



# Bringing social and fiscal policy together: Towards a rights-based approach

**Written submission for the pre-budget consultations in advance of the 2025 federal budget**

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# Foreword to Maytree's recommendations

Poverty, homelessness, and food insecurity are rising across Canada. Governments must respond with policy solutions that reflect the magnitude of the challenge so that everyone can live with dignity.

Last August, Maytree submitted “Bringing social and fiscal policy together: Towards a rights-based approach” to the House of Commons Standing Committee on Finance as part of its 2025 budget consultations. Our submission outlined how these challenges are affecting Canadians and recommended ways to strengthen the income security system, make housing more affordable, and embed economic and social rights in policies and programs in response.

As we enter a new period of economic uncertainty, our recommendations have only become more relevant. The 2025 budget must prioritize actions to reduce poverty and homelessness while insulating those with low incomes during this time of great financial instability.

To this end, we are re-submitting our recommendations for your consideration.

## **Strengthening income supports**

Recommendation 1: Improve the Canada Disability Benefit (CDB) by raising the benefit amount, simplifying access, and expanding eligibility.

Recommendation 2: Better support low-income working-age adults by adding a floor amount to the Canada Workers Benefit (CWB) and increasing its maximum benefit.

Recommendation 3: Better support all low-income people by enhancing the GST/HST credit, by, for example, replacing it with the proposed Groceries and Essentials Benefit.

## **Making housing more affordable to people who need it most**

Recommendation 4: Enhance and expand the Canada Housing Benefit so that more renters can afford a place to live.

Recommendation 5: Fully and immediately implement Budget 2024's housing commitments that support those in deepest need.

Recommendation 6: Prioritize creating affordable units in all supply initiatives.

## **Being accountable for economic and social rights**

Recommendation 7: Further the domestic implementation of Canada's international commitments to economic and social rights, working with other levels of government.

Recommendation 8: Ground social programs in a rights-based framework, starting by embedding a human rights-based approach in all housing programs.

Recommendation 9: Create new measurement tools that will better gauge progress toward the right to an adequate standard of living.

## **The situation: An adequate standard of living is out of reach**

Poverty in Canada rose to 9.9 per cent in 2022, up from 7.4 per cent in the previous year. For the first time, the poverty rate now exceeds Canada's 2020 poverty reduction target of 9.7 per cent.

This situation reflects how rising living costs have affected those with the lowest incomes.

People receiving social assistance are being disproportionately impacted. Maytree's analysis of welfare incomes shows that they were inadequate for nearly all household types in 2023. Food insecurity is also rising, affecting approximately 23 per cent of Canadians.

It is no surprise, then, that many people with lower incomes are reporting difficulties meeting their needs. According to Statistics Canada, just over one third of people find it "very difficult" or "difficult" to meet their financial needs, and for households in the lowest income quintile, only 6.2 per cent of their income is considered disposable.

Rising housing costs have exacerbated these challenges. In 2021, [just over 10 per cent of households experienced core housing need](#) – meaning that their housing was unaffordable, inadequate, or unsuitable. Renters were more likely than homeowners to face this challenge, as well as non-couple families. Unsheltered homelessness also continues to rise, reflecting the lack of deeply affordable housing options across the country.

Investments in income security and affordable housing are necessary to address this situation and, when done right, can transform lives. During the peak of government pandemic transfers, the rate of individuals experiencing poverty and core housing need declined. Now that these benefits have ended, we are seeing pre-pandemic levels of these indicators.

It is clear that our policy efforts are failing to help those who need it most, and more can, and should, be done to better support them.

## **The way forward: Maytree's recommended approach**

### **Recommendations to strengthen the income security system**

- 1. Improve the Canada Disability Benefit (CDB) by raising the benefit amount, simplifying access, and expanding eligibility.**

In every single province and territory, [unattached singles with disabilities have total welfare incomes that are inadequate](#) and often far below Canada's Official Poverty Line.

The CDB could be an opportunity to lift people with disabilities out of poverty. Unfortunately, the proposed benefit amount is not enough to achieve an adequate standard of living, the eligibility criteria would exclude many people with disabilities, and the complicated process to apply would limit accessibility.

Maytree recommends that the government increase the maximum benefit so that total welfare incomes are adequate, expand eligibility so that the benefit is accessible to the 1.5 million people with disabilities who live below the poverty line, and simplify the application process so that all who qualify are able to access support.

**2. Better support low-income working-age adults by adding a floor amount to the Canada Workers Benefit (CWB) and increasing its maximum benefit.**

Well over half of CWB beneficiaries are single unattached working-age adults, [a group that faces both the highest rate and greatest depth of poverty](#) in Canada.

Maytree and Community Food Centres Canada [proposed to enhance the CWB into the Canada Working-Age Supplement \(CWAS\)](#) and lift over 1 million unattached singles out of deep poverty. This proposal means adding a floor amount that can be accessed by recipients without any employment income and increasing the maximum benefit. We recommend the federal government implement this proposal without delay.

