

WEBINAR • September 12

What is the state of welfare in Canada?



Jennefer Laidley



Sherri Torjman

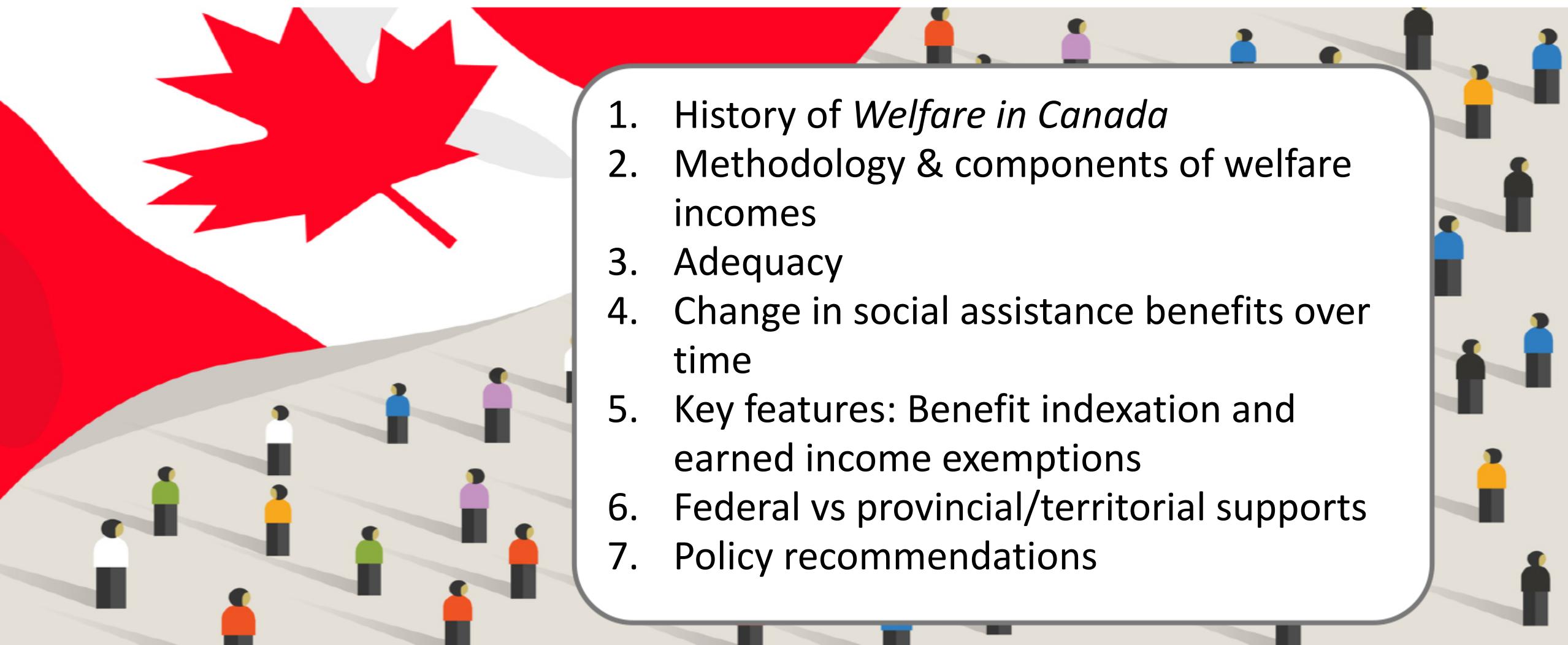


Mohy-Dean Tabbara



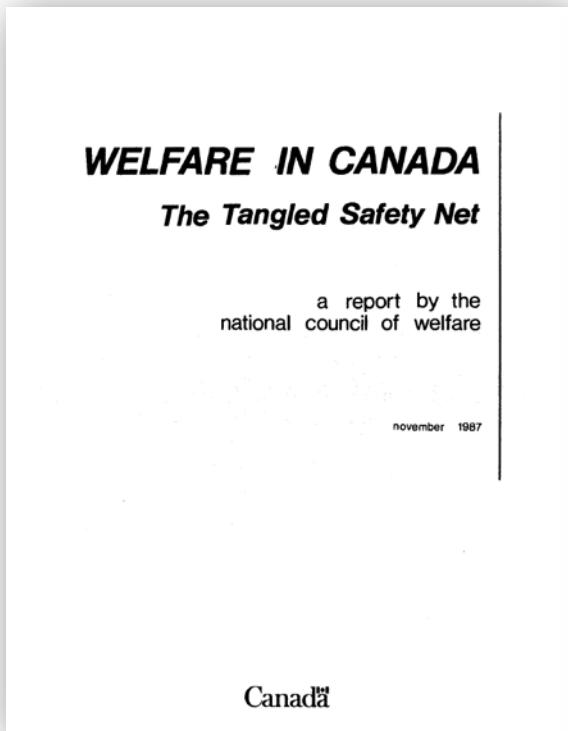
Elizabeth McIsaac

Today's presentation

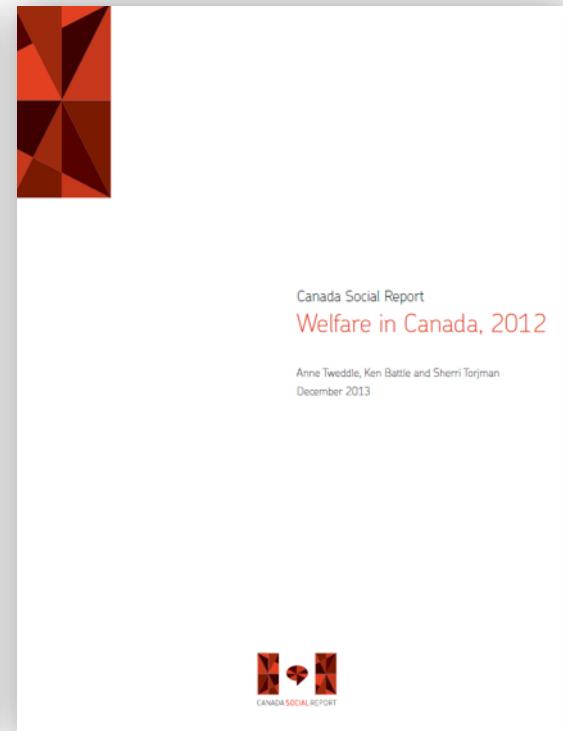
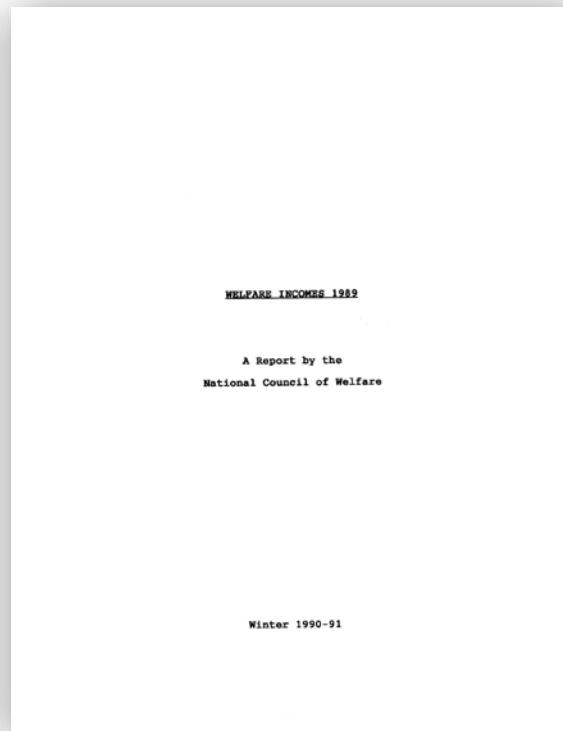


