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Shameful Neglect

Indigenous Child Poverty in Canada

David Macdonald and Daniel Wilson

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ABOUT THE AUTHORS

David Macdonald is a senior economist with the Canadian Centre for Policy Alternatives.

Daniel Wilson is a research associate with the Canadian Centre for Policy Alternatives.

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Executive Summary

A RECENT SURGE of suicide attempts in the Cree community of Attawapiskat, Ontario drew national attention to the effects that poor living conditions and housing shortages have on First Nation children. The outrageous reality is that the majority of children on First Nation reserves in Canada live in poverty and their situation is getting worse. This report includes poverty rates on reserves and in the territories, something never before examined using the 2011 National Household Survey data. The most recently available data show that child poverty rates for status First Nations children living on-reserve rose to a staggering 60% in 2010. By contrast, poverty rates among Indigenous children living off reserve have improved somewhat, while non-Indigenous children have seen little change to their circumstances since 2005.

Disaggregating child poverty by identity reveals three broad groupings, or tiers, of suffering in Canada.

The worst is among status First Nation children, 51% of whom live in poverty, rising to 60% on reserve. A second tier encompasses other Indigenous children and disadvantaged groups. The children of immigrants in Canada suffer a child poverty rate of 32% while racialized (visible minority) children have a poverty rate of 22%. Between these are found non-status First Nations children (30%), Inuit children (25%) and Métis children (23%). The third tier of poverty consists of children who are non-Indigenous, non-racialized and non-immigrant, where the rate of 13% is similar to the average among all countries in the Organization for Economic Co-operation and Development (OECD).

Even among status First Nation children living on reserve, poverty is not evenly distributed, with shocking rates of 76% in Manitoba and 69% in Saskatchewan, easily the worst in the country. At the other end is Quebec where the poverty rate is 37%. This is largely due to the relatively low poverty rate (23%) among the children of Eeyou Itschee (James Bay Cree), who benefit from a resource revenue sharing agreement. If we break it down by cities, Winnipeg, Regina, and Saskatoon have the highest Indigenous child poverty with rates of 42%, 41%, and 39% respectively. At 19%, Toronto has the lowest Indigenous child poverty rate.

This report examines poverty as measured by income. In actuality, poverty can be exacerbated by other conditions, creating additional barriers for children trying to achieve their full potential. On reserve, these barriers include chronic underfunding of schools and child welfare services, crowded housing, and undrinkable water, to name just a few of many examples.

Canada's overall child poverty rate of 18% is among the worst in the OECD, putting it in 27th place out of 34 countries. That is more than three times higher than the Nordic countries, where child poverty rates average 5%. This clearly suggests that Canada could do a great deal more to address child poverty, regardless of its identity or location.

But the fact that status First Nation children living on reserve in Manitoba have a poverty rate fifteen times that affecting children in Denmark, Finland, Norway, and Sweden suggests a far deeper problem, one that should provoke outrage and an immediate policy response. By way of modest first steps, this report recommends action on the following priorities:

1. Report poverty rates on reserves and in the territories;
2. Improve direct income support;
3. Improve employment prospects; and
4. Begin to implement longer-term solutions.

These first steps will not eliminate the enormous gap in circumstance between children in Canada, but they may slow or reverse a worsening trend of increasing poverty among status First Nations children on reserve and increasing disparity between the three tiers of child poverty in this country. If we are to restore some hope to communities suffering from a pandemic of adolescent suicide, it is one place to start.

Introduction

THE FIRST BUDGET of the new Liberal government, tabled in March 2016, improved Canada's position with respect to Indigenous peoples and First Nations reserves in particular. Substantial investments were announced that focus on housing, clean water, and education. Given that the bulk of this new investment will not roll out for a few years, it will take some time to tell whether these initiatives sufficiently combat chronic overcrowding in houses, boil water advisories, and sub-standard schooling. However, the investment signals a welcome change in approach to Indigenous issues, described in the speech from the throne as building toward a "nation to nation" relationship.[1] How that relationship is manifest will determine how significant a departure from historical injustice toward Indigenous Peoples in Canada the change in government truly constitutes. What is certain is the overwhelming need to address the deepening poverty faced by Indigenous children in this country — and to do so with urgency.

Roughly one-quarter of all Indigenous people in Canada live on a reserve. For the most part, they are members of a First Nation and considered "status or registered Indians" under the Indian Act. Roughly half of status First Nation people live on reserve, the other half live elsewhere in Canada or "off reserve." Irrespective of location, status First Nations people make up roughly half of all Indigenous people in Canada. Unlike other identities, status is legally regulated under the Indian Act. For the purposes of the 2006 census and 2011 National Household Survey (NHS), however, Indigenous identities are self-declared, meaning people declare for themselves if they have that identity or not.

About another quarter of Indigenous people are Métis. This Indigenous identity has historical roots in early marriages between First Nations people and European settlers. Between the 2001 and 2006 censuses, the Métis population grew by more than 50% as people discovered and self-declared their Métis identity on the census questionnaire.

Roughly the final quarter of Indigenous people are made up of non-status First Nations, Inuit, and mixed-heritage identities. Non-status First Nation people are those who declare they have First Nation heritage but have not been accorded status under the Indian Act. Similar to the Métis, there was large growth in the non-status First Nation population between 2006 and 2011 as many self-identified for the first time. These increases in Métis and non-status Indian identification cannot be explained fully by higher birth-rates as they exceed possible levels of natural increase.

The Inuit live for the most part in the Nunangat of Northern Canada, particularly northern Quebec, northern Labrador, and the three territories. Inuit identity is also self-declared on the census. Like status First Nations, the Inuit have not experienced the substantial increases in "identity discovery" that other Indigenous identities have recorded.

This report updates a previous CCPA report, *Poverty or Prosperity: Indigenous Children in Canada*, which examined Indigenous child poverty rates based on the 2006 census.[2] While it looks at that same topic, we have updated our findings based on data from the 2011 National Household Survey (NHS). For a discussion of the differences between the 2006 census and the 2011 NHS please see Appendix A.

Using custom tabulations from the 2011 NHS and 2006 census, this report applies the After Tax Low Income Measure (LIM-AT) to reserves and the territories to determine poverty rates by Indigenous identity, something never before examined using the National Household Survey data. It should be noted that population counts come from the 2011 NHS and the 2006 census while the income data, and therefore poverty rates, come from the years 2010 and 2005 respectively.

It is important to point out that Statistics Canada reports on poverty rates do not include people who live on a reserve or people living in the territories (where roughly half of all Inuit people are located). Because this data is excluded, official poverty rates in Canada are lower than they would be if these populations were counted. Poverty rates for Indigenous people, especially status First Nations and Inuit, are reported to be much lower than a full count would indicate is truly the case. Statistics Canada argues it excludes reserves and the territories from poverty counts because "the con-

sumption of hunting or fishing products, barter economies or substantial in-kind transfers may reduce the interpretability of income-based measures."[3] But there are several problems with this position.

