1,530	1,580	2,060	2,320	3,030
Family Health Benefits	21,420	35,760	19,925	33,715	17,985	30,765	16,460	28,160
Community Schools Program	n/a	26,240	n/a	24,105	n/a	25,250	n/a	25,250
Employment Support Programs	970	2,170	215	220	290	550	n/a	n/a
Saskatchewan Rental Housing Supplement	2,240	4,510	3,205	6,535	3,010	6,200	3,060	6,330
Family Shelter Enhancements	5,700	10,960	5,670	11,230	5,790	12,590	5,040	10,845

<sup>a</sup> Programs with no available data are not listed.

**Note:** n/a indicates the data for this category is not available.

## Alberta

Alberta's NCB initiatives support the shared goals of helping reduce the depth of child poverty and encouraging parents to participate in the workforce by ensuring they are better off working while reducing overlap and duplication between government programs. Alberta's initiatives also support low-income families with the costs associated with raising their children. Since 2003, Alberta has enhanced the mix of income and in-kind benefits and services to families receiving assistance through the Alberta Works-Income Support Program<sup>41</sup> by flowing through the full increase of the NCB Supplement directly to them.

### Alberta's reinvestments and investments include:

**Child Care Subsidy** – The Child-Care Subsidy program supports eligible low-income families with child care costs for their pre-school children enrolled in licensed day-care centres, out of school care or approved family day homes, or participating in an approved early childhood development program (Stay-at-Home Parents Support). Parents may apply for a subsidy if they have a valid reason, such as they are currently working or looking for work, attending school, or if they or their children have special needs. Funds also support the Kin Child Care Funding Program which assists eligible low-income families to pay non resident relatives of the child to care for their children. This program provides families with flexible alternatives for child care where there

are limited options; for example, in rural locations, or during non-traditional work hours.

**Quality Child Care** – The NCB funds for this initiative support respite options for families in need, as well as a child care nutritional program. The respite care program ensures that a number of child care spaces are available for short-term placements. These placements assist families of children with disabilities in need of relief care, and also enable families who need support to participate in counselling or treatment programs to benefit their children. Funds directed to the child care nutritional program enhance the nutritional quality of meals and snacks served to children in child care settings, and provide information about preschool nutritional needs to parents of children in child care programs.

**Alberta Child Health Benefit (ACHB)** – This program was initially created by using NCB reinvestment funds. Children in families with limited incomes are provided with health services such as prescription drugs, dental care, optical, emergency ambulance, and essential diabetic supplies that are not available through standard Alberta Health Care Insurance. The ACHB helps children get health services they would not otherwise obtain and contributes to their health and well-being, including school performance. Parents can have peace of mind knowing their children's health will be cared for without worrying about costs that may be a barrier to accepting or maintaining employment.

<sup>41</sup> Effective April 1, 2004, the Alberta Works-Income Support Program replaced the Supports for Independence (SFI) program.

### **Alberta Adult Health Benefit (AAHB) –**

When clients leave income support for employment, the AAHB provides individuals/families with the same health benefits they had when receiving income support, assisting them to stay healthy. Since August 1, 2007, the AAHB is also available to other Albertans experiencing low income who are pregnant or who have high drug costs in relation to their income. Providing health benefits outside of income support programs ensures individuals/families can meet their health needs while remaining independent from income support.

### **Protection of Sexually Exploited**

**Children (PSECA) –** This protective legislation (enacted October 2007) replaces the legislation formally known as Protection of Children Involved in Prostitution (PCHIP). The change in name more accurately reflects the dynamics of children who are sexually exploited through prostitution and reduces the stigma of accessing supports via the program. Under this initiative, children and youth are afforded a broad range of supports and interventions ranging from community based services including outreach and residential services to more intrusive intervention including confinement in a secure protective safe house. The program addresses the unique educational, health, substance abuse treatment and life skills supports of the high risk population. The number of children reported since 2007–2008 reflects youth benefiting from both voluntary and non-voluntary services. Due to statistical data limitations, previous years included apprehensions only.

### **Transitional Support for Youth**

**Leaving Child Welfare –** This fund supports the Advancing Futures Bursary

Program. Through this program, tuition costs, school-related expenses and living expenses for the academic term are provided to youth if they have had a Permanent Guardianship Order between the ages of 13 and 18 years or have been in care for at least 564 days between the ages of 13 and 22 years. Individuals are invited to apply if they are interested in: obtaining their high school equivalency through adult education; earning a degree/diploma from a post-secondary institution; learning a trade; or earning a license or certification.

**Shelter Benefits –** NCB reinvestment dollars were used to increase shelter benefits for Alberta Works-Income Support Program recipient families with children.

### **School Allowance Benefit –**

NCB reinvestment dollars were used to increase the school expense benefit and is paid annually to Alberta Works-Income Support Program recipients, when school starts, for children attending kindergarten to grade 12. It helps cover the costs of school and gym supplies, registration fees, and other education-related costs.

### **Earnings Exemption Increase –**

NCB reinvestment dollars were used to increase the earnings exemption for Alberta Works-Income Support Program single-parent recipients who are working; thereby allowing them to earn additional income per month before their benefits are reduced.

### **Employment Maintenance Benefit –**

A benefit of \$120 per year is made available to working parents to provide additional support for work-related expenses such as transportation and clothing.