1. History of *Welfare in Canada*
2. Methodology & components of welfare incomes
3. Adequacy
4. Change in social assistance benefits over time
5. Key features: Benefit indexation and earned income exemptions
6. Federal vs provincial/territorial supports
7. Policy recommendations

The *Welfare in Canada* series: A history



National Council of Welfare
1987, 1989-2009



Caledon Institute
2012-2016



Maytree
2017-now

Methodology



Unattached single
considered
employable



Unattached single
with a disability



Single parent with
one child aged 2



Couple with two
children aged
10 and 15

Components

Provincial and Territorial sources

- Basic social assistance
- Additional social assistance
- Tax credits and benefits
- Child benefits

Federal sources

- Tax credits and benefits
- Canada Child Benefit

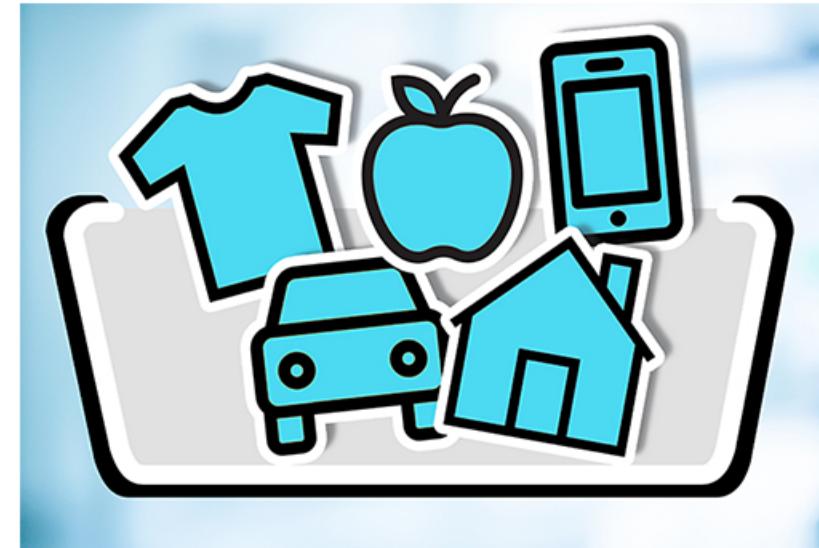
Measures of adequacy

Measures of poverty

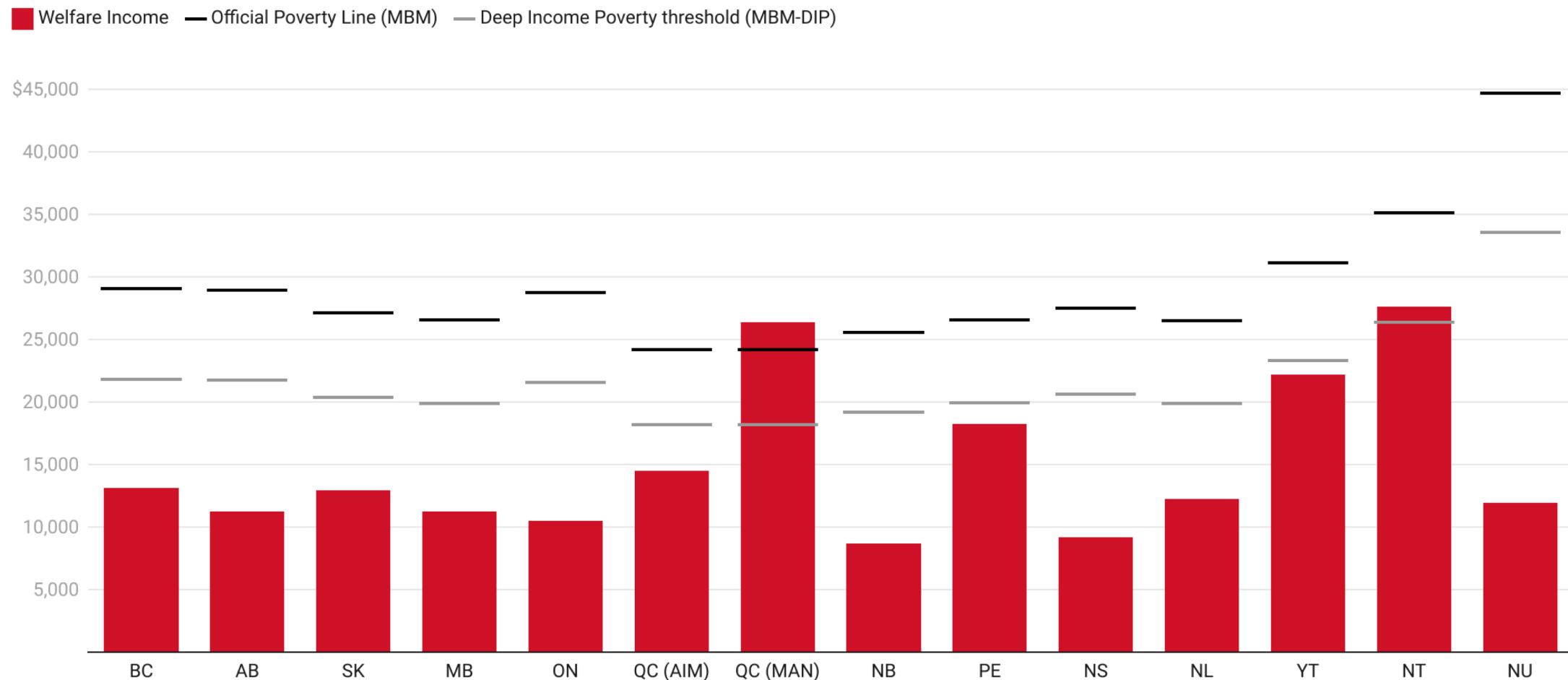
- Canada's Official Poverty Line, the Market Basket Measure (MBM) and Northern Market Basket Measure (MBM-N)
- Deep income poverty threshold, 75% of the MBM (MBM-DIP) or MBM-N (MBM-N-DIP)