First, it ignores that hunting and fishing are significant food sources across rural Canada, not just on reserves or the territories, yet rural Canada is included in poverty statistics. The argument is also circular, as barter economies are more common in impoverished regions generally.[4] "In-kind transfers" on reserves most commonly refer to band housing provided at no cost to band members.[5] This is far from universal and has greatly diminished due to growth in both band-operated rental regimes and individual home purchasing on reserve. Furthermore, the value of such housing is limited by the fact that the occupiers cannot resell them.[6] More broadly, the LIM-AT approach to poverty is strictly an income measure, not a measurement of the cost of living. As such, non-commercial food, barter, and housing that cannot be re-sold has no impact on this measurement given it produces no income.

The timing of data availability means that more recent programs that will have an impact on child poverty will not be included in the figures below. The impact of the Canada Child Benefit on child poverty for instance, although modeled below, is not included in the poverty figures. In Manitoba, a province with high child poverty, recent measures like the 2014 Rent Assist program that would increase incomes for low income families with children also will not be included.

Indigenous Child Poverty Since 2006

GIVEN THE METHODOLOGICAL differences between the NHS and the census, we decided it would be unwise to publish comparisons other than at the national level. A concerted effort was made by Statistics Canada, in 2011, to improve NHS data collection on reserve, mostly through in-person enumeration for the voluntary long-form. The result was a higher response rate on reserves than the Canadian average, providing additional confidence for the comparison of on-reserve First Nations populations.[7] Unfortunately, non-response rates in areas with larger off-reserve Indigenous populations tended to be worse than the average.[8] As a result, only comparisons of all Indigenous people off reserve are made in *Table 1*. More detailed comparisons of identity and geography across the 2006 census and the 2011 NHS are not possible given the available data.

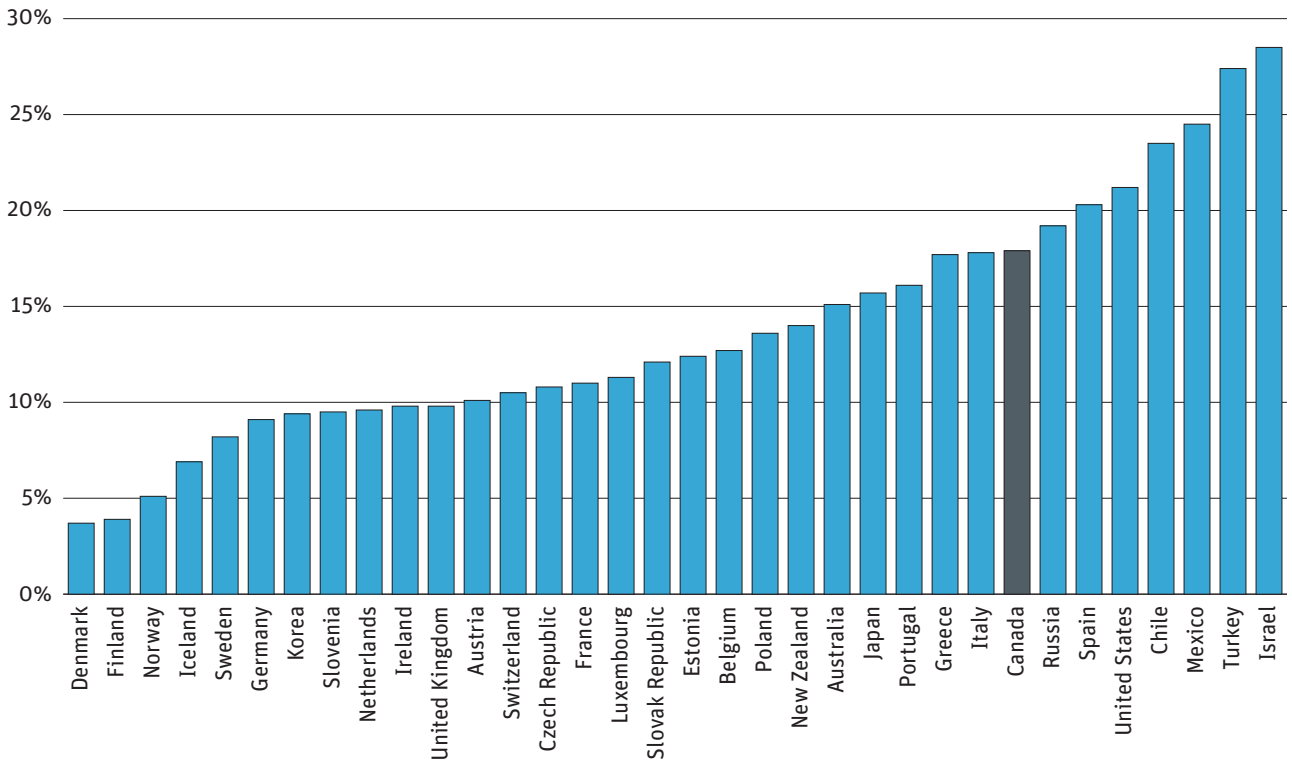
Child poverty is unchanged—at 18%, or just under one in five—between 2005 and 2010 when looking at all children in Canada. The poverty rate has actually increased slightly for non-Indigenous children, going up 0.3%, while the number of non-Indigenous children has fallen slightly as the Canadian population ages. For Indigenous children, two different paths are clear since 2005. On-reserve status First Nations child poverty, which is the highest in *Table 1*, has continued to worsen, moving from 56% in 2005 to 60% in 2010—adding 7,200 children to the 65,000 who were there in 2006. On the other hand, child poverty dropped slightly, from 35% to 31%, among all other Indigenous children during this time.

TABLE 1 Child Poverty Since 2006

	Child Poverty Rate		Child Population		Population Growth
	2005	2010	2006	2011	2006–2011
Status First Nation on reserve	56%	60%	117,520	122,025	4%
All other Indigenous off reserve[11]	35%	31%	306,595	351,400	16%
All Indigenous	41%	38%	424,125	477,965	13%
Non-Indigenous	16%	17%	6,454,045	6,409,025	-1%
All Children	18%	18%	6,878,165	6,886,990	0%

Source National Household Survey 2011 custom tabulation.

FIGURE 1 International Child Poverty Rates



Source OECD.stat 2010 and National Household Survey 2011 custom tabulation, data from 2011 in the case of Switzerland, New Zealand & Chile, data from 2009 for Japan. Canadian data using 2011 NHS instead of the OECD source of the Survey of Labour and Income Dynamics.