**Table 29** Alberta: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child/Day Care</b>				
Child Care Subsidy	7,300	7,300	7,300	7,300
Quality Child Care	1,000	1,000	1,000	1,000
<b>Supplementary Health Benefits</b>				
Alberta Child Health Benefit	23,900	22,528	23,602	28,169
Alberta Adult Health Benefit	2,452	3,843	6,202	11,590
<b>Early Childhood/Children-at-Risk Services</b>				
Protection of Sexually Exploited Children <sup>a</sup>	600	600	600	600
<b>Youth Initiatives</b>				
Transitional Support for Youth Leaving Child Welfare	2,250	2,250	2,250	2,250
<b>Other NCB Programs, Benefits &amp; Services</b>				
Shelter Benefits	5,582	4,861	4,723	5,200
School Allowance Benefit	2,501	2,242	2,108	2,195
Earnings Exemption Increase	2,882	2,200	1,893	1,789
Employment Maintenance Benefit	315	429	439	420
<b>Total</b>	<b>48,782</b>	<b>47,253</b>	<b>50,117</b>	<b>60,513</b>

<sup>a</sup> Formerly known as *Protection of Children Involved in Prostitution*.

**Note:** Totals may not add due to rounding.

**Table 30****Alberta: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

<b>NCB Initiatives by Program Name</b>	<b>2005–2006</b>		<b>2006–2007</b>		<b>2007–2008</b>		<b>2008–2009</b>	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Child-Care Subsidy <sup>a</sup>	n/a	10,408	n/a	12,290	n/a	11,633	n/a	14,136
Quality Child Care <sup>a</sup>	n/a	9,123	n/a	7,319	n/a	5,646	n/a	5,233
Alberta Child Health Benefit	n/a	72,832	n/a	71,165	n/a	77,375	n/a	85,858
Alberta Adult Health Benefit	1,918	n/a	2,370	n/a	3,722	n/a	5,187	n/a
Protection of Sexually Exploited Children <sup>a b</sup>	n/a	112	n/a	92	n/a	96	n/a	96
Transitional Support for Youth Leaving Child Welfare <sup>a</sup>	n/a	484	n/a	403	n/a	459	n/a	494
Shelter Benefits	11,200	22,392	9,795	20,056	9,492	19,542	10,358	21,400
School Allowance Benefit	n/a	19,989	n/a	17,901	n/a	16,949	n/a	17,741
Earnings Exemption Increase <sup>c</sup>	2,744	n/a	2,131	n/a	1,834	n/a	1,734	n/a
Employment Maintenance Benefit	2,613	n/a	3,532	n/a	3,621	n/a	3,456	n/a

<sup>a</sup> Numbers include families and children assisted from all provincial sources of funds.

<sup>b</sup> Formerly known as *Protection of Children Involved in Prostitution*.

<sup>c</sup> Monthly average.

**Note:** n/a indicates the data for this category is not available.



## British Columbia

British Columbia's NCB initiatives aim to prevent and reduce the depth of child poverty, to assist low-income families with the costs associated with raising children, and to encourage parents to join the workforce and to remain employed. The province's commitment to this type of initiative began before the NCB was established with the BC Family Bonus (BCFB). This program was implemented two years before the NCB and served as one of the models for the national program.

As in previous years, British Columbia continues to adjust BCFB benefits with respect to increases in the NCB Supplement, such that families receive the same or increased benefits when combined with the NCB Supplement. The NCB Supplement has almost fully replaced the BCFB for families in receipt of the NCB, but partial BCFB benefits continue to be paid to families with incomes above the NCB reduction thresholds. As part of the BCFB, British Columbia continues to adjust the BC Earned Income Benefit (BCEIB) by increases in the NCB Supplement in excess of any BCFB payment.

### New Initiative includes:

#### Aboriginal Housing Initiative –

In July 2007, a new Aboriginal Housing Initiative was launched. The initiative provides funds to develop new, affordable housing for Aboriginal youth, women, elders, and those struggling with addiction, living off-reserve. All funds under the initiative have been allocated and, when completed, approximately 200 units of safe, secure, and culturally appropriate off-reserve

Aboriginal housing will have been developed in eight communities across British Columbia.

### British Columbia's other reinvestments and investments include:

#### BC Earned Income Benefit (BCEIB) –

The BCEIB was introduced in July 1998 as an additional incentive for low-income families to seek work and remain employed. The BCEIB pays an additional monthly amount based upon the earned income that a family receives from working.

#### BC Family Bonus (BCFB) Increase –

The BCFB is a tax-free monthly benefit paid to low- and modest-income families with children. The program was implemented in 1996, two years prior to the implementation of the NCB. In 1998, the BCFB was combined with the Canada Child Tax Benefit into a single monthly payment for families with children. The BCEIB and the BCFB are tax-free monthly benefits that make it more attractive for those on income assistance to seek work and to remain employed.

The BCFB has been reduced by a portion of increases to the NCB Supplement since 1998. Since July 2005, a small number of large families continue to receive basic BCFB in addition to the NCB Supplement. Only the portion of NCB Supplement payments that have been passed through to families still in receipt of BCFB is included as BCFB Increase. The combined BCFB and NCB Supplement have increased steadily. For example, the maximum monthly benefit for a first child was \$103 in July 1998. As of July 2008, it had increased to \$173.

### **Supported Child Development –**

This program helps facilitate the inclusion of children with special needs into child care settings. Funds are directed to community agencies to provide extra support staff and resources to child care facilities or to the families directly. Only the portion of funding used for children aged 6–13 years is accounted for as an NCB reinvestment.