Measures of low income

- Low income measure (LIM)
- Low income cut-offs (LICO)

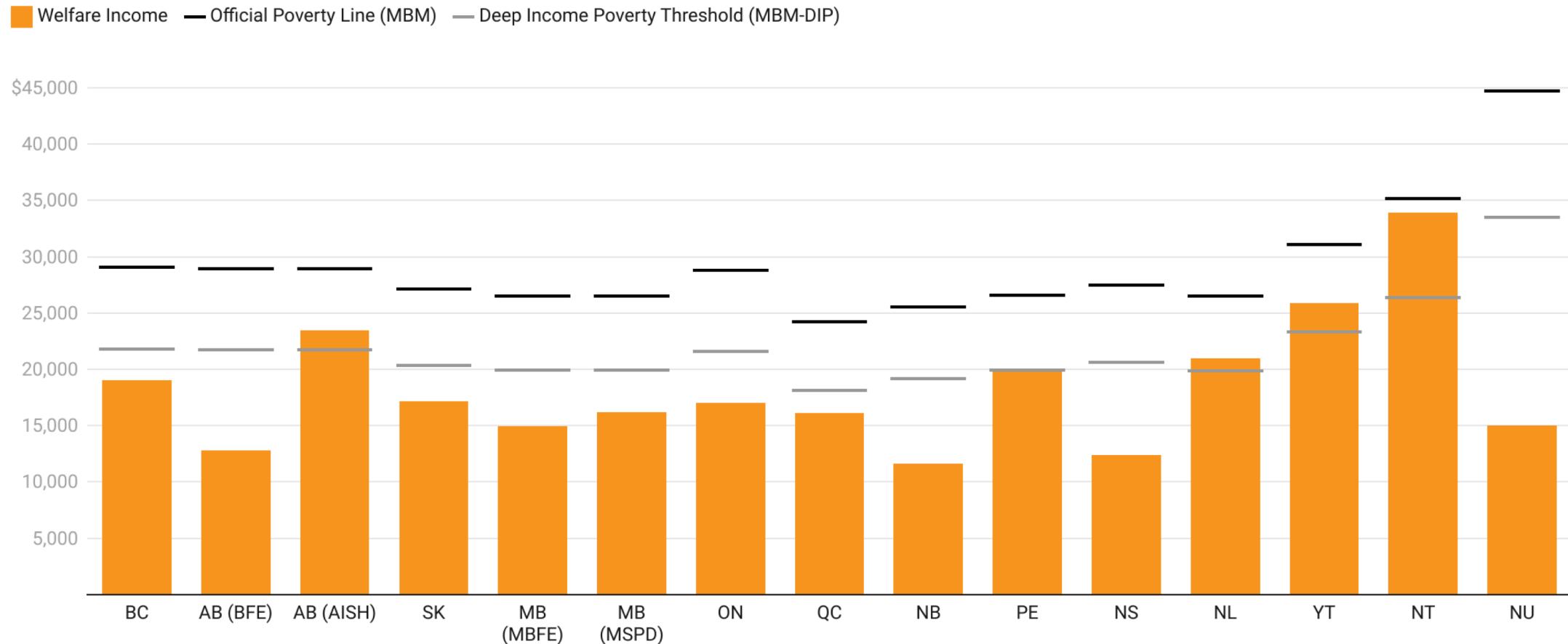


Adequacy for unattached singles considered employable



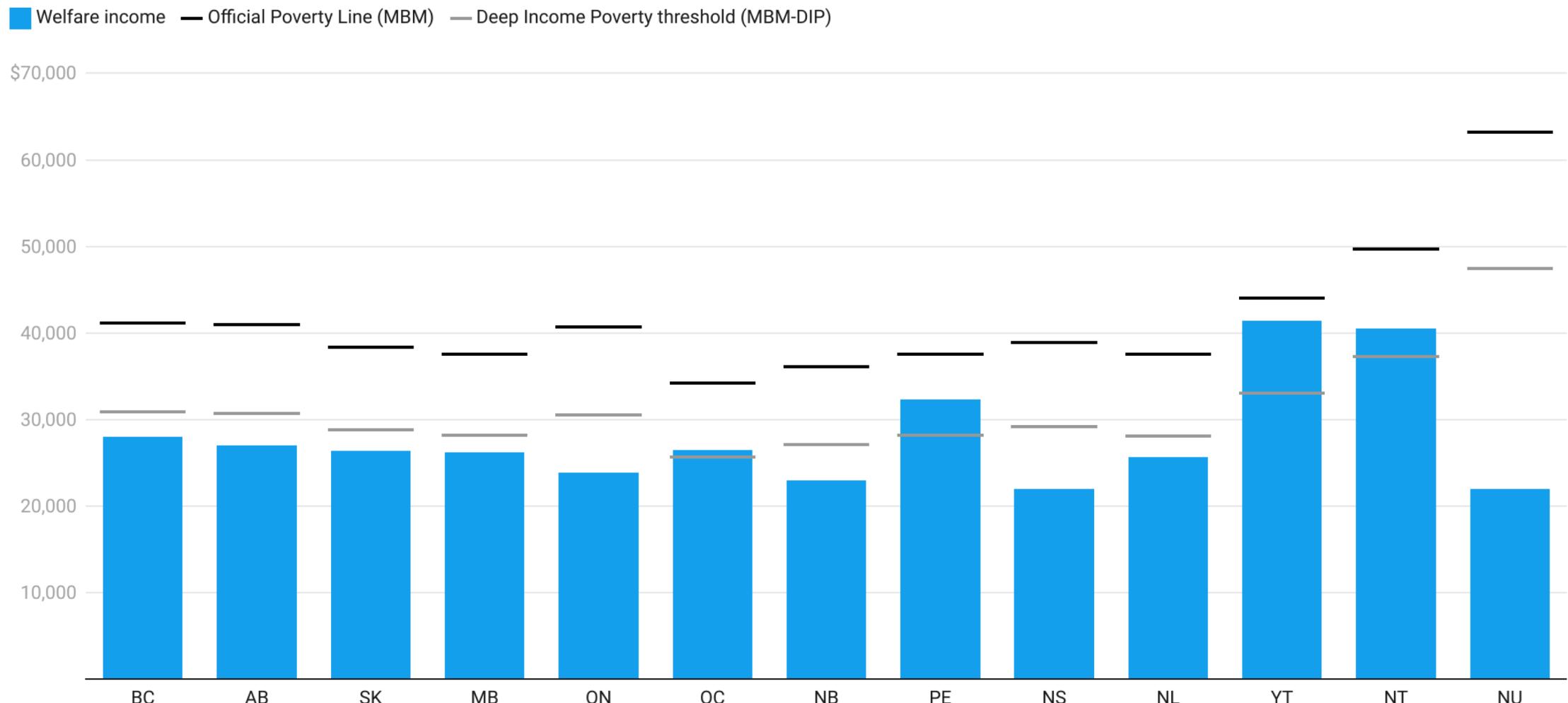
Note: AIM refers to Quebec's Aim for Employment program. MAN refers to Quebec's Manpower Training measure.

