

## **Budget 2022 Proposal: A Catalytic Investment Fund for Children and Youth**

*“There can be no keener revelation of a society’s soul  
than the way in which it treats its children.”  
~Nelson Mandela*

### **The Case for Catalytic Investments in Children**

Canada was once of the best places in the world to raise a child, but that is far from our current reality. Over the past decade, Canada has fallen from 10<sup>th</sup> to 30<sup>th</sup> place amongst OECD countries for the wellbeing of children, and the COVID-19 pandemic has threatened the survival and development of millions of children.<sup>1</sup>

In 2021, [Children First Canada](#) (CFC), children’s hospitals and leading child health advocates jointly declared **#codePINK** – a term used for pediatric emergencies. Nearly one year later, #codePINK remains in effect as the lives of millions of children remain in jeopardy.

School closures, the lack of access to sports and recreational programs, and social isolation have taken a high toll on young people. Children have experienced devastating impacts to their mental and physical health along with widespread learning loss, the effects of which will be felt for years to come.

### **Powerful Returns on Investment in Children**

The short-term, mid-term and long-term economic impact of Canada’s current crisis facing children and youth can not be understated. There is overwhelming and compelling evidence that clearly demonstrates that investing in children and youth can yield great economic returns and break generational cycles of poverty in a way that can greatly benefit all Canadians.

Investing in children’s physical and mental well-being sets them up to become healthy, productive, and contributing members of society that require less medical care and social support in the long run. Research from TD Bank<sup>2</sup> and the Conference Board of Canada<sup>3</sup> has calculated the tangible benefit of investing in children. The Return on Investment (ROI) for supporting early childhood development is 3:1, and when considering children who face multiple challenges and forms of discrimination, the ROI can easily reach 6:1.

Preventing the top threats to childhood such as child abuse and bullying can also create massive long term economic benefits, resulting in multi-billion-dollar annual savings, as reported by Children First’s 2018 [Raising Canada](#) report.

### **The urgency to invest in children and youth has never been greater**

As Canada builds back from the pandemic, it is critical that we make bold investments to bring about measurable and lasting change in the lives of 8 million children.

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<sup>1</sup> Source: [Raising Canada 2021, Children First Canada.](#)

<sup>2</sup> [https://www.td.com/document/PDF/economics/special/di1112\\_EarlyChildhoodEducation.pdf](https://www.td.com/document/PDF/economics/special/di1112_EarlyChildhoodEducation.pdf)

<sup>3</sup> <https://www.conferenceboard.ca/e-library/abstract.aspx?did=9231>

CFC proposes that the Government of Canada establish a **Catalytic Investment Fund for Children and Youth of \$2 billion to be allocated over the next four years**. The aim of the fund is to catalyse efforts **to tackle the immediate and urgent threats** to children's wellbeing resulting from the pandemic and **to drive systemic change**.

The Fund will provide the resources required to take immediate action to address the crisis facing kids in our country and drive sustainable change for future generations, with the goal of making Canada the best place in the world for kids to grow up.

Moreover, the Fund is directly aligned with the new Cabinet mandates to:

- Ensure that the voices and needs of children are represented in the Government's agenda and working to make Canada the best place to grow up.
- Ensure that mental health supports are accessible to children and youth as they recover from the impact of the pandemic.
- Develop a National School Food Policy and working toward a national school nutritious meal program.

In addition, this Fund responds to recommendations and a Joint Call to Action from a broad range of civil society organizations to **prioritize children in Canada's pandemic recovery plans**, issued on September 21, 2021 (see appendix 1 for the Joint Call to Action and list of signatories).

An investment of \$2 billion over four years is big and bold, and entirely warranted. While Canada's investment in social protection throughout the pandemic "has been more robust than many of its peers, spending slightly more than the average of 10 per cent of pre-pandemic GDP," according to UNICEF, ***"Less than 2 per cent was spent on responses directed to children."***<sup>4</sup>

Children and youth represent nearly a quarter of Canada's population and one hundred percent of our future. **They deserve a fair share of federal resources** and investing in kids pays big dividends for them and for all Canadians.

Child and youth mental health is one of the many areas requiring investments. In 2021, Children's Healthcare Canada and the Pediatric Chairs of Canada estimated that an investment of \$450 million dollars was required to address current gaps in services and infrastructure to support children's mental health. The return on investment in child and youth mental health is compelling; mental illness is estimated to cost Canada \$51 billion per year, according to a 2008 study<sup>5</sup>.