### **Child Care Programs and Services –**

The government of British Columbia partners with child care providers to create and support a sustainable child care system in which families can choose from a range of affordable, safe, quality child care options that meet diverse needs, including:

- **Child Care Resource and Referral Programs –** This program offers information and referrals to assist parents to make quality child care choices. Services for parents include referrals to child care and community services, educational opportunities, public computer access, information on how to apply for child care subsidy, assistance with applications, and information on choosing quality child care.
- **Child Care Subsidy Program –** This program supports low and middle income families to meet the cost of child care. Full or partial subsidies are available depending on the family's size and income, age of the children and child care setting. Child care subsidies are available for both licensed and licence-not-required child care, allowing parents to choose the kind of child care that best meets their needs.

### **• Young Parent Programs (YPPs) –**

These programs provide licensed child care, at or near, secondary schools for young parents completing their secondary education. In addition to child care services, many of the YPPs offer flexible education options, life skills training, counselling and health services, parenting education and links to other community health and family services to assist young parents. The government of British Columbia supports YPPs by providing enhanced Child Care Subsidy to eligible parents.

### **BC Healthy Kids Program –**

This program provides basic dental and optical services for children in low- and moderate-income families in receipt of premium assistance. For families moving from income assistance to low- and moderate-income employment, the BC Healthy Kids Program removes one of the barriers for employment by allowing families to retain some benefits previously associated with income assistance.

### **Autism Funding Ages 6–18 –**

This program, introduced in 2003–2004, provides families of children and youth diagnosed with autism spectrum disorder, with up to \$6,000 per year to assist with the cost of purchasing out-of-school autism intervention services. Families may choose to receive funding through the Direct Funding Option or the Invoice Payment Option. This funding is in addition to the educational program and special education services provided through school boards.

**Foster Care 2000** – Foster Care 2000 provided a number of enhancements to the foster care program, including training and support for foster parents. They continue to be delivered.

#### **Family Support Programs –**

These are community-based services intended to promote the well-being of families. The services are designed to increase the strength and stability of families, to increase parents' confidence and competence in their parenting abilities, to give children a stable and supportive family environment, and to enhance child development. Core elements of family support programs include: home visiting; child development; parent training and education; and social, emotional and educational support for families.

#### **Aboriginal Regional Support Services –**

This funding is devoted to developing administrative and service structures for Aboriginal organizations and for training of staff who will develop and deliver services for children and families. The province offers a continuum of services to Aboriginal communities, including child welfare, family support, early childhood development, child care, child and youth mental health, adoption, and youth justice probation.

**CommunityLINK** – Funding is provided to school boards to improve the educational performance, including academic achievement and social functioning of vulnerable students. Supports funded by school districts include, for example, youth and family counsellors, inner-city school programs and school meal and snack programs, etc.

**Youth Initiatives** – A continuum of services is provided through this program that targets youth-at-risk of family breakdown, and those youth living apart from family in high-risk situations. Key service functions include youth-family mediation, outreach, youth support workers, safe housing, youth agreements and specialized youth services. Specialized youth services are developed to meet the specific needs of at-risk youth populations, such as young parents and Aboriginal people, sexually exploited and lesbian, gay, bi-sexual and *questioning* individuals. *Questioning* reflects that group of individuals who are not sure what their sexuality actually is.

#### **Other Youth Programs –**

Other Youth Programs cover a range of community-based services for youth. These include Victim Service Programs for child victims of physical and sexual abuse and child witnesses; the Safe Streets and Safe Schools Grant Program, which support schools and community strategies that enhance public safety and local crime prevention efforts; and the Community Capacity Building Project Fund which helps communities develop programs that address the sexual exploitation of children and youth. It also includes the Youth Against Violence Line, which provides youth a safe, confidential way to prevent and report incidents of youth violence or crime and seek help from local police; the Preventing Youth Gang Violence in B.C., a four-year, multi-staged, community action model that supports the direct efforts of local communities in developing plans that work toward the prevention of youth gang violence. Also included are a number of grants to support a variety of one-time projects that promote the positive development

of children and youth as well as and the Child and Youth Guardian of Estate, which protects the legal and property rights of children and youth.

**Social Housing –** Housing assistance is provided to low-income families across British Columbia and is targeted to households in the greatest need. As new housing units reach completion, additional subsidy dollars are required to support these families.

#### **Rental Assistance Program –**

This program, launched in October 2006, has undergone enhancements since inception and provides direct cash assistance to working families in British Columbia. Currently to qualify, families must have a gross household income of \$35,000 or less, have at least one dependent child, and have been employed at some point over the last year.

**Table 31** British Columbia: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child Benefits &amp; Earned Income Supplements</b>				
BC Earned Income Benefit	48,600	31,200	21,500	19,300
BC Family Bonus Increase <sup>a</sup>	32,890	13,240	9,480	8,100
<b>Child/Day Care</b>				
Supported Child Development	14,274	13,959	15,102	16,203
Child Care Programs and Services <sup>b</sup>	67,388	81,162	71,595	83,700
<b>Supplementary Health Benefits</b>				
BC Healthy Kids Program <sup>c</sup>	8,221	8,426	8,308	8,136
Autism Funding: Ages 6–18	13,696	16,740	18,878	19,550
<b>Early Childhood/Children-at-Risk Services</b>				
Foster Care 2000	3,900	4,283	3,305	4,450
Family Support Programs	13,353	14,968	13,474	14,980
Aboriginal Regional Support Services <sup>d</sup>	5,201	6,348	6,462	7,625
CommunityLink	41,650	45,206	45,998	49,519
<b>Youth Initiatives</b>				
Youth Initiatives	22,613	24,883	23,436	27,456
Other Youth Programs	1,893	2,501	2,455	4,028
<b>Other NCB Programs, Benefits &amp; Services</b>				
Social Housing	54,851	53,418	55,235	56,201
Rental Assistance Program <sup>e</sup>	—	3,344	17,115	35,088
Aboriginal Housing Initiative <sup>f</sup>	—	—	17,365	18,903
<b>Total</b>	<b>328,530</b>	<b>319,678</b>	<b>329,708</b>	<b>373,239</b>

<sup>a</sup> Figures include the amount of NCB Supplement increases that have been passed through to BC Family Bonus recipients since 1998. As of 2004–2005, this amount starts to decline as a result of the full offset of the BC Family Bonus for most families with one child. In 2008–2009, BC Family bonus is received by some families with three or more children.