Adequacy for unattached singles with disabilities

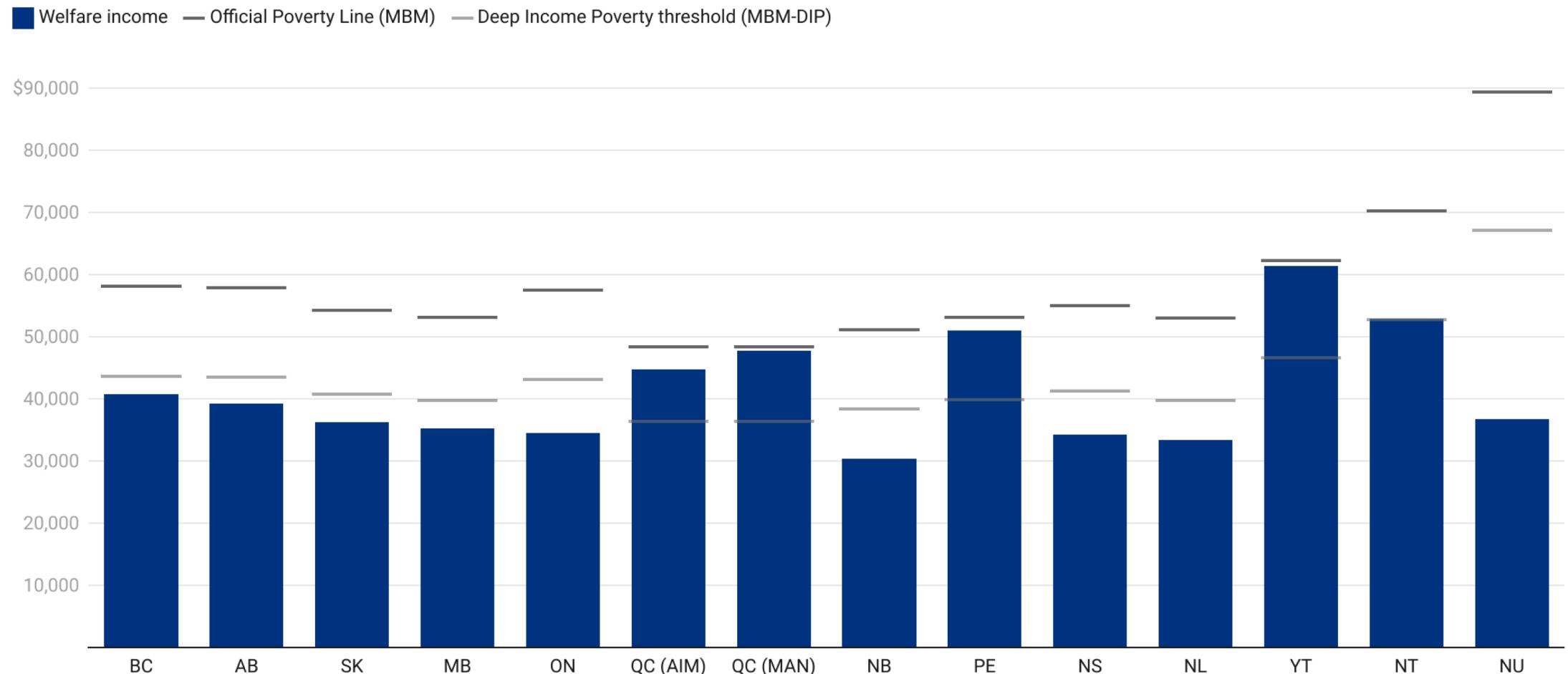


Note: BFE refers to the Barriers to Full Employment category of Alberta's Income Support program. AISH refers to Alberta's Assured Income for the Severely Handicapped program. MBFE refers to the Medical Barriers to Full Employment category of Manitoba's Employment and Income Assistance program. MSPD refers to the Manitoba Supports for Persons with Disabilities program.

Adequacy for single parent with one child



Adequacy for couple with two children

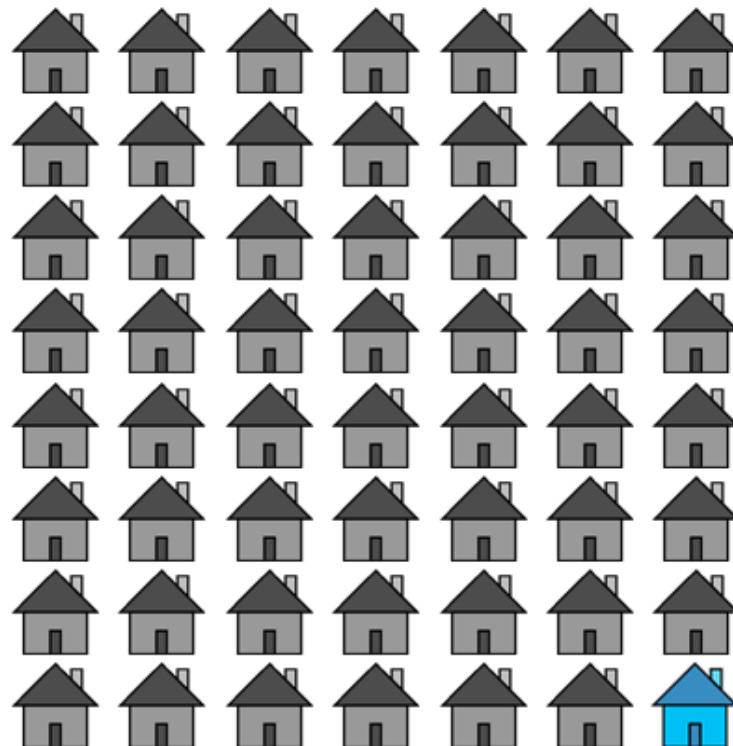


Note: AIM refers to Quebec's Aim for Employment program. MAN refers to Quebec's Manpower Training measure.

