

WEBINAR • September 12

# What is the state of welfare in Canada?



Jennefer Laidley



Sherri Torjman