While this decline in off-reserve Indigenous child poverty may initially appear to be positive, it is difficult to disentangle how much of it is due to improved circumstances and how much to what we have termed "identity discovery" — families discovering and declaring their Indigenous heritage,

pulling up the average income as a result. The population growth rate of off-reserve Indigenous children is far too high to derive only from the birth rate; the non-status First Nation child population alone increased by 49% between 2006 and 2011, likely due to identity discovery. Similar, though less pronounced, trends appear to be at work among Métis, whose numbers grew considerably between 1996 and 2006 as well.[9] The recent decision of the Supreme Court in Daniels v. Canada may lead to continued growth in the Métis and non-status populations through the phenomenon of discovered identity. Although the effect of that growth on poverty rates cannot be estimated at this time, if recent trends continue it would be accompanied by a decrease in the child poverty rates for these two demographics.[10] In general, the increased discovery of Indigenous heritage, and the acceptability of acknowledging that identity in official ways, such as Statistics Canada surveys, is a positive development.

Canada does not do well in child poverty rankings of developed countries. Once reserves and the territories are included, Canada's child poverty rate of 18% puts us in 27th place among the 34 OECD countries with comparable data (the OECD average child poverty rate is 14%). Canada does better than the United States, where child poverty sits at 20%, and the OECD's worst performer, Israel, where it is 29%. However, Canada's performance pales in comparison to the Nordic countries of Denmark, Finland, and Norway, whose rates are below 5%, as well as most other European countries, where child poverty rates are closer to 10%. Canada is essentially tied with Greece, which is experiencing a full-scale economic depression. If, on the other hand, we were to strive for Nordic standards of only 5% child poverty, 901,000 fewer children would be in poverty in Canada today.

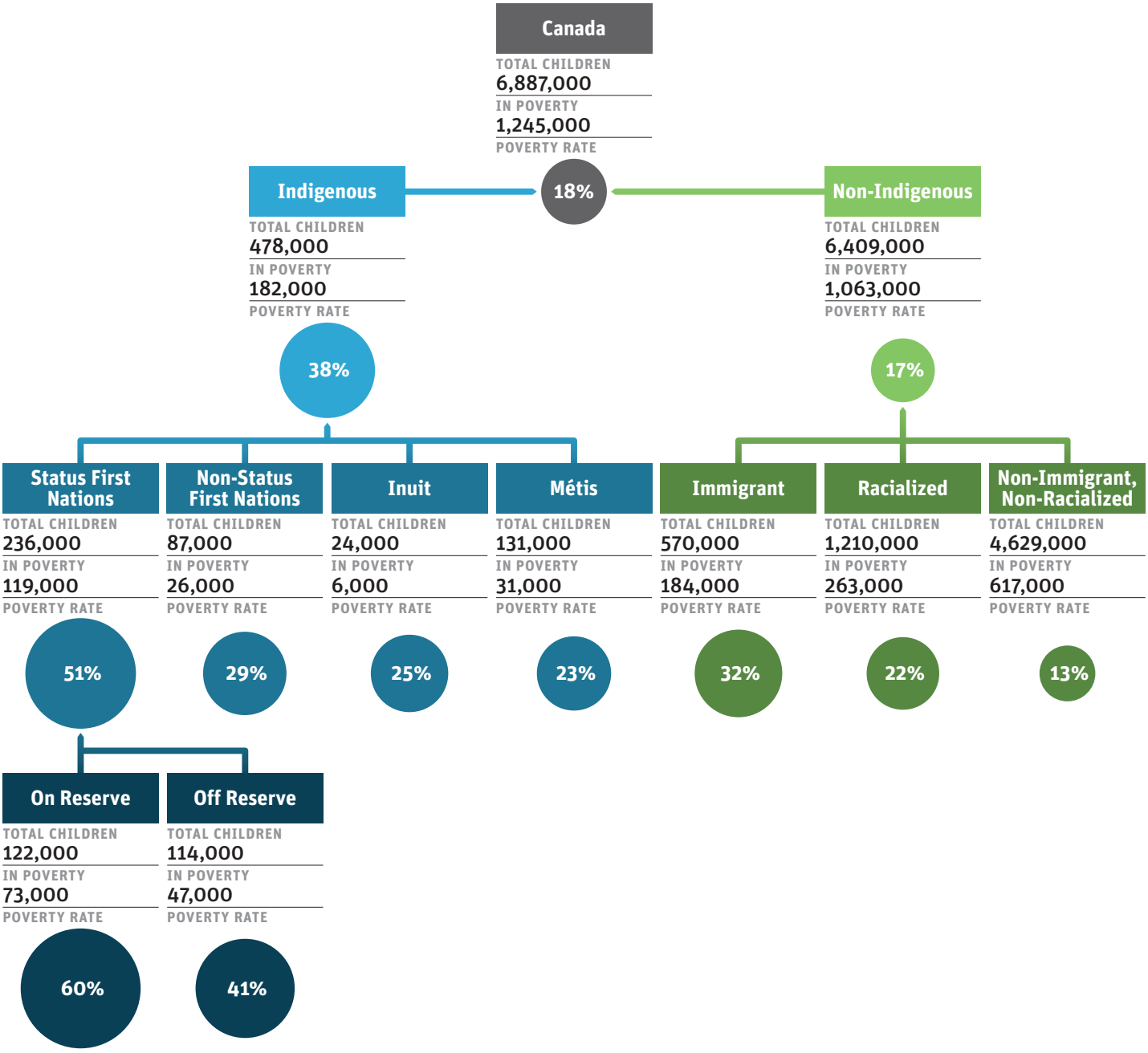
Three Tiers of Child Poverty

DISAGGREGATING POPULATIONS BY identity reveals that different identities experience markedly different poverty rates. For all children in Canada the average child poverty rate is 18%. Breaking this down by Indigenous and non-Indigenous identity immediately reveals that non-Indigenous children have a 17% poverty rate. As non-Indigenous children are further disaggregated into immigrants and racialized (visible minority) children, the poverty rates sit at 32% and 22% respectively for those groups. For children that are not immigrants, not racialized, and not Indigenous, the child poverty rate is 13%, just below the OECD average of 14%. This group constitutes the lowest tier of poverty.

The second tier appears when examining non-Status First Nations, Inuit and Métis children. Among these identities, child poverty ranges from 23% to 29%, much higher than the national average, but similar to the rates among immigrants and racialized children. This second tier includes child poverty rates ranging from 32% among immigrants to 22% among visible minorities with the Indigenous identities outlined above sitting within that range.

The third tier comprises First Nations status children. On average, the child poverty rate within this identity is 51%, which is to say that every second status First Nations child lives in poverty. However, this average masks an even worse situation faced by on-reserve children where the national poverty rate is 60%. The off-reserve situation is somewhat better for

FIGURE 2 Breakdown of Child Poverty Rates by Identity



Source National Household Survey 2011 custom tabulation. Totals may not add due to rounding. "Non-Status FN" category includes the categories of: "non-status First Nations", "Aboriginal Identity not elsewhere specified" and "Multiple Aboriginal identity". The "Immigrant" category includes Immigrants and non-permanent residents.

status First Nations children, who experience a poverty rate of 41%. However, this rate is well above the range for the second tier of child poverty and many times that of the first tier.