Adequacy in 2023 - Overview

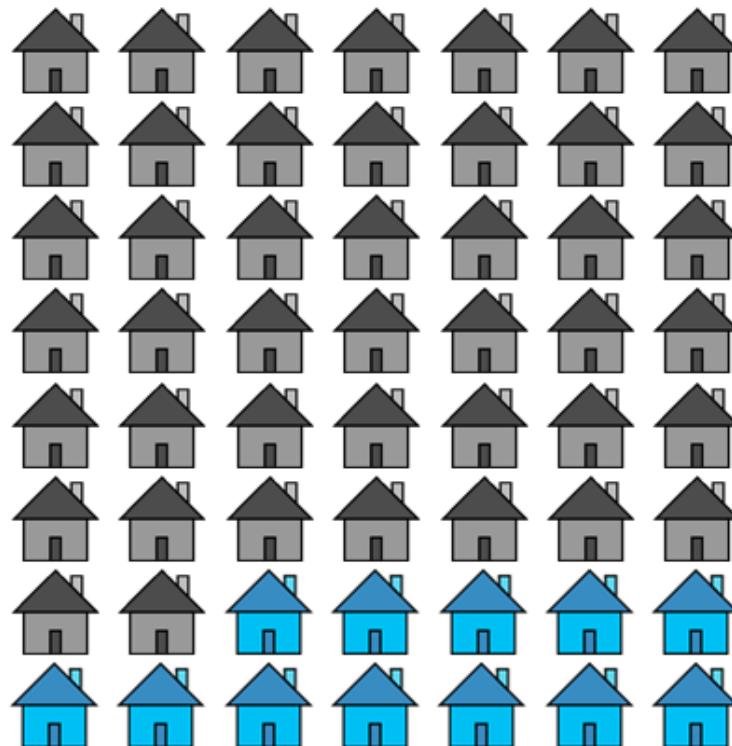
Living below the Official Poverty Line:

- 98% of all households
- 55 of the 56



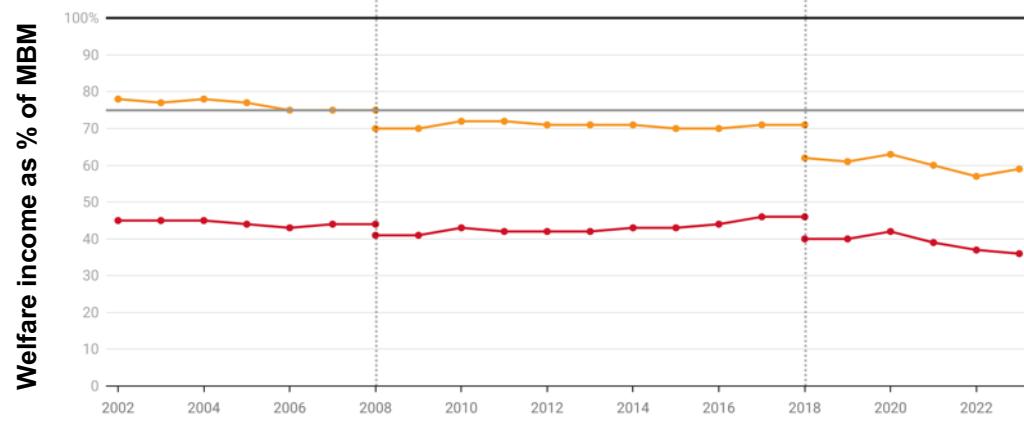
Living below the Deep Income Poverty threshold