The proposed Catalytic Fund should be made available to credible national and local child and youth serving organizations to implement proven and effective strategies to address the short-, medium- and long-term needs of children and drive meaningful change for children. Further, Canada must ensure that First Nations, Métis and Inuit children receive equitable funding and services.

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<sup>4</sup> <https://www.unicef.ca/en/press-release/child-poverty-rise-above-pre-covid-levels-least-five-years-high-income-countries>

<sup>5</sup> Lim et al. (2008). A new population-based measure of the burden of mental illness in Canada. *Chronic Diseases in Canada*, 28: 92-8.

The Fund is inspired by several bold and ambitious efforts undertaken by the Government of Canada and its peers to advance the health and wellbeing of children, including:

- New Zealand's *Investing in Children Program: Transformational Change* initiative, which involved an ambitious and substantial reform to significantly extend the range of services provided to vulnerable children and young people and take a proactive and life outcomes-focused approach to meeting their needs.
- Ireland's Better Outcomes, Brighter Futures initiative, involving one of the largest and most ambitious areas of public sector reform with over 4,000 employees and a budget of over €570 million across existing agencies.
- Canada's *Maternal, Newborn and Child Health (MNCH) Initiative*, which involved a 10-year commitment of \$6.5 billion aimed at improving the health of women and children in the world's most vulnerable regions.

It is important to note that each of these ambitious investments in children were made within the context of an economic downturn and budgetary constraints, and there was common recognition of the immense return on investment to be gained.

In conjunction with the Catalytic Fund, we also recommend that the government publish a **Children's Budget** to ensure transparency and accountability for all federal expenditures for children. Children's budgets are a proven strategy that have been used in jurisdictions around the world to ensure that investments are made towards evidence-based programs that improve the lives of children and of future adults.

Existing policy tools such as the GBA+ framework can be leveraged for the Children's Budget, and build on the initial efforts used by the Department of Finance in Budget 2019 for the [Investing in Young Canadians' Budget](#) booklet.

To this end, such an approach could also capture major federal investments in children and youth, including the landmark childcare agreements signed by your government with provincial and territorial governments.

### **Proposed Structure of the Catalytic Investment Fund for Children and Youth**

The Catalytic Investment Fund for Children and Youth will serve as a mobilizing force to engage thought leaders, service providers, innovators, researchers and advocates in a generational effort to improve the well-being of Canadian children.

This national mobilizing effort will allow Canada to address the threats to children's well-being in the wake of the COVID-19 pandemic and to make significant progress on addressing systemic challenges that have driven the ongoing decline in Canadian children's well-being in recent years.

This Fund will create meaningful progress towards the achievement of children's rights in Canada. This progress will be publicly tracked and reported. Through this fund, Canadians from every province, and from the public, private and community sectors, will work together to address the priority challenges facing Canadian children in the wake of the Covid-19 pandemic

Currently, one-third of children in Canada do not enjoy a safe and healthy childhood, and one-fifth of children in Canada live in poverty. Many children face additional forms of discrimination

that further compound these challenges. The Catalytic Investment Fund will mobilize a national movement to make Canada a global leader in children's well-being.

### **Leadership and Governance**

We recommend that this fund be managed by the Minister of Families, Children and Social Development or the Minister of Women's and Gender Equity and Youth, who will work closely together with the Minister of Families, Children and Social Development on execution.

Creating and launching this fund will enable the fulfilment of the following mandate letter commitments:

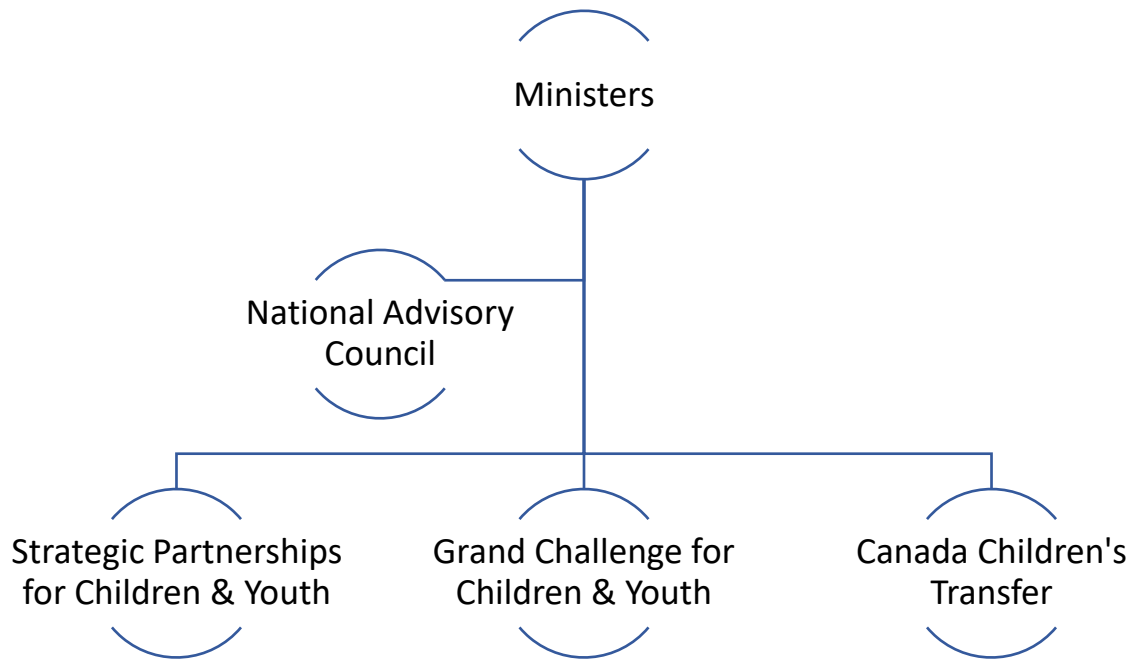
Minister of Families, Children and Social Development, the Honorable Karina Gould:

- Work with the Minister for Women and Gender Equality and Youth to ensure the voices and needs of children are represented in our Government's agenda, as we work to make Canada the best place to grow up.

Minister of Women's and Gender Equality and Youth, the Honorable Marci Ien:

- Work with the Minister of Families, Children and Social Development to ensure the voices and needs of children are represented in our Government's agenda, working to make Canada the best place to grow up.

We propose that the fund be guided by a National Advisory Council. This Council could be chaired by Ministers Ien and Gould. The Council would be composed of leaders from the public, private and non-profit sectors from all regions of Canada who are committed to transforming children's well-being. The Council would incorporate the perspectives of children and youth by including representatives from the Young Canadians' Parliament and the Prime Minister's Youth Advisory Council.



### **Implementation and Delivery:**

The Catalytic Investment Fund for Children and Youth will incorporate a child-rights based and child and youth-centred approach to solving the growing challenges facing Canadian children. This Fund will make bold, game-changing investments in short, medium and long-term change for children. The Fund will enable novel and strategic cross-sector partnerships that will break down siloes and facilitate maximum impact.

The Fund will support research, programming, and innovative solutions that will be grounded in evidence and proven impact, while open to new ways of working and addressing challenges. The fund will take an inclusive approach, prioritizing programming that supports the well-being of Indigenous Children, Racialized Children, Newcomer Children, and Children living with Disabilities.

The Catalytic Investment Fund will be guided by key principles of child rights-based programming, and will be: flexible and responsive, inclusive, transparent, evidence-based and innovative. The challenges facing Canada's children are profound. There is a great deal of existing evidence on how to address these challenges, however there is also the need for innovative approaches to transform systemic issues and inspire fresh and bold action.

For this reason, Children First Canada is proposing a hybrid model of delivery for the fund that will:

- Invest in transformative initiatives led by trusted partners and anchored in proven, evidence-based approaches
- Support new and innovative pilot initiatives that can drive systemic change for generations.

- Incorporate a knowledge translation strategy and build a community of practice that will drive learning and action.

The Catalytic Investment Fund for Children and Youth will be delivered through three mechanisms:

**1) Strategic Partnerships for Children and Youth**

The SPC will invest in rapid, high-impact national programs to address the urgent needs of children and youth. Funding would be allocated to transformative initiatives that are implemented by major Canadian child-serving, youth-serving and youth-led organizations. The SPC would allocate \$300 million per year to trusted community partners who could deliver large national programs that respond to the urgent needs of children and youth. This fund would adopt the model in use by the recently announced Community Service Recovery Fund and would incorporate child and youth participation in the selection of partners.