**3. Better support all low-income people by enhancing the GST/HST credit, by, for example, replacing it with the proposed Groceries and Essentials Benefit.**

Food insecurity has increased substantially in recent years, and now affects nearly seven million Canadians. Strengthening our income security system remains our best tool to address food insecurity, particularly for the lowest-income Canadians.

The government allowed its temporary enhancements to the GST/HST credit to expire, even though the cost of living remains high. Maytree recommends returning to this approach through a permanent enhancement to the GST/HST credit. For example, the government should consider implementing the proposal for a Groceries and Essentials Benefit, as recommended by the Affordability Action Council, which would provide an additional \$1,800 per adult and \$600 per child annually.

## **Recommendations to make housing more affordable**

**4. Enhance and expand the Canada Housing Benefit so that more renters can afford a place to live.**

The Canada Housing Benefit helps many lower-income renters find a place to live by providing them with direct financial support. But greater investment is needed to deepen support levels and extend the benefit to more people who need it.

In addition, the benefit will end in 2029 – before many new units can be completed. To improve housing security, the government should explore options to make a direct housing support program permanent. These options could include continuing the Canada Housing Benefit or developing a broader benefit similar to the temporary rent top-up, which was delivered by the

Canada Revenue Agency. A permanent housing benefit should also continue to have funding dedicated to support survivors of gender-based violence.

**5. Fully and immediately implement Budget 2024's housing commitments related to supporting those in deepest need.**

Budget 2024 announced important housing investments, such as the new Rapid Housing Stream in the Affordable Housing Fund and Reaching Home's support for people experiencing unsheltered homelessness.

While these are steps in the right direction, Maytree calls on the federal government to accelerate implementation so that these programs are fully designed and funded before the 2025 budget is tabled.

Strengthening the rent regulatory environment will also be critical to preserving the integrity of these investments. Budget 2024's commitment to a Renters' Bill of Rights has the potential to do just that.

To ensure the Bill is effective and fully aligns with the right to adequate housing as recognized in the *National Housing Strategy Act*, Maytree recommends that it set national standards that advance the [seven elements of adequate housing](#) prescribed in international law, that its provisions are enforced, and that the Bill is implemented without delay.

**6. Prioritize creating affordable units in all supply initiatives.**

The Public Lands for Homes Plan and the Canada Rental Protection Fund are examples of innovative ways to add more rental housing. But it is not enough to increase supply alone – this supply also needs to be affordable to the people who need it most.

Across all supply initiatives, the government should ensure there are targets for creating affordable rental units, and that these units are kept affordable in perpetuity. With respect to the Public Lands for Homes Plan specifically, priority should be given to leasing land to non-profit and affordable housing providers.

The government should also ensure that affordable housing is defined as it is in core housing need – that housing costs are less than 30 per cent of a household's income. This means that household income, the area's market rent, and a household's size should be considered.

## **Recommendations to improve accountability for human rights**

**7. Further the domestic implementation of Canada's international commitments to economic and social rights, working with other levels of government.**

In the wake of Canada's fourth Universal Periodic Review (UPR) at the UN, Canada's federal, provincial, and territorial governments committed to make information about the implementation of UPR recommendations accessible to the public. This is an important commitment, as Canada has so far neglected to build the necessary legal foundations and government structures to institutionalize economic and social rights and provide accountability to rights holders.

To that end, Maytree recommends that Heritage Canada produce a comprehensive report on how the federal government intends to implement each UPR recommendation, how it will meet its human rights obligations more broadly, and how it will work with provinces and territories to encourage them to do the same.

**8. Ground social programs in a rights-based framework, starting by embedding a human rights-based approach in all housing programs.**

Maytree remains concerned that Canada's commitment to the right to adequate housing, as enshrined in the *National Housing Strategy Act*, is not reflected across the growing portfolio of housing policies and programs. The 2024 budget introduced important new initiatives, but again, these were not clearly grounded in the right to housing.

Maytree recommends that the government establish an explicit process and timeline to embed a human rights-based approach across all housing programs. Such an approach would prioritize those in greatest housing need, introduce clear targets and metrics for progress, and ensure the voices of people with lived experience guide policy and program development.

**9. Create new measurement tools that will better gauge progress toward the right to an adequate standard of living.**

The Market Basket Measure (MBM), used as Canada's Official Poverty Line, assesses only whether a family's income is below or above a certain threshold. It does not capture the nuances of people's lived experience.

Food Banks Canada has proposed a design for a [Material Deprivation Index \(MDI\) for Canada](#), based on the model used internationally, to better understand people's actual experience of poverty. Maytree recommends that Statistics Canada add this MDI to its existing set of poverty measures. Maytree also recommends that Statistics Canada [adapt the MBM to better reflect the unique needs of communities](#) such as seniors and people with disabilities.

Maytree is pleased to have the opportunity to provide input in advance of the 2025 federal budget. We welcome any feedback on our recommendations.