- 79% of all households
- 44 of the 56

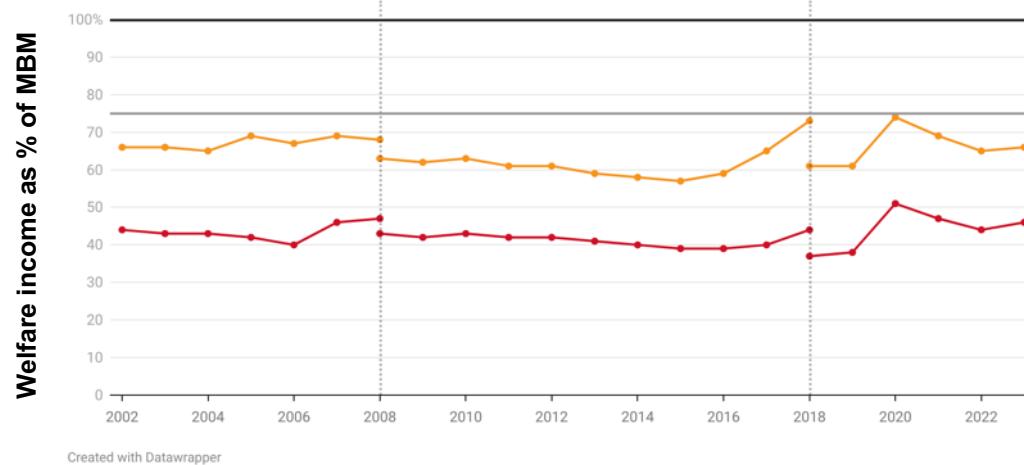


Adequacy over time

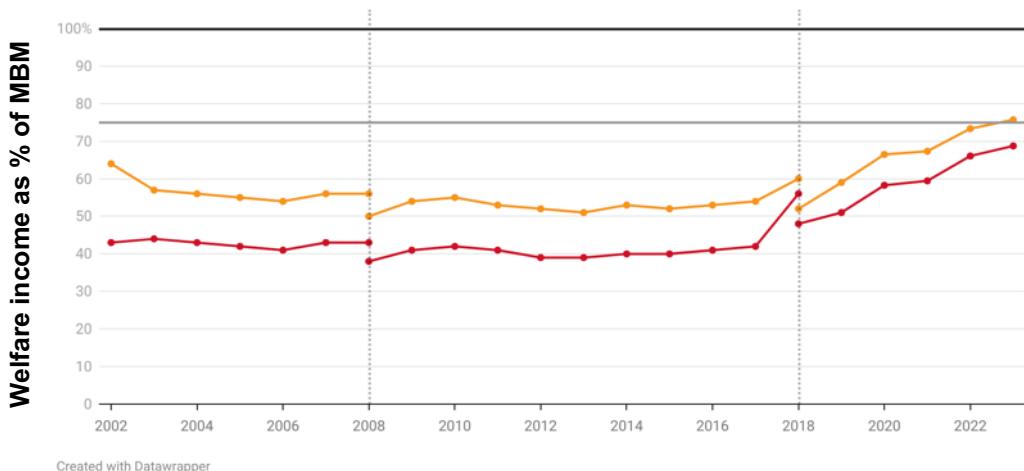
Ontario



British Columbia



Prince Edward Island

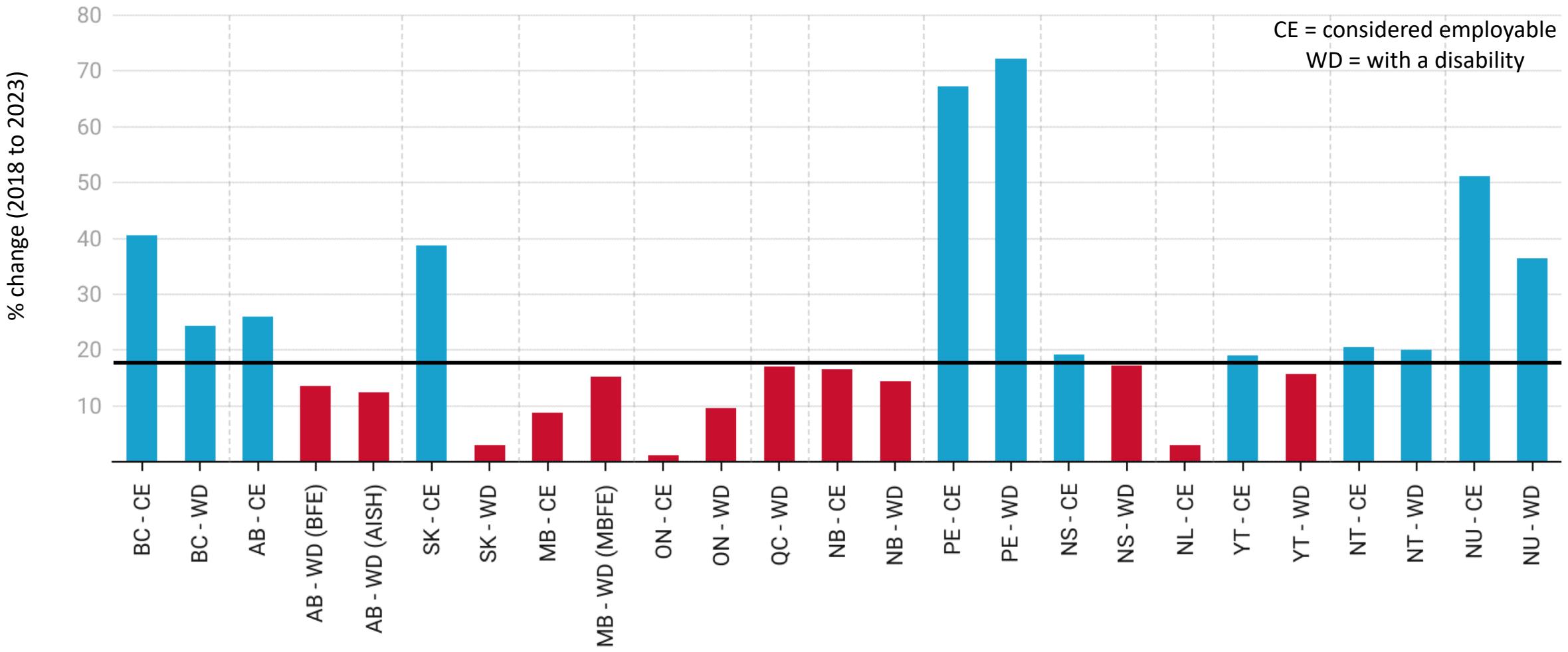


■ Unattached single considered employable ■ Unattached single with a disability

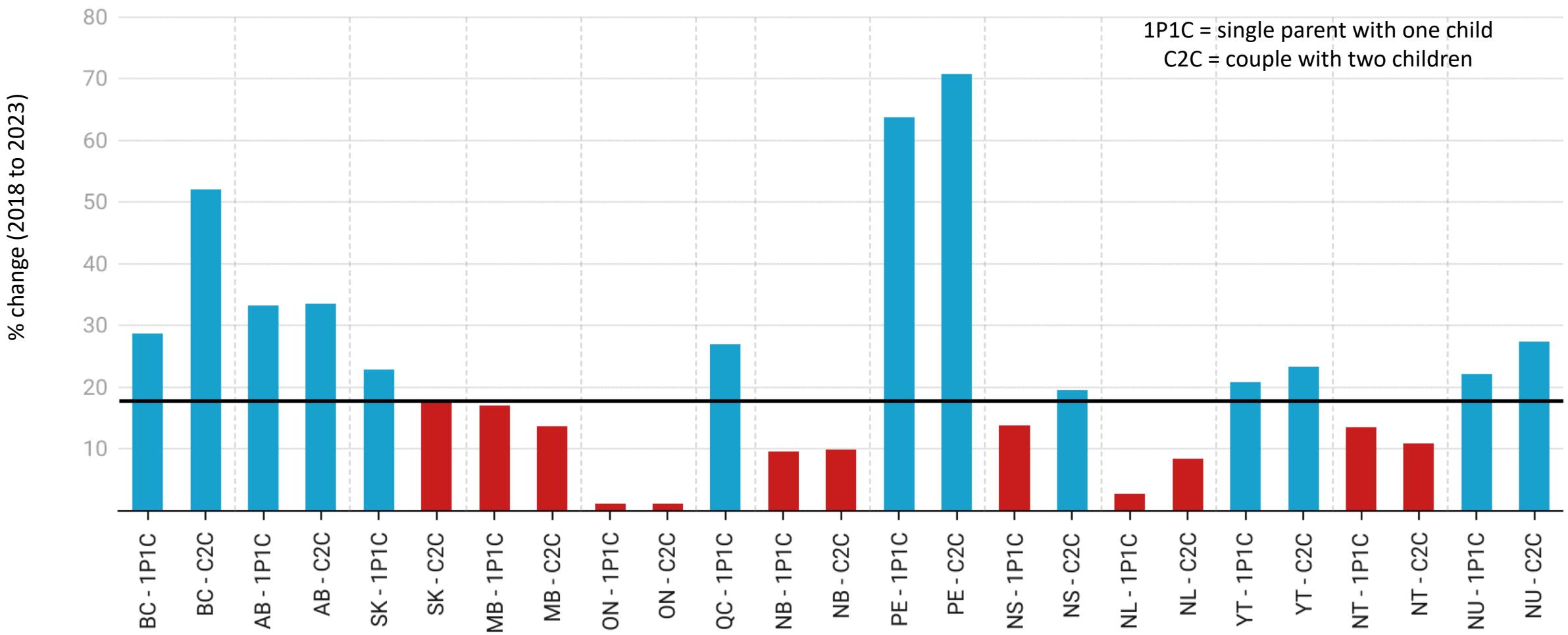
■ Official Poverty Line (MBM/MBM-N)