<sup>b</sup> Formerly called *Child-Care Programs* prior to 2006–2007. The subsidy for non-regulated child care is reported under this program area as of 2005–2006.

<sup>c</sup> Formerly called *Healthy Kids Dental and Optical Benefits Program* prior to 2007–2008.

<sup>d</sup> Formerly called *Aboriginal Strategy* prior to 2006–2007.

<sup>e</sup> This program was launched in October 2006. In 2007–2008, this amount increases as enhancements were made to the program and the provincial government committed to more funding. The 2008–2009 figure represents the full take up of this program.

<sup>f</sup> This initiative was launched in July 2007.

**Notes:** 1) All expenditures and estimates exclude the amounts reported under other federal/provincial agreements.

2) Total may not add due to rounding.

**Table 32****British Columbia: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

<b>NCB Initiatives by Program Name<sup>a</sup></b>	<b>2005–2006</b>		<b>2006–2007</b>		<b>2007–2008</b>		<b>2008–2009</b>	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
BC Earned Income Benefit	97,300	162,750	91,180	154,200	82,370	139,300	70,800	121,200
BC Family Bonus Increase <sup>b</sup>	46,730	104,060	14,080	41,900	10,080	30,000	7,600	25,600

<sup>a</sup> Programs with no available data are not listed.

<sup>b</sup> As of 2004–2005, the number of families and children benefiting from the BC Family Bonus Increase began to decline as a result of the full offset of the BC Family Bonus for most families with one child. In 2008–2009, BC Family bonus is received by some families with three or more children.

## Yukon

Yukon's savings associated with the NCB Supplement have been invested in programs supporting healthy children, healthy families and healthy communities. These initiatives support the national goals of helping to reduce the depth of child poverty and encouraging parents to participate in the work force while ensuring they are better off working. Yukon's initiatives also support low-income families with the costs of raising children and recognize the long-term benefits of early childhood interventions.

Adjustments to Social Assistance benefits are made monthly by treating the actual amount of the NCB Supplement received as a separate category under income. This results in a deduction from Social Assistance benefits that are not subject to either the flat rate income exemption (\$150 per month per family) or the earned income exemption (50 percent of earned income). For non-taxfilers, the amount of the NCB Supplement is covered by Social Assistance, but the client must sign an "agreement to repay" which is collected when their NCB Supplement is issued for the portion that Social Assistance covered. This situation happens rarely.

### **Yukon's reinvestments and investments include:**

#### **Yukon Child Benefit (YCB) (Investment) –**

Yukon families in receipt of the Canada Child Tax Benefit (CCTB) and the NCB Supplement are automatically considered for the Yukon Child Benefit (YCB). The YCB is an investment that supplements the NCB Supplement and is based on the

same objectives and principles. The benefit is tax-free and is not considered as income (i.e., not counted) when calculating social assistance benefits. Effective July 2008, the YCB was increased to \$690 per year per child, and is available for families with net annual incomes below \$30,000 (turning point), at which point the tax-back rate applied is 2.5 percent for one-child families and 5 percent for families with two or more children. The Yukon Government negotiated a recovery from Aboriginal Affairs and Northern Development Canada (AANDC) for costs of the YCB associated with Status Indian children in the Yukon.

#### **Yukon Children's Drug/Optical Program (CDOP) (Reinvestment) –**

This program is designed to assist low-income families with the cost of prescription drugs and eye care for children up to 18 years of age. While families with incomes above \$23,500 per year pay a deductible, there is no deductible for families with incomes below \$23,500 per year. Families must reapply each fiscal year.

#### **Kids Recreation Fund (KRF)**

**(Reinvestment) –** The fund covers registration fees, equipment and supplies for sports, arts, cultural, recreational or social activities. It is available to families whose net income is under \$45,000 per year or who have other special family circumstances, including recent financial hardship, family illness, large family size or family crisis. Each application is assessed on the family's individual circumstances. Eligible families can apply for up to \$500 per child, per year. The KRF is a special fund administered by Sport Yukon and supported in part by the Government of Yukon through the NCB initiative.



### **Healthy Families Yukon (Reinvestment) –**

The Government of Yukon in March 1999, implemented the early intervention program, Healthy Families Yukon, to improve the long-term outcomes of Yukon children. The Healthy Families Yukon program is a culturally appropriate, intensive home-based family support service offered to expectant parents and parents of children under three months of age. The service is voluntary and is offered on a long-term basis, up to when the child is five years old. Weekly home visits are offered to the family in the first nine to twelve months, with criteria to increase/decrease the level of service as the child becomes older. The goals of Healthy Families Yukon are:

- to systematically assess the strengths and needs of new parents and assist them in accessing community services as needed;
- to enhance family functioning by:
  - building trusting, nurturing relationships,
  - teaching problem-solving,
  - improving the family's support system;
- to promote positive parent-child relationships; and
- to promote healthy childhood growth and development.