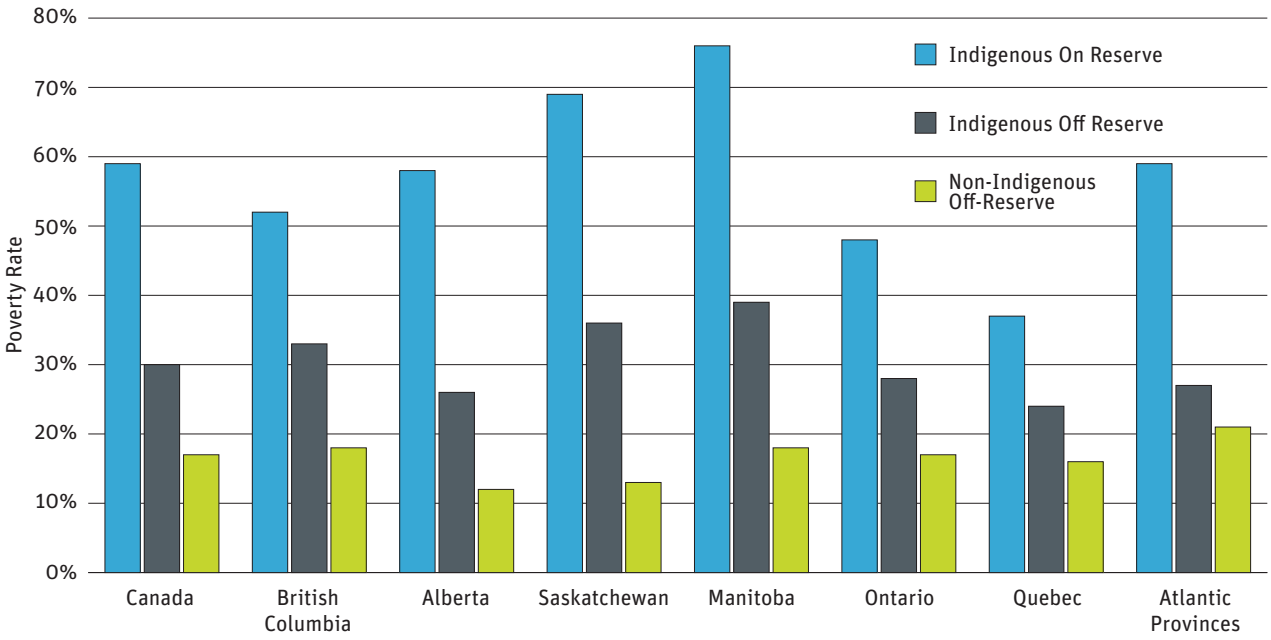
The Geography of Indigenous Child Poverty

GEOGRAPHIC BREAKDOWN BASED on identity reveals even more extreme child poverty in the Prairies, as shown in *Figure 3*. On reserves in Manitoba, Indigenous child poverty reaches an obscene level of 76%. In other words, three out of every four children on reserve in the province lives below the poverty line. Off reserve, the situation is better, but for Indigenous children Manitoba still has the highest poverty rate of any province (39%). Non-Indigenous children in Manitoba face much lower rates, but at 18% those rates remain among the highest in the country.

The situation isn't much better in Saskatchewan, where on-reserve First Nation child poverty rates are 69%. Despite having the second highest on-reserve child poverty rates, Saskatchewan has the lowest non-Indigenous child poverty rate of any province (13%), constituting the greatest disparity between non-Indigenous and status First Nation children anywhere in the country.

At 37%, Quebec has the lowest on-reserve child poverty rate in Canada. Its non-Indigenous child poverty rate of 16% is also lower than many other provinces, but the gap between on-reserve status First Nations and non-Indigenous child poverty is the smallest in Quebec. A large part of this is due to the low poverty rate for the James Bay Cree of northern Quebec, whose on-reserve population makes up roughly half of the total Quebec on-reserve population.[12]

FIGURE 3 Child Poverty Rates by Reserves, Province, and Identity



Source National Household Survey 2011 custom tabulation.

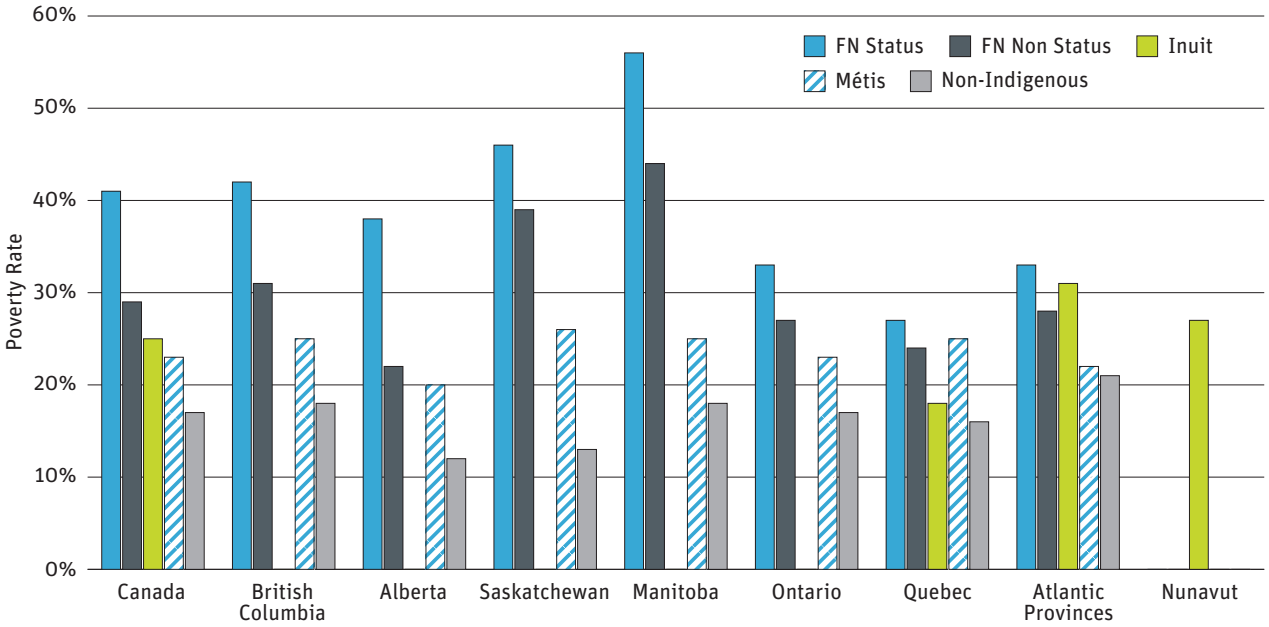
The on-reserve status First Nation child poverty rate for this area was 23%, much closer to the Canadian average for all children than reserves generally.[13]

The better situation for the James Bay Cree is likely linked to a resource revenue sharing agreement with the Province of Quebec relating to hydro-electric projects. Pursuant to the original 1975 agreement and the 1992 follow-up known as *La Paix des Braves*, the James Bay Cree receive a fixed $70 million per annum.[14] Revenue from those agreements seems to have allowed the James Bay Cree to offset chronic underfunding from the federal government. One of the effects of this additional funding has been to dramatically lower child poverty on those reserves.