■ Deep income poverty threshold (75% of MBM/MBM-N)

Change in social assistance benefits over 5 years: Unattached singles



Change in social assistance benefits over 5 years: Households with children



Key Feature: Benefit and credit indexation

	BC	AB	SK	MB	ON	QC	NB	PE	NS	NL	YT	NT	NU
Basic Social Assistance	✗	✓	✗	✓	✓	✓	✓	✗	✗	✗	✓	✗	✗
Additional Social Assistance	✗	✓	✗	✗	n/a	✗	✗	✗	✗	✗	✗	✗	✗
Child benefit/ tax credit	✗	✓	n/a	n/a	✓	✓	✗	n/a	✗	✓	✓	✗	✗
Other benefits/ tax credits	✗	n/a	✗	n/a	✓	✓	✗	✗	✗	✗	✗	✗	✗

Key Feature: Earned income exemptions

Earned exemption approach

Combination of flat-rate and percentage Flat-rate Both approaches



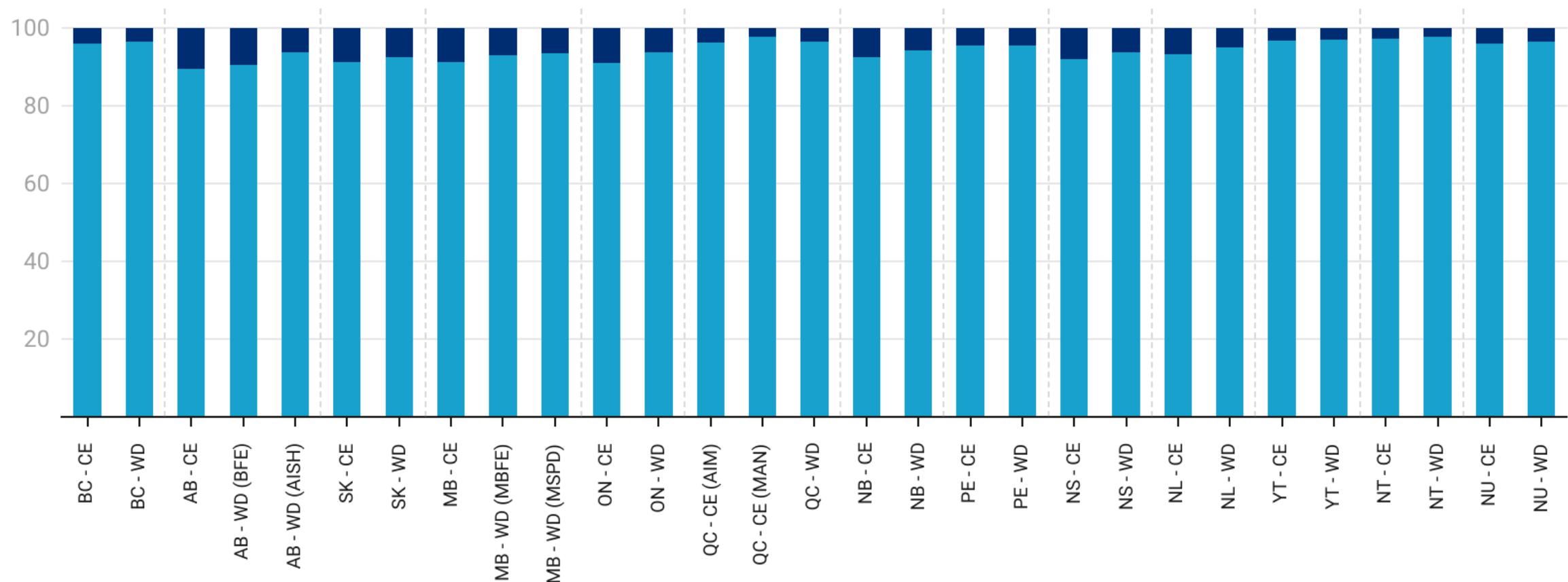
- Three types of earned income exemptions
 - a flat-rate amount
 - a percentage of earnings
 - a combination of a flat-rate amount and a percentage
- A percentage or combination exemption provides more total income than flat-rate exemption.

Federal vs provincial/territorial support: Unattached singles

Provincial/territorial sources (%)

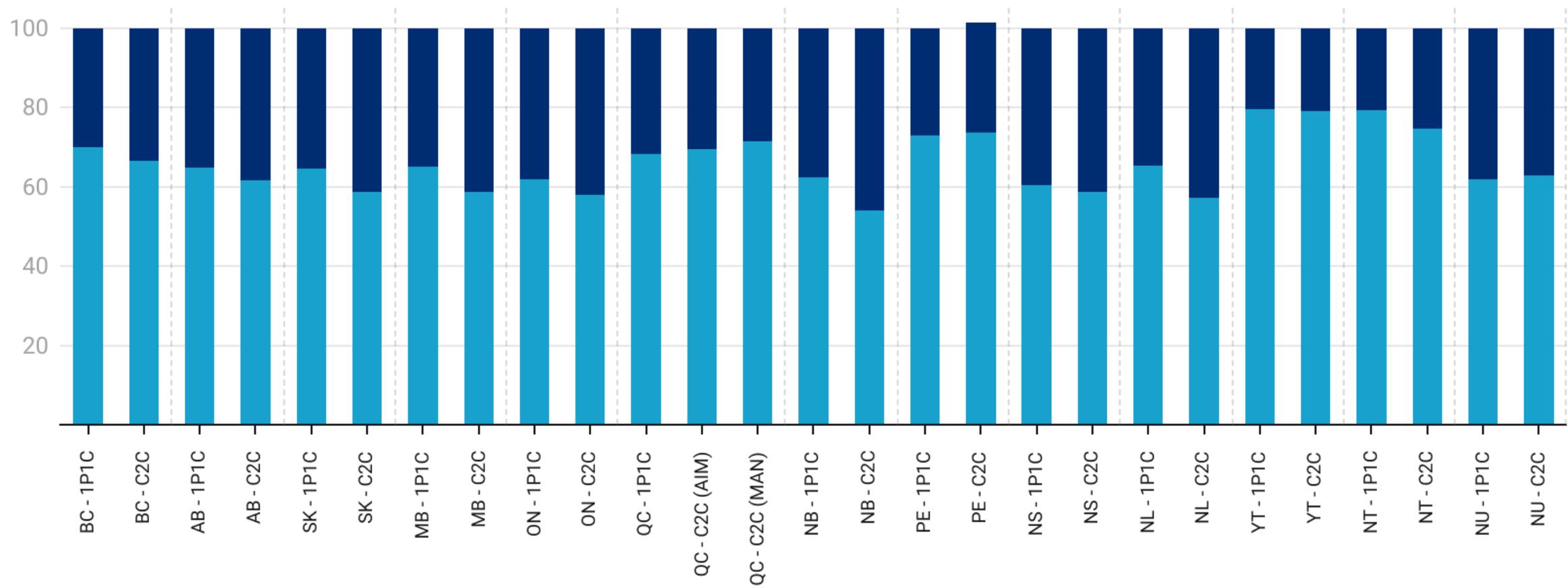
Federal sources (%)