### **Food for Learning (Investment) –**

The Yukon Food for Learning Society provides funds to assist schools in providing nutrition programs such as breakfast, lunch or snacks for students who do not have enough to eat. The Yukon Government provided a one-time reinvestment of \$30,000 in 1998–1999 to enhance the Food for Learning Project. The project is a special fund administered by a non-government organization and supported in part by the Government of Yukon through the NCB initiative.



**Table 33** Yukon: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child Benefits &amp; Earned Income Supplements</b>				
Yukon Child Benefit <sup>a</sup>	675	660	1,030	1,591
<b>Supplementary Health Benefits</b>				
Yukon Children's Drug/Optical Program <sup>b</sup>	46	44	39	38
<b>Early Childhood/Children-at-Risk Services</b>				
Kids Recreation Fund	102	95	112	188
Healthy Families Yukon	937	974	1,093	1,301
Food for Learning	30	30	30	30
<b>Total</b>	<b>1,790</b>	<b>1,803</b>	<b>2,304</b>	<b>3,148</b>

<sup>a</sup> Not including funds recovered from Indian and Northern Affairs Canada.

<sup>b</sup> The figures were revised to include administrative fees associated with the Yukon Children's Drug/Optical Program.

**Note:** Totals may not add due to rounding.

**Table 34** Yukon: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

NCB Initiatives by Program Name <sup>a</sup>	2005–2006		2006–2007		2007–2008		2008–2009	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Yukon Child Benefit	1,404	2,451	1,450	2,500	1,395	2,429	1,529	2,741
Yukon Children's Drug/Optical Program	233	344	221	341	188	315	177	306
Kids Recreation Fund <sup>b</sup>	307	481	367	509	378	568	416	582
Healthy Families Yukon	120	154	115	158	157	177	163	188

<sup>a</sup> Programs with no available data are not listed.

<sup>b</sup> The number of children benefiting from the Kid's Recreation Fund reflects the actual numbers rather than numbers based on funding formula.

## Northwest Territories

The NCB initiative assumes a major role in the collective fight against child poverty in Canada. The flexibility of the NCB program has enabled the Government of the Northwest Territories to develop three specific programs that proactively challenge child poverty and encourage employment attachment for parents.

In the Northwest Territories (NWT), the NCB Supplement is deducted from income assistance entitlement, and reinvested in three programs for low-income families. The Government of the Northwest Territories provides added value to these reinvestment programs through additional funding. To reduce duplication and streamline efficiency, the Canada Revenue Agency delivers the NWT programs as an integrated payment with federal child benefits.

### Northwest Territories reinvestments and investments include:

#### Northwest Territories Child

**Benefit (NWTCB) –** This cash benefit provides a maximum of \$330 annually per child for families with income of \$20,921 or less in the previous year.

#### Territorial Workers' Supplement (TWS) –

This supplement is paid to families with working incomes over \$3,750. This supplement is phased in so that the maximum benefit becomes available when working incomes reach \$10,000 annually.

**Note:** The NWTCB and TWS are need-determined programs that are based on a family's net income, working income and the number of children under the age of 18 years.

#### Healthy Children Initiative (HCI) –

The Government of NWT initiated the HCI in 1998. Since 1998, NCB reinvestment funds and NWT investment funds have been directed to the continued development and expansion of this program. To date, NCB increases/reinvestment funding has been directed to the HCI programs. The HCI enables communities groups across the NWT, to develop and deliver programs that proactively focus on health, learning and cultural development for children six years of age and under. HCI programs to date have included the delivery of healthy snack programs in Early Learning and Child Care Programs, Aboriginal Culture and Language Programs, Family Literacy and the support of training opportunities for early Child Care staff.

**Table 35** Northwest Territories: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child Benefits &amp; Earned Income Supplements</b>				
NWT Child Benefit/Territorial Workers' Supplement	1,644	1,443	1,336	1,364
<b>Early Childhood/Children-at-Risk Services</b>				
Healthy Children Initiative <sup>a</sup>	419	419	419	419
<b>Total</b>	<b>2,063</b>	<b>1,862</b>	<b>1,755</b>	<b>1,783</b>

<sup>a</sup> Figures include funding from another budget that provides children in the Northwest Territories with programs such as snacks, Aboriginal language and on-the-land camps.

**Note:** Totals may not add due to rounding.

**Table 36** Northwest Territories: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

	2005–2006		2006–2007		2007–2008		2008–2009	
<b>NCB Initiatives by Program Name</b>	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
NWT Child Benefit	2,331	4,441	2,262	4,290	2,124	3,997	2,061	3,874

## Nunavut

The Government of Nunavut's Pinasuaqtavut mandate continues to focus on the commitment to building Nunavut's future by improving the well-being, prosperity and self-reliance of Nunavummiut. Nunavut's NCB initiatives correspond to the Inuit principle of Pijitsirniq (providing for families and the community) by helping to prevent and reduce the depth of child poverty and by assisting low-income families with the costs associated with raising children. The NCB also provides an incentive for parents to (re)join the workforce, consistent with the government's interest in encouraging economic self-reliance.

The Government of Nunavut offsets the NCB Supplement as income from income support payments and reinvests the funds in the Nunavut Child Benefit (NUCB) and the Territorial Workers' Supplement (TWS).