Without exception, Indigenous child poverty is lower off reserve than on. In most cases, the off-reserve rates are half what they are on reserves. The worst provinces for Indigenous child poverty on or off reserve are the same, Manitoba and Saskatchewan, where rates sit at 39% and 36% respectively. The lowest rate of off-reserve Indigenous child poverty is also found in Quebec (24%), followed closely by Alberta (26%).

Simply moving off reserve does not eliminate poverty among Indigenous children, as the rates for non-Indigenous child poverty are lower in every province. It may initially seem unfair to compare non-Indigenous children,

FIGURE 4 Off-Reserve Detailed Identity Child Poverty Rates



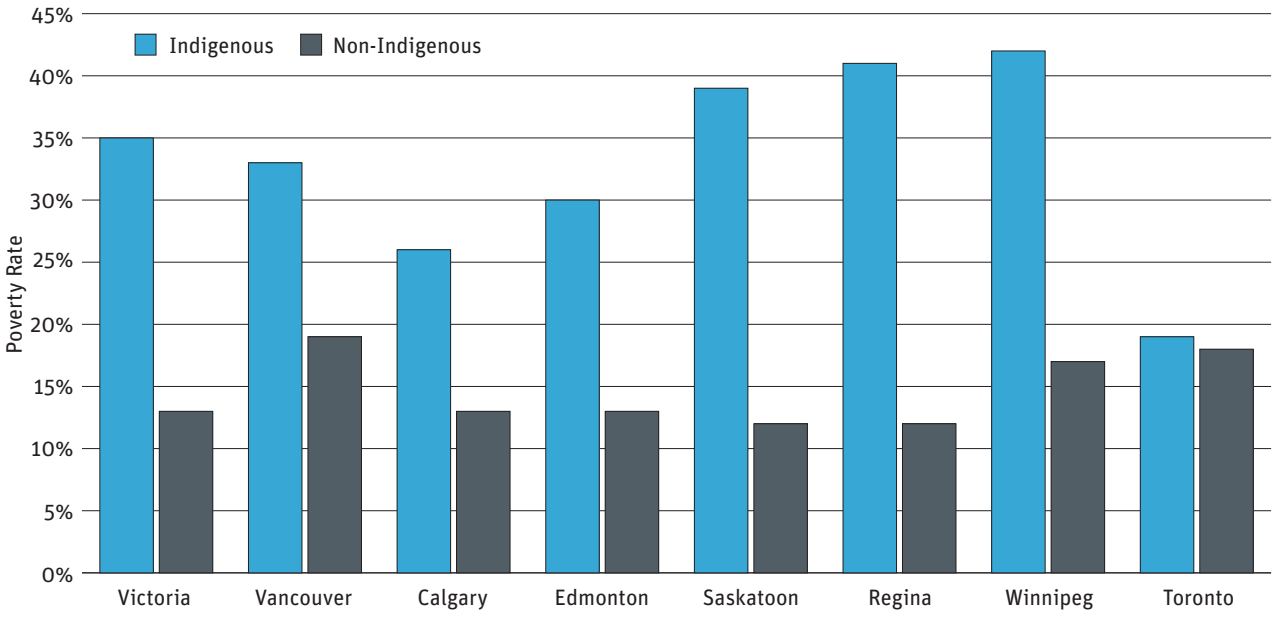
Source National Household Survey 2011 custom tabulation. Inuit identity excluded in some provinces due to small sample size at the provincial level.

who generally live in larger centres, to on-reserve Indigenous children, who generally live in more remote or rural locations. However, non-Indigenous child poverty rates are actually lower in rural areas for each province than the general child poverty rate. In other words, for non-Indigenous children, urbanization does not reduce poverty.

As shown in *Figure 4*, a broad trend of poverty has emerged by identity: First Nation status children have the worst child poverty rates, followed by non-status First Nation children, then by Métis children, Inuit children (nationally), and finally by non-Indigenous children. Interestingly, 18% of Inuit children in Quebec live in poverty, which is similar to non-Indigenous children in that province (16%). Similar to the James Bay Cree, the low poverty rate for Inuit in Quebec may be due to the fact that, pursuant to the Nunavik Land Claims Agreement, Nunavik Inuit receive 50% of the first $2 million and 5% of additional resource royalty received by the government of Canada for all natural resource development on the lands covered by the agreement.[15] The experiences of the James Bay Cree and the Nunavik Inuit of northern Quebec prove remoteness is not a sentence to higher child poverty.

Alberta has the lowest child poverty for non-Indigenous children, as seen in *Figure 4*, likely due to a strong labour market and higher-than-average

FIGURE 5 Child Poverty Rates By City



Source National Household Survey 2011 custom tabulation. Includes both on and off reserve populations.

wages over the time period examined. Those benefits seem to have translated to both Métis and non-status First Nations children, since for both identities Alberta has the lowest child poverty rates. As noted, the child poverty rate for status First Nation children off-reserve is lowest in Quebec, while Ontario has the second lowest rate in part due to lower poverty in Toronto as examined below. Quebec also has the second lowest child poverty rate for non-status First Nation children.

Saskatchewan and Manitoba have been highlighted previously as areas of high Indigenous child poverty. This is equally true for the disaggregated identities. For status First Nations on and off reserve, as well as non-status First Nations and Métis children, poverty rates are highest in these provinces. For non-Indigenous children poverty rates remain relatively high in Manitoba. However, the situation is quite different in Saskatchewan where non-Indigenous child poverty is the second lowest of the Canadian provinces despite persistently high Indigenous child poverty. British Columbia consistently ranks as third worst in child poverty among status First Nations, non-status First Nations, and Métis. It also has relatively high non-Indigenous child poverty.

Of the cities with larger Indigenous populations child poverty levels largely reflect provincial trends. The highest Indigenous child poverty for any city is found in Winnipeg, where 42% of Indigenous children live below the poverty line, and the non-Indigenous child poverty rate is also high at 17%. Winnipeg has, by far, the largest Indigenous population of any city in Canada.

Regina and Saskatoon are not far behind in terms of Indigenous child poverty, with rates of 41% and 39% respectively. However, at 12% in both cities, non-Indigenous child poverty is the lowest of any city examined, producing the largest gap between child poverty rates. At the other end of the spectrum sits Toronto, where Indigenous and non-Indigenous child poverty is almost equal at 19% and 18% respectively. The Indigenous population in Toronto is primarily made up of non-status First Nations and Métis who tend to have lower child poverty rates. Although part of the reason for the small gap is that Toronto has the second highest non-Indigenous child poverty of the cities examined.