CE = considered employable WD = with a disability



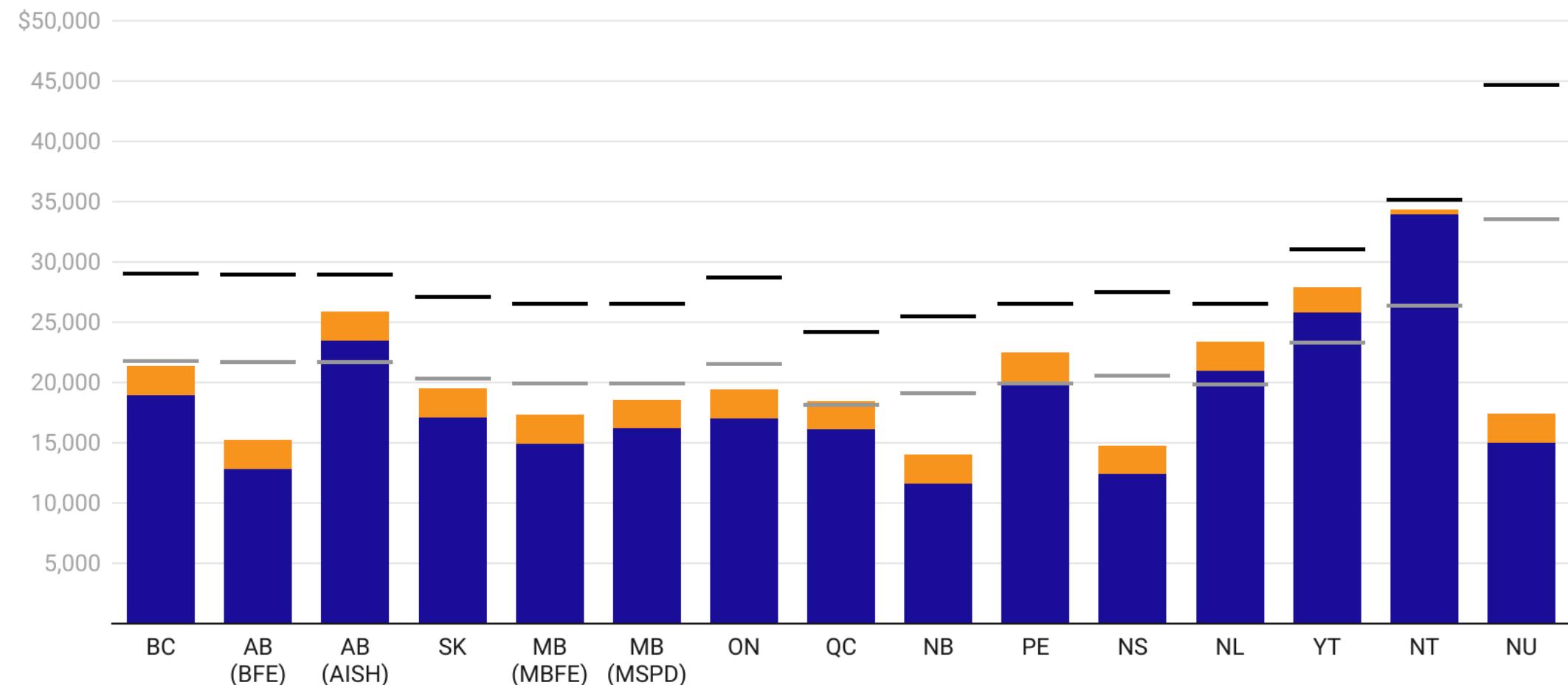
Federal vs provincial/territorial support: Households with children

■ Provincial/territorial sources (%) ■ Federal sources (%) 1P1C = single parent with one child C2C = couple with two children



Impact of the Canada Disability Benefit (1)

■ 2023 Welfare income ■ Proposed CDB ■ Official Poverty Line (MBM) ■ Deep Income Poverty Threshold (MBM-DIP)



Impact of the Canada Disability Benefit (2)

In its current form, several obstacles will limit the impact of the CDB:

- Provincial/Territorial clawbacks
 - Governments must exempt the CDB from being clawed back from social assistance
- Limited eligibility
 - DTC definition should be replaced with *Accessible Canada Act* definition
- Difficult to access
 - The CDB should be a refundable tax credit not a benefit
- Low CDB income threshold
 - The income threshold must be combined with the working income exemption

Policy recommendations: Federal

1. The federal government must deliver a Canada Disability Benefit that is generous and accessible, and supplements existing supports.
2. The federal government should invest in targeted income supports for people living in poverty across Canada.
 - Increase the amount of the Canada Social Transfer
 - Enhance the Canada Workers Benefit
 - Permanently enhance the GST/HST tax credit
 - Enhance child supports



Policy recommendations: Provinces & Territories

1. Provinces and territories should invest in higher social assistance benefits and tax-delivered income supports.
2. All provinces and territories must commit to ensuring the Canada Disability Benefit does not reduce social assistance benefits.
3. Governments at all levels should index all social assistance benefits and tax-delivered benefits or credits to inflation where they don't already do so.
4. Provincial and territorial governments should improve earned income exemptions.

Thank you!

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