### **Nunavut's reinvestment and investments include:**

#### **Nunavut Child Benefit (NUCB) –**

This is the primary reinvestment program in Nunavut which is funded using monies from the recovery of social assistance payments in the territory. The

NUCB is a tax-free payment given to qualifying families with children under the age of 18 living at home. To reduce duplication and streamline efficiency, the Canada Revenue Agency delivers the Nunavut Child Benefit as an integrated payment with the CCTB and the NCB Supplement. The NUCB is a benefit paid to all families with a net income of \$20,921 or less in the previous year. Families receive \$27.50 per month or \$330 annually for each eligible child under the age of 18 living at home.

#### **Territorial Workers' Supplement (TWS) –**

Families who have earned income of more than \$3,750 in the previous year may also receive the Territorial Workers' Supplement. This is an additional benefit for working families with children under the age of 18 living at home. Nunavut uses recovered funds from social assistance payments to provide the Territorial Workers' Supplement for working parents, and Canada Revenue Agency delivers this benefit as an integrated payment with the CCTB and the NCB Supplement. Eligible families may receive up to \$275 annually for the first child and an additional \$75 per year for the second.

**Table 37** Nunavut: NCB Reinvestments and Investments

	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplements				
Nunavut Child Benefit/ Territorial Workers' Supplement	2,679	3,058	3,409	3,471
<b>Total</b>	<b>2,679</b>	<b>3,058</b>	<b>3,409</b>	<b>3,471</b>

**Table 38** Nunavut: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

	2005–2006		2006–2007		2007–2008		2008–2009	
NCB Initiatives by Program Name	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Nunavut Child Benefit/ Territorial Workers' Supplement	2,717	6,338	2,679	6,036	2,668	6,014	2,614	5,815

## First Nations

The purpose of the First Nations NCBR Initiative is to reduce the effects of child poverty by funding programs and services that will provide for the otherwise-unmet physical and social needs of children in reserve communities. Specifically, the initiative aims to foster the growth of children in low-income families into self-sufficient, contributing members of their communities.

Of the more than six hundred First Nations in Canada, the number that have used reinvestment funding to expand the range of services to low-income families and their children is in excess of four hundred. First Nations not included in departmental reinvestment reports have included some communities from Atlantic, Ontario, Alberta, and British Columbia regions that fall under multi-year funding agreements; self-governing Yukon bands; and bands in Newfoundland and Labrador.

### Reinvestments are categorized under five activity areas:

**Child Care** – These projects are intended to create more spaces in day-care centres for children of low-income families. There is particular emphasis on accommodating children of parents who are working or undertaking training or educational upgrading to improve their opportunities for employment. The reinvestment funds may also be used to subsidize child-care costs for working/in-training parents, although no direct subsidies may be granted to parents.

**Child Nutrition** – These programs are intended to improve the health and well-being of children by providing breakfast, lunch, or snacks in school, by educating parents about the nutritional needs of children and meal preparation, or by delivering food hampers to homes of low-income families.

**Support to Parents** – These programs are designed to equip and support parents by giving their children a sound start in life. Projects may include drop-in centres for parents or training in parenting skills.

**Home-to-Work Transition** – These programs are directed at improving the prospects of employment for parents and youth. These include employment and skills development, and summer work projects for youth.

**Cultural Enrichment** – In this category are projects such as the teaching of traditional culture (e.g., language, art, music, storytelling), support projects for youth, celebrations, peer support groups, family and community supports such as life skills, financial management training, and other group activities that bring together community elders, children, and youth.

**Table 39** First Nations: NCB Reinvestments and Investments

Activity Area	2005–2006	2006–2007	2007–2008	2008–2009
	Expenditures (\$000)	Expenditures (\$000)	Estimates <sup>a</sup> (\$000)	Estimates <sup>b</sup> (\$000)
Child Care	3,246	3,261	3,561	n/a
Child Nutrition	12,762	13,860	14,826	n/a
Support to Parents	12,584	7,617	8,946	n/a
Home-to-Work Transition	17,103	19,937	21,499	n/a
Cultural Enrichment	8,919	7,206	7,655	n/a
<b>Sub-total</b>	<b>54,614</b>	<b>51,880</b>	<b>56,486</b>	<b>51,374</b>
Additional Investment Envelope <sup>c</sup>	3,434	780	702	780
<b>Total</b>	<b>58,048</b>	<b>52,660</b>	<b>57,188</b>	<b>52,154</b>

<sup>a</sup> Data includes estimates for multi-year block funded and/or non-reporting First Nations.

<sup>b</sup> A breakdown of 2008–2009 estimates is not available.

<sup>c</sup> The additional investment envelope includes funding to reimburse Saskatchewan and Yukon for the portion of provincial/territorial children's benefits paid on reserve. In 2006–2007, the additional investment envelope for Saskatchewan was phased out due to the restructuring of the provincial child benefit programming.

**Notes:** 1) n/a indicates the data is not available.

2) Totals may not add due to rounding.

3) Aboriginal Affairs and Northern Development Canada does not fund social assistance in the Northwest Territories and Nunavut. Reinvestments in these areas are not included in this table.

**Table 40****First Nations: Estimated Number of Families and Children on Reserve  
by Region, Benefiting under NCB Reinvestments**

Region	2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #
Atlantic <sup>a</sup>	1,087	2,229	872	1,759	741	1,523
Quebec	4,333	10,854	4,629	9,452	3,254	6,264
Ontario <sup>b</sup>	28,480	68,701	7,874	16,947	9,083	17,374
Manitoba <sup>c</sup>	—	—	—	—	—	—
Saskatchewan <sup>b</sup>	154,482	346,308	32,973	69,831	59,458	110,355
Alberta	16,503	36,620	23,996	62,132	23,644	47,380
British Columbia	21,355	35,131	19,791	31,208	12,243	18,561
Yukon <sup>b</sup>	326	1,327	510	985	826	824

<sup>a</sup> The number of participants in the Atlantic region only includes First Nations in Nova Scotia and Prince Edward Island.