Poverty Only Measures the Lack of Income

POVERTY FIGURES, LIKE those examined above, are simply a reflection of whether the household income in a given family is below a certain dollar figure. Clearly, household income is an important determinant of a family's capacity to give their children the best possible start in life. However, it tells us nothing about other barriers that may impede a child's ability to achieve their full potential. Unfortunately, for Indigenous children, particularly those on reserves, the barriers to achieving their full potential do not end with low family income. In fact, the barriers for children living on reserves are substantial, systemic, and exacerbate income poverty.

Despite evidence that education can counteract the effects of poverty, barriers to obtaining a quality education on reserve abound. Capital budgets for reserve schools are underfunded by at least $169 million a year.[16] Operational budgets for schools on reserve have been frozen at the rate of inflation since 1996, ignoring large increases in the school populations. Programs to aid First Nations students to obtain post-secondary education are heavily over-subscribed, meaning many students who want to go to university and college cannot access the requisite funding.[17] These barriers further exacerbate the painful historical legacy in Canada of First Nations children being forcibly removed from their families and shipped off to residential schools rife with abuse.[18]

Barriers for children on reserve do not stop at education but extend to other public services. While access to clean water is taken for granted by

most Canadians, in the fall of 2015 there were 120 First Nations communities living under boil water advisories.[19] Some of those advisories have been in place for nearly 20 years. In addition, First Nations people living on reserve, as well as the Inuit, are far more likely to live in houses that are overcrowded an/or in poor repair.[20]

In Canada half of all foster children are Indigenous.[21] One of the contributing factors has been discriminatory underfunding of child welfare services on reserves, as confirmed by a recent ruling of the Canadian Human Rights Tribunal.[22] Chronic underfunding, combined with low incomes, makes child removal dramatically more common in Indigenous families.

A Poverty Reduction Plan for Reserves

THE EXTRAORDINARY POVERTY rates on reserves scream out for an urgent plan of action. The following suggestions may be of assistance in moving such a plan forward.

1. Track and Publish Poverty Rates on Reserves and in the Territories

The first step to reducing poverty among Indigenous children is to actually track and publish poverty statistics affecting this group. Poverty rate calculations on reserves and in the territories are possible, since income data are being collected. However, such calculations are not being completed or published. If data isn't being tracked and published it is impossible to tell whether policies and programs are having an impact. When the Canadian LIM-AT poverty lines are applied, as we have done in this report, communities on reserves and in the territories are revealed to be among the poorest in the country.

Income data on reserves and in the territories are at present only being collected during the census every five years. Since no income data are collected in the interim periods trends in poverty cannot be tracked. Major income surveys such as the Canadian Income Survey and the Labour Force

Survey should be extended to reserves and the territories to provide poverty and income data in non-census years. In 2007, Statistics Canada was approached by the Siksika Nation to extend the Labour Force Survey as a pilot on that reserve.[23] The First Nations Information Governance Centre working with several federal departments is developing a new national survey examining employment on reserves although data won't be available until 2020.[24] This successful pilot may provide a template for expansion of similar data collection on other reserves.

2. Income Support

As income poverty is due to a lack of income, income support programs can have a major impact on poverty rates. They are not the only way to reduce poverty, but creating an income safety net should be part of any plan.

The most specific transfers for low-income families with children are the federal child benefits. Presently, those are the Universal Child Care Benefit (UCCB), the Canada Child Tax Benefit (CCTB) and the National Child Benefit Supplement (NCBS). In July 2016, those three programs will be folded into a new program called the Canada Child Benefit (CCB). The CCB cancels transfers to high-income households and increases transfers to lower-income families.

The CCB will likely have a significant effect on child poverty rates, with the best results in groups where poverty rates are already high, such as among Indigenous children. In order to simulate the expected impact of the new CCB on child poverty rates by identity, the Public Use Microdata File (PUMF) from the National Household Survey is used. Income data contained in the PUMF is from 2010 and, as such, this simulation determines the impact of the CCB as if it were implemented in 2010 compared to the child benefit programs that existed in that year, adjusting for inflation.[25]

Table 2 shows that, had the CCB been introduced in 2010, the reduction in child poverty would have been largest among status First Nation children. Their poverty rate prior to the simulated CCB was 50%. The rate would be reduced to 42% following the new program's introduction. This 8% reduction in the poverty rate among status First Nation children is the largest observed in *Table 2*, although child poverty remains highest for this identity regardless of the CCB. Unfortunately, disaggregation between on- and off-reserve children is not possible using this data source.

TABLE 2 Impact of CCB on Child Poverty Rates in 2010

Child Identity	Status Quo	After CCB
Status First Nations	50%	42%
Non status First Nations	29%	23%
Inuit	27%	22%
Métis	23%	18%
Non-Indigenous	17%	14%

Source NHS PUMF and author's calculations.

Non-status First Nation children see the second largest decline (6%) in child poverty rates, from 29% to 23%. Inuit and Métis children see a similar 5% rate reduction. Non-Indigenous children see the lowest fall in child poverty (3%); however, child poverty was lowest in this identity to begin with.

Clearly, improving child-related income support can help reduce child poverty, with the largest reductions going to those identities that started with the highest poverty rates. However positive these reductions may be, they do not eliminate child poverty, nor do they significantly reduce the substantial disparity between identities.

One administrative difference that may reduce the impact of the CCB on reserves, where child poverty is the highest, is the incidence of tax filing among status First Nations people. In most cases, status First Nations people working on reserve do not have to pay federal income taxes, although they may pay income taxes to their band government.[26] Not paying federal income taxes may also mean not filing a federal income tax return, which makes a family eligible for federal child benefits. This situation may be more common on reserves due to the legal exemption and low employment rates, with the possible effect that the CCB transfer will be less often applied among children on reserves.

3. Jobs on Reserves

As the situation in Alberta clearly illustrates, the availability of employment, and wage levels, can have a significant impact on child poverty. These factors have likely contributed to the province having the lowest poverty rates among non-status First Nation and Métis children, and the second lowest for status First Nation children. Employment with good wages is an important route out of poverty.

Reserves are often located in remote and rural areas, which may restrict access to employment that is otherwise available in more populated, urban areas. On the other hand, resource development is more likely to happen in remote locations. As observed above, non-Indigenous child poverty is actually lower in rural areas compared to urban areas. As such, merely living in a rural area does not assure higher child poverty rates.

The education level is quite low among status First Nations parents with children living in poverty, even compared to other Indigenous identities and certainly compared to non-Indigenous parents with children in poverty. Almost 60% of status First Nations parents with children in poverty did not graduate high school.[27] Part of this shortfall is due to the long shadow of residential schools and the result of chronic underfunding of reserve schools. Low levels of education, over and above the limitations imposed by geography, make a good job that much harder to obtain. With this in mind, it is likely that adult education in literacy and numeracy, as well as high school equivalence, are also important to reducing child poverty through better parental employment.

The 2016 federal budget proposed substantial new investments in physical infrastructure on reserves, particularly in housing, schools, and drinking-water processing. The construction of this new infrastructure will certainly create jobs directly on reserves where child poverty is highest. Efforts should be made to have a high proportion of those jobs go to First Nations people living on each reserve. However, given low education levels, a longer-term approach would pair those new jobs with training programs that emphasize literacy, numeracy, and help workers obtain high-school-equivalent GED (General Educational Development). Jobs created through infrastructure investment should be a catalyst to address broader problems on reserves; we should not assume they will solve those problems outright.

4. Longer-term Solutions

Over the longer term, three policy areas are most likely to provide the greatest impact on Indigenous child poverty, particularly in the most affected segment of this population — status First Nations children living on reserve. They are sustainable funding for reserves, resource revenue sharing agreements, and self-government.

With its first budget, the federal Liberal government has signalled a willingness to make investments in reserve communities at a level previous gov-

ernments were not prepared to meet. However, the gap between reserves and non-Indigenous communities in infrastructure and public services is so large — especially after two decades under a cap that met inflation but ignored the highest population growth in the country — that much more will be needed.

For children to succeed, they need a secure and healthy environment in which to grow and a decent education to prepare them for adulthood. Overcrowding, mould, unclean water, poor sanitation, and a lack of access to health care all contribute to a level of insecurity that rob children of a fair start in life. Schools, where they exist at all, frequently have no computers, antiquated science labs, and poor physical education facilities, among other shortcomings. As noted, this makes graduation from secondary school less likely and reduces employability for youth when they do graduate. Unemployment and incarceration are common consequences of a lack of opportunity. The high level of intervention by child welfare authorities and removal from the home environment put children at a real disadvantage, with increased safety risks.

If the significantly lower poverty rates among the children of the James Bay Cree truly are indicative of what can be accomplished through resource revenue sharing agreements, we should pay greater attention to what worked for that community. Of the 27 resource revenue agreements put in place since the 1992 *Paix des Braves* none include that agreement's important fixed-rate formula (although some do include a base in addition to more complex formulae for calculating benefits).[28]

Have these latter agreements been as successful? If not, why is that the case? Much more study is required to identify whether the James Bay Cree experience, which includes a poverty rate of 23% compared to the national on-reserve average of 60%, is replicable. The relative value of business versus government resource sharing agreements should be part of that study. We need only look to the other side of James Bay, where the struggling Attawapiskat First Nation signed an Impact Benefit Agreement (IBA) with mining company DeBeers, to see why the former might be a much more prudent and beneficial approach.

One important non-financial aspect of resource revenue agreements is that they are often part of self-government agreements. As explained in every credible study, from the 1996 report of the royal commission on Aboriginal peoples to the report, last year, of the Truth and Reconciliation Commission, self-government is the key to unlocking the potential of First Nations to improve the lives of their own citizens, including their children.[29]

Of particular note, in this time of heightened awareness over youth suicide on reserve, are studies by UBC professors Michael J. Chandler and Christopher Lalonde demonstrating the correlation between lower suicide rates and greater self-governing institutions that provide cultural continuity to young people.[30] The commitment of the current federal government to a nation-to-nation relationship, and recent remarks by the Minister of Justice committing to a "reconciliation framework," suggest this issue is being taken seriously, perhaps picking up where Paul Martin's government left off with the defunct Kelowna Accord.[31] We hope this is the case, and that a new process will finally be implemented.

Conclusion

CANADA'S PAINFUL LEGACY of residential schools and the long-term underfunding of basic services on reserves have left First Nation communities experiencing living conditions many would expect to see in the developing world, not a rich nation such as Canada. Too many First Nations children live in abject poverty, in many cases without hope of improved prospects in the future. As reported prominently in the news this spring in the case of Attawapiskat, these factors have culminated in the deplorable and ongoing youth suicide crisis on reserves.

It is critical that poverty rates begin to even be calculated for reserves and in the territories. Without this basic data, progress will be far more difficult. This study represents the first time poverty rates have been applied to those areas using the 2010 NHS and they reveal deplorable rates. In order to tackle the desperate poverty levels, we recommend the following:

1. Report poverty rates on reserves and in the territories;
2. Improve direct income support;
3. Improve employment prospects; and
4. Begin to implement longer-term solutions.

For Canada's youngest and fastest-growing population, it is critical that we come to terms with the ongoing crisis affecting Indigenous people and act immediately to help resolve it. The circumstances in which these young

people find themselves on reserve reproduce the nightmare of residential schools, with which Canada is only now beginning to come to terms. The growth of Indigenous child poverty in Canada cannot be allowed to continue until another generation is lost.

Appendix A: Methodology and Data

THE DATA IN this report is the result of a custom tabulation from the 2006 Census and the 2011 National Household Survey. To be included in the custom tabulation, reserves needed to have data for both years. While the NHS was conducted in 2011 and the Census in 2006, the income data used in each was from 2010 and 2005 respectively. As such population counts are from 2011 and 2006 but poverty rates are from 2005 and 2010.

This study uses the After Tax Low Income Measure (LIM-AT) following the convention of the OECD in determining "low income". Statistics Canada does not recognize those living under the LIM-AT line as "living in poverty" instead it defines them as having "low incomes." In this report, living "in poverty" is used synonymously with those having "low incomes." Unfortunately, after-tax income was only first included in the 2006 Census meaning that the LIM-AT line cannot be applied to prior censuses.

Measures of low income, like the LIM-AT or the older Low Income Cut Off (LICO) have never been applied to reserves or the territories, as they were in this study. This new application generates potential complications for the LIM-AT methodology. For instance, the LIM-AT line is calculated as half of the median adjusted household income of the population. As the LIM-AT was not applied to those on reserves or in the territories, it also doesn't include the incomes of those people in the median calculation. Including those incomes is likely to decrease the value of the median, and therefore

decrease the resultant LIM-AT line and also poverty rates generally. However, the population on reserves and the territories is small compared to the general population limiting this impact.

Poverty rates in this report where the count of children in poverty was less than 500 were excluded due to increased uncertainty in the NHS dealing with small samples and Indigenous identities that outside of reserves are less likely to have responded to the NHS.

Notes

1 Speech from the throne: http://speech.gc.ca/sites/sft/files/speech_from_the_throne.pdf

2 David Macdonald and Daniel Wilson, "Poverty of Prosperity: Indigenous children in Canada," Canadian Centre for Policy Alternatives, June 2013.

3 "National Household Survey Dictionary 2011", National Household Survey, Statistics Canada (2011) pg. 132 (www12.statcan.gc.ca/nhs-enm/2011/ref/dict/99-000-x2011001-eng.pdf Accessed on April 7th, 2016)

4 See for instance the Greek experience: Rachel Donadio, "Battered by Economic Crisis, Greeks Turn to Barter Networks", October 1, 2011, New York Times (http://www.nytimes.com/2011/10/02/world/europe/in-greece-barter-networks-surge.html?pagewanted=all&_r=0 Accessed April 19th, 2016); and "The First Canadian Barter Exchange" (barterfirst.com/) or the "Canadian Barter System" (www.canadianbartersystem.com)

5 See for instance footnote 38, "2011 National Household Survey: Data Table: 99-014-X2011047", 2011, (https://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/dt-td/Rp-eng.cfm?TABID=7&LANG=E&APATH=3&DETAIL=0&DIM=2&FL=A&FREE=0&GC=01&GID=1118296&GK=1&GRP=1&PID=107758&PRID=0&PTYPE=105277&S=0&SHOWALL=0&SUB=0&Temporal=2013&THEME=98&VID=23516&VNAMEE=&VNAMEF=#fnb-23516-38 Accessed on April 8, 2016)

6 https://www.aadnc-aandc.gc.ca/eng/1317228209993/1317228233782

7 Population weighted Global Non-response (GNR) rate for reserves was 19.5% versus the Canadian average of 26% across all Census Tracts. On-reserve GNR was calculated by the author using the National Houshold Survey: Final response rates, census subdivisions (CSDs), Statistics Canada, 2011. (http://www12.statcan.gc.ca/nhs-enm/2011/ref/about-apropos/nhs-enm_r013.cfm?Lang=E Accessed on April 8, 2016)

8 For instance, in Winnipeg, which contains the largest Indigenous population of any CMA, the Indigenous population weighted GNR using census tracts was 27% while the Winnipeg CMA in total was only 21.9%. Author's calculations from NHS Profile: Download data for a complete geographic level: 99-004-XWE2011001-401-MAN," Statistics Canada, 2011. (https://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/details/download-telecharger/comprehensive/comp-csv-tab-nhs-enm.cfm?Lang=E Accessed on April 8th, 2016)

9 Population increases in the status First Nation community that are larger than the birth rate may be due to the extension of status via Bill C-3 in response to *McIvor v. Canada* (December 2009),

as status populations cannot increase by changing self-identification alone given the legal definition of "Status Indian."

10 Daniels v. Canada (Indian Affairs and Northern Development), 2016 SCC 12 (CanLII)

11 Including all Indigenous people on reserve who are not status First Nations.

12 As represented here by those on reserve in the Abitibi-Baie James-Nunavik-Eeyou 2003 federal electoral district.

13 NHS 2011, custom tabulation.

14 To read the agreement, see: http://www.pdac.ca/pdf-viewer?doc=/docs/default-source/aboriginal-affairs-docs/la-paix-des-bravest.pdf

15 Nunavut Land Claims Agreement, Signed in 2006, Effective in 2008 (http://www.gov.nu.ca/sites/default/files/files/Nunavik%20Inuit%20Land%20Claims%20Agreement%20%28NILCA%29.pdf Accessed April 19th, 2016)

16 Ashutosh Rajekar and Ramnarayanan Mathilakath, "The Funding Requirement for First Nations Schools in Canada" Parliamentary Budget Office, May 2009, pg 12. (www.pbo-dpb.gc.ca/files/files/Publications/INAC_Final_EN.pdf Accessed April 12th, 2016)

17 In particular, via the Post Secondary Student Support Program (PSSSP). See "Fact Sheet: First Nations Post-Secondary Education," Assembly of First Nations, 2011. (www.afn.ca/uploads/files/pse-fact-sheet.pdf Accessed April 12th, 2016.

18 For more details see the various reports published by the National Centre for Truth and Reconciliation: http://nctr.ca/reports.php

19 Water Chapter, Alternative Federal Budget 2016, pg 144. (https://www.policyalternatives.ca/publications/reports/alternative-federal-budget-2016 Accessed April 12)

20 "Aboriginal Statistics at a Glance: 2nd edition" Statistics Canada, December 24th, 2015, pg 14–15 (http://www.statcan.gc.ca/pub/89-645-x/89-645-x2015001-eng.pdf Accessed April 11, 2016)

21 2011 National Household Survey, "Aboriginal Peoples in Canada: First Nations People, Métis and Inuit" Statistics Canada, 2013, (http://www.statcan.gc.ca/daily-quotidien/130508/dq130508a-eng.htm?HPA Accessed April 11, 2016)

22 "First Nations Child and Family Caring Society of Canada et al. v. Attorney General of Canada (for the Minister of Indian and Northern Affairs Canada)" Canadian Human Rights Tribunal, January 26, 2016 (http://decisions.chrt-tcdp.gc.ca/chrt-tcdp/decisions/en/item/127700/index.do?r=AAAAAQAZQXNzZW1ibHkgb2YgRmlyc3QgTmFoaW9ucwE Accessed on April 12th, 2016)

23 "Siksika Nation Pilot Labour Force Survey: Collection Experience and Results 2010 to 2011" Statistics Canada, December 2013 (http://www.statcan.gc.ca/pub/75-005-m/75-005-m2013001-eng.pdf Accessed on April 12th, 2016)

24 First Nations Information Governance Centre, "New survey to fill long-standing gap in First Nations labour and employment data", November 23, 2015 (Accessed May 6th, 2016 fnigc.ca/news/new-survey-fill-long-standing-gap-first-nations-labour-and-employment-data.html)

25 The results in Table 2 assume the CCB was implemented in 2010, replacing the programs that existed then. More recent data on child poverty including reserves and the territories is not available. Child benefits are more generous in 2016 due to the Enhanced UCCB for children between 7 and 16. As such, the drop in poverty in July 2016 due to the introduction of the CCB will likely be smaller.

26 For a review of taxes paid by First Nations people see: Chelsea Vowel, "First Nations Taxation", âpihtawikosisân, December 2011 (http://apihtawikosisan.com/2011/12/first-nations-taxation/, Accessed April 13th, 2016. For a review of the various taxes levied on various reserves see: "Fact Sheet - Taxation by Aboriginal Governments", Indigenous and Northern Affairs Canada, February 2014 (https://www.aadnc-aandc.gc.ca/eng/1100100016434/1100100016435, Accessed April 13th, 2016)

27 David Macdonald and Daniel Wilson, "Poverty of Prosperity: Indigenous children in Canada," Canadian Centre for Policy Alternatives, June 2013, Figure 6.

28 This information is gleaned from unpublished research by the authors collected 2015.

29 Canada, *Report of the Royal Commission on Aboriginal Peoples*, 1996. See also supra, footnote 16.

30 Chandler, M.J. & Lalonde, C.E., "Cultural Continuity as a hedge against suicide in Canada's First Nation", 1998, Transcultural Psychiatry, 35(2), 193–211.

31 As reported by J. Barrera, Aboriginal Peoples Television Network, During suicide debate Justice Minister says it's time for First Nations to shed Indian Act 'shackles', April 13, 2016, available at http://aptn.ca/news/2016/04/13/during-first-nation-suicide-debate-justice-minister-says-its-time-for-first-nations-to-shed-indian-act-shackles/

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