**2) Grand Challenges for Children and Youth (GCCY)**

The GCC will invest in strategic initiatives that drive systemic change for children, with a focus on funding innovative approaches that bring about measurable change for children and youth. The GCC would leverage the Government's current innovation platform via Impact Canada. This platform supports government departments in launching competitions for organizations, academic institutions, researchers and companies to pitch innovative solutions to challenging projects. This model has great potential to raise awareness of issues and engage new players in crafting impactful solutions.

This mechanism would allocate \$50 million per year to fund innovative pilot initiatives to address the top 10 threats to children identified in the latest [Raising Canada](#) report:

1. Unintentional and preventable injuries
2. Poor mental health
3. Systemic racism and discrimination
4. Child abuse
5. Vaccine-preventable illnesses
6. Poverty
7. Food and nutritional insecurity
8. Infant mortality
9. Bullying
10. Limited physical activity and play

**3) Canada Children's Transfer:**

An additional \$100 million per year would be directed to the provincial governments to strengthen child and youth focused mental health systems, and \$50 million per year to support School Food programs across Canada.

**Catalytic Investment Fund: Funding Framework**



	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Strategic Partnerships for Children and Youth	\$300 million	\$300 million	\$300 million	\$300 million
Grand Challenges for Children and Youth	\$50 million	\$50 million	\$50 million	\$50 million
Canada Children's Transfer: Mental Health	\$100 million	\$100 million	\$100 million	\$100 million
Canada Children's Transfer: School Food Program	\$50 million	\$50 million	\$50 million	\$50 million

### **Guiding Principles:**

It is advised that the Catalytic Fund adopt the following core principles:

- A child-centred approach to policy development and service delivery
- Hold the highest aspirations for children
- Big, bold investments in driving, short-, medium- and long-term change
- Strategic partnerships
- Evidence based and outcomes driven
- Demonstrable return on investment
- A commitment to upholding the rights of children

### **Monitoring and Accountability:**

The Catalytic Investment Fund would be guided by an overarching results framework that utilizes the GBA+ approach to measure the impact of these investments on children's well-being. Each year, the impact of the Fund would be reported to parliament. A public-facing report which includes child-friendly analysis could be prepared to share the impact of the Fund. This reporting framework will incorporate key indicators from the OECD and UNICEF's indices of child well-being along with the Raising Canada report.



**APPENDIX 1: Joint Call to Action issued in Globe & Mail and Hill Times, Sept. 21, 2021**



A call to action:

# It's time to prioritize children

Dear Prime Minister and fellow Parliamentarians,

On behalf of all 8 million kids in Canada, **we're asking you to put children at the heart of your pandemic recovery plans and the new mandate of your government.**

Kids continue to suffer grave threats to their mental and physical health, along with learning loss, as a result of the pandemic. This will affect them for years to come.

The future of Canada depends on the strength of children and youth. Investing in kids now will yield huge dividends for Canada in the years ahead.

But it will require big, bold leadership on your part, with significant investments made over the short, medium and long term.

Each and every day, we dedicate ourselves to improving the lives of kids from coast to coast to coast. We are committed to doing our part.

## Will you join us?

Canada's Children's Hospital Foundations

Canadian Children's Literacy Foundation

Canadian Coalition for the Rights of Children

Canadian Paediatric Society

CHILD-BRIGHT Network

Children First Canada

Children's Healthcare Canada

Kids Brain Health Network

Maternal Infant Child & Youth Research Network

Pediatric Chairs of Canada

PolicyWise for Children & Families

Ronald McDonald House Charities Canada

The Sandbox Project

UNICEF Canada

Young Canadians Roundtable on Health

### Now is the time!

- Canada's ranking for children's health and well-being has **fallen from 10th to 30th place** among 38 wealthy nations over the past decade.<sup>1</sup>
- The COVID-19 pandemic has had a **devastating impact on children**, accelerating the top 10 threats to childhood.<sup>2</sup>
- 61% of parents expect residual effects of the pandemic on their children's mental health, even after the pandemic is over, and 17% expect these impacts will be long term.<sup>3</sup>
- 75% of parents say they have received **some government support** throughout the pandemic, but it hasn't been enough (42%), or they haven't received any support at all (33%).<sup>4</sup>
- 91% of Canadians believe that Canada should put a **high priority on improving its rating for child well-being.**<sup>5</sup>

#### SOURCES:

1. UNICEF Canada, *Canadian Companion to UNICEF Report Card 16 (2020)*
2. Children First Canada, *Raising Canada 2021*
- 3,4. Inspiring Health Futures, Abacus Data, June 2021
5. Ipsos poll, November 2019