<sup>b</sup> In 2006–2007, Ontario, Saskatchewan and Yukon revised the way in which they report families and children.

<sup>c</sup> Since January 2004, the Province of Manitoba has paid all children's benefits directly to families. Reinvestment funds are no longer available.

**Note:** 1) Estimates for 2008–2009 are not available.

2) Aboriginal Affairs and Northern Development Canada does not fund social assistance in the Northwest Territories and Nunavut.

3) Figures may vary because some bands funded under multi-year agreements and self-government arrangements may not have reported.

4) Numbers may include duplicates, as families/children may benefit from more than one service.



## Citizenship and Immigration Canada

Citizenship and Immigration Canada (CIC) is committed to the objectives of the NCB initiative. CIC continues to aid government-assisted refugees by reinvesting income support adjustments into benefits for refugee families and their children.

CIC administers the NCB through its local and regional offices following provincial or territorial social assistance guidelines which helps to maintain a national standard for clients. The funds available as a result of the income support adjustments are reinvested into benefits for refugee families with children.

The Resettlement Assistance Program (RAP) provides newly arrived government-assisted refugees with income support and a range of immediate and essential services. Income support is provided for up to 12 months or until the client has become self-sufficient, whichever comes first, with a maximum of 24 months coverage for certain special needs refugees. Clients who are not self-sufficient at the end of the period of RAP support are entitled to provincial or territorial social assistance.

## CIC's other reinvestments and investments include:

**Newborn Allowance –** This supplement assists government-assisted refugee families with the costs of caring for a newborn.

**Children Under 6 Years Allowance –** This benefit recognizes the additional costs associated with raising young children.

**School Start-Up Allowance –** This supplement assists government-assisted refugee families with the costs of equipping young children for elementary school.

**Monthly School Allowance –** This supplement aids government-assisted refugee families with the recurring and on-going costs of their children's education, such as school and gym supplies and registration fees.

**Transportation Allowance –** This allowance assists government-assisted refugee families with their transportation costs.

**Table 41**      **Citizenship and Immigration Canada: NCB Reinvestments and Investments**

	<b>2005–2006</b>	<b>2006–2007</b>	<b>2007–2008</b>	<b>2008–2009</b>
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
<b>Child Benefits &amp; Earned Income Supplements</b>				
Newborn Allowance, Children under 6 Allowance, School Start-up Allowance, Monthly School Allowance	767	1,022	1,463	1,413
<b>Other NCB Programs, Benefits &amp; Services</b>				
Transportation Allowance	1,688	1,066	969	842
<b>Total</b>	<b>2,455</b>	<b>2,088</b>	<b>2,432</b>	<b>2,255</b>

**Note:** Totals may not add due to rounding.

# Results of the *Survey of Labour and Income Dynamics (SLID)* Analysis

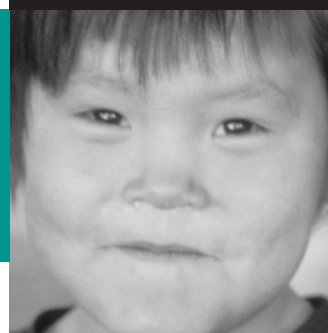


Table 42

Change in Incidence of Low Income Among Families by Family Type  
Due to the NCB: January 2006 to December 2006

SLID 2006	One-Parent Families	Two-Parent Families	All Families <sup>a</sup>
<b>MBM<sup>b</sup></b>			
Decline in Number of Children Living in Low Income	61,500	89,800	151,700
Decline in Number of Families Living in Low Income	25,200	36,400	61,900
Percentage Change in Number of Families Living in Low Income	-10.3%	-12.5%	-11.5%
Decline in Incidence of Low Income Among Families with Children <sup>c</sup>	-3.3%	-1.2%	-1.6%
<b>Post-Tax LICO<sup>b</sup></b>			
Decline in Number of Children Living in Low Income	53,400	78,000	132,900
Decline in Number of Families Living in Low Income	25,900	28,900	56,300
Percentage Change in Number of Families Living in Low Income	-12.7%	-12.6%	-12.9%
Decline in Incidence of Low Income Among Families with Children <sup>c</sup>	-3.3%	-1.0%	-1.5%
<b>Post-Tax LIM<sup>b</sup></b>			
Decline in Number of Children Living in Low Income	60,200	112,900	175,100
Decline in Number of Families Living in Low Income	31,800	43,500	76,700
Percentage Change in Number of Families Living in Low Income	-12.9%	-16.7%	-15.0%
Decline in Incidence of Low Income Among Families with Children <sup>c</sup>	-4.1%	-1.4%	-2.0%

<sup>a</sup> The "All Families" group includes one-parent, two-parent and other family types (e.g., children in foster care). As children in other families do not fall in the category of one or two-parent families, the total in "All Families" does not equal the sum.

<sup>b</sup> The direct impact of the NCB on the incidence of low income and disposable income is dependent on the measure of low income used in the simulation analysis. This Appendix uses three different measures of low income: post-tax LICOs, post-tax LIMs and the MBM. As these three measures are calculated with differing methodologies, it may be difficult to directly compare simulation results from each measure.

<sup>c</sup> Decline in incidence of low income is expressed in percentage points.

**Source:** Based on Statistics Canada Special Tabulations from the *Survey of Labour and Income Dynamics (SLID)* 2006.

**Table 43****Changes in Disposable Incomes Due to the NCB Among Families with Children by Family Type: January 2006 to December 2006**

SLID 2006	One-Parent Families	Two-Parent Families	All Families
<b>MBM</b>			
<b>Were Prevented from Living in Low Income in 2006</b>			
Increase in Disposable Income due to NCB	\$3,100	\$2,800	\$2,900
Percentage Increase in Income	12.5%	9.4%	10.5%
<b>Remained Living in Low Income in 2006</b>			
Increase in Disposable Income due to NCB	\$1,900	\$2,300	\$2,100
Percentage Increase in Income	11.7%	10.5%	11.0%
<b>Other Families with Children who Received NCB Supplement in 2006</b>			
Increase in Disposable Income due to NCB	\$1,400	\$1,100	\$1,300
Percentage Increase in Income	3.4%	2.7%	3.1%
<b>Post-Tax LICOs</b>			
<b>Were Prevented from Living in Low Income in 2006</b>			
Increase in Disposable Income due to NCB	\$2,900	\$3,200	\$3,000
Percentage Increase in Income	12.8%	10.2%	11.1%
<b>Remained Living in Low Income in 2006</b>			
Increase in Disposable Income due to NCB	\$1,900	\$2,500	\$2,200
Percentage Increase in Income	11.7%	11.2%	11.4%
<b>Other Families with Children who Received NCB Supplement in 2006</b>			
Increase in Disposable Income due to NCB	\$1,400	\$1,200	\$1,300
Percentage Increase in Income	3.5%	2.7%	3.1%
<b>Post-Tax LIM</b>			
<b>Were Prevented from Living in Low Income in 2006</b>			
Increase in Disposable Income due to NCB	\$3,000	\$2,800	\$2,900
Percentage Increase in Income	12.1%	8.6%	9.8%
<b>Remained Living in Low Income in 2006</b>			
Increase in Disposable Income due to NCB	\$1,900	\$2,500	\$2,200
Percentage Increase in Income	11.2%	11.2%	11.2%
<b>Other Families with Children who Received NCB Supplement in 2006</b>			
Increase in Disposable Income due to NCB	\$1,300	\$1,100	\$1,200
Percentage Increase in Income	3.0%	2.4%	2.7%
<b>Source:</b> Based on Statistics Canada Special Tabulations from the <i>Survey of Labour and Income Dynamics (SLID) 2006</i> .			

**Table 44****Change in Incidence of Low Income Among Families by Family Type  
Due to the NCB: January 2006 to December 2006**

<b>SLID 2006</b>	<b>One-Parent Families</b>	<b>Two-Parent Families</b>	<b>All Families</b>
<b>MBM</b>			
Decline in Low Income Gap (\$ millions)	\$440	\$620	\$1,060
Percentage Change in the Low Income Gap	-23.0%	-24.5%	-23.8%
<b>Post-Tax LICOs</b>			
Decline in Low Income Gap (\$ millions)	\$370	\$540	\$910
Percentage Change in the Low Income Gap	-23.8%	-26.5%	-25.3%
<b>Post-Tax LIM</b>			
Decline in Low Income Gap (\$ millions)	\$450	\$600	\$1,060
Percentage Change in the Low Income Gap	-21.9%	-25.4%	-23.7%
<b>Source:</b> Based on Statistics Canada Special Tabulations from the <i>Survey of Labour and Income Dynamics</i> (SLID) 2006.			



# Additional Statistical Information



**T**hese additional statistical tables supplement the information contained in this report. They provide information on low income and labour market participation trends and are on the NCB website at:

**[www.nationalchildbenefit.ca](http://www.nationalchildbenefit.ca)**  
(available in HTML).

## Table 1a

Post-tax LICOs – Income thresholds, by family size and community size, 2006

## Table 1b

Pre-tax LICOs – Income thresholds, by family size and community size, 2006

## Table 1c

Post-tax LIM – Income thresholds, by family size and composition, 2006

## Table 2

LICOs & LIM – Number and percentage of families with children under 18 below the low-income thresholds, by family type, Canada 1984 to 2006

## Table 2a

LICOs & LIM – Number and percentage of children under 18 below the low-income thresholds, by family type, Canada 1984 to 2006

## Table 3a

Post-tax LICOs – Percentage by which family income is below or above the low-income thresholds, by family type, Canada, 1984 to 2006

## Table 3b

Pre-tax LICOs – Percentage by which family income is below or above the low-income thresholds, by family type, Canada, 1984 to 2006

## Table 3c

Post-tax LIM – Percentage by which family income is below or above the low-income thresholds, by family type, Canada 1984 to 2006

## Table 4

LICOs & LIM – Average market income of low-income families with children under 18 as a percentage of the low-income thresholds, by family type, Canada, 1984 to 2006

## Table 5

LICOs & LIM – Percentage of low-income families with children under 18 employed for pay during the year, by family type, Canada, 1984 to 2006

## Table 6

Estimated number of families with children under 18 receiving social assistance, by family type, Canada, March of each year, 1987 to 2006

## Table 7

Federal expenditures on CCTB benefits (the NCB Supplement and the CCTB base benefit) for NCB Supplement recipients, by province/territory, July 2007 to June 2008

## Table 8

Federal expenditures on CCTB benefits (the NCB Supplement and the CCTB base benefit) for CCTB base benefit recipients, by province/territory, July 2007 to June 2008

