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Report Card 12: Canada's Children of the Recession
Key Findings

Canada-specific findings:

1. The recent financial crisis of 2008-2012, the Great Recession, was the worst economic downturn since World War II. **Living conditions deteriorated for millions of children in the richest nations. But this did not have to happen.** Government actions had a major influence, and in some countries sheltered children from the worst impacts while in others worsened living conditions and inequality.

2. **Canadian government policies at all levels helped protect children from some of the worst ravages of the recent financial crisis**.
   - Policies that helped buffer children from poverty include: Canada's child-focused family income benefits, like the National Child Benefit and Supplement, and some provinces brought the risk of child poverty down with explicit poverty reduction targets and an increase in income benefits and services for children.

3. **Fewer children in Canada are now living in poverty.** The child poverty rate in Canada fell by two percentage points to 21 per cent and 180,000 children rose out of poverty. Remarkably in single parent households the rate fell by seven points. In contrast, the child poverty rate rose by an average of three percentage points across industrialized countries.

4. **Young people were in a holding pattern during the crisis.** While the unemployment rate of young people rose during the Recession, the number of young people in school also rose as these older children looked to improve their employability.
   - The NEET rate (rate of young people aged 15-24 not in education, employment or training) remained quite steady in Canada at 10 per cent (comparing the rate at the start and the end of the crisis), but youth unemployment increased by two points (to 14 per cent) since 2008, double the rate for the broader population. There's been increase in enrolment in post-secondary education and apprenticeships, showing young Canadians are doing what they can to become more employable. In contrast, the NEET rate climbed in most nations, and in some to more than 25 per cent.

5. **Not all children fared well.** Canada's protection of children was not equitable. The child poverty gap widened by two points as the most vulnerable slipped further into poverty. Families with more than two children, indigenous children and migrant children were more likely to be poor. And poverty and unemployment were higher among children in Canada than they were for the broader country population. Children shouldn't bear the brunt of economic challenges.

6. **More Canadians perceive children to have fewer opportunities.** The Great Recession also saw an increase in levels of family stress in Canada and a decrease in the percentage of Canadians who believe that children have sufficient opportunities to learn and grow—with Canada ranking in the bottom third among the 41 countries.

7. **Canada's child poverty rate is still unacceptably high.** With the Recession over, now is the time for all governments in Canada to build on their successful efforts and put children first in their financial and policy decisions. Whether dealing with balancing budgets or spending surpluses, children should be given priority. All children have the right to an adequate standard of living for their development and well-being. It is in their best interest and in ours as a nation.

8. As the world’s knowledge leader for children, UNICEF is committed to collecting and sharing critical information on the situation of children around the world. For the past 12 years, UNICEF has published an annual Report Card series on the well-being of children in industrialized countries. By making this data and analysis publicly available, parliamentarians and policy makers will have the information they need to make decisions in the best interest of every child.

UNICEF Canada asks all levels of government in Canada to do two things:

1. Adopt a **First Call for Children Strategy**, an emergency plan ready for the next economic downturn. It should include:
    - an **explicit policy** that children will be given priority – the first to benefit from stimulus and the last to be affected by budget cuts
    - a **rapid data survey** to measure how children are being affected, and guide rapid action. This should include young people’s opinions, and introduce a deprivation measure similar to that used in European nations to reveal how children’s living conditions are changing
    - a **reserve fund** to invest in measures to protect family income and children’s services, including a temporary child income benefit supplement and efforts to boost youth participation in work, education and training
    - a **leave-no-child-out** principle to achieve appropriate balance between universal and targeted interventions for the most disadvantaged children
    - a **review** by Parliament and provincial/territorial Legislatures of the impacts of the crisis on children, hearing from children and young people and a range of perspectives in education, health, early child development, youth services, child protection and justice – to direct recovery actions and to learn for next time

2. **Accelerate the well-being of Canada’s children** to a higher level with:
    - a **coordinated strategy** to improve child well-being from 17th place among rich nations on UNICEF’s Index of Child Well-being, with targets calibrated to what the best-performing nations achieve and “red-lines” below which indicators of child well-being will not be allowed to fall
    - **Child Impact Assessments** on all social and fiscal policy decisions affecting children, to give them their due priority and to predict and improve impacts on children, including the most vulnerable
    - a National **Children’s Commissioner** to monitor and report on the state of children

Industrialized nations broad findings:

- Children have one chance to get the right start in life, regardless of good or bad economic times. The Great Recession (2008-2011) was not just an economic recession, but a recession in the well-being of children.
- Overall poverty rose by nearly two percentage points on average, but child poverty increased more—by three percentage points. In the countries hit hardest, children suffered the most and will live with the consequences for years to come.
- Child poverty increased in more than half the industrialized countries, creating three million more poor children, for a total of 76.5 million in the 41 most affluent countries.
- Families were mainly affected by the Great Recession by unemployment and cuts to services. A third of all households across the industrialized nations lost wages and those households with children lost the most (based on a sample of 17 nations).
- Having a child in a house increases the risk of ‘working poverty’, which is working while living below the poverty line, from seven per cent to 11 per cent.
- Youth unemployment and underemployment have reached worrying levels in many countries. Among those aged 15-24, unemployment has increased in 34 of the 41 countries analysed.
- Challenges have not ended for children and their families and it may take years for many to return to pre-crisis levels of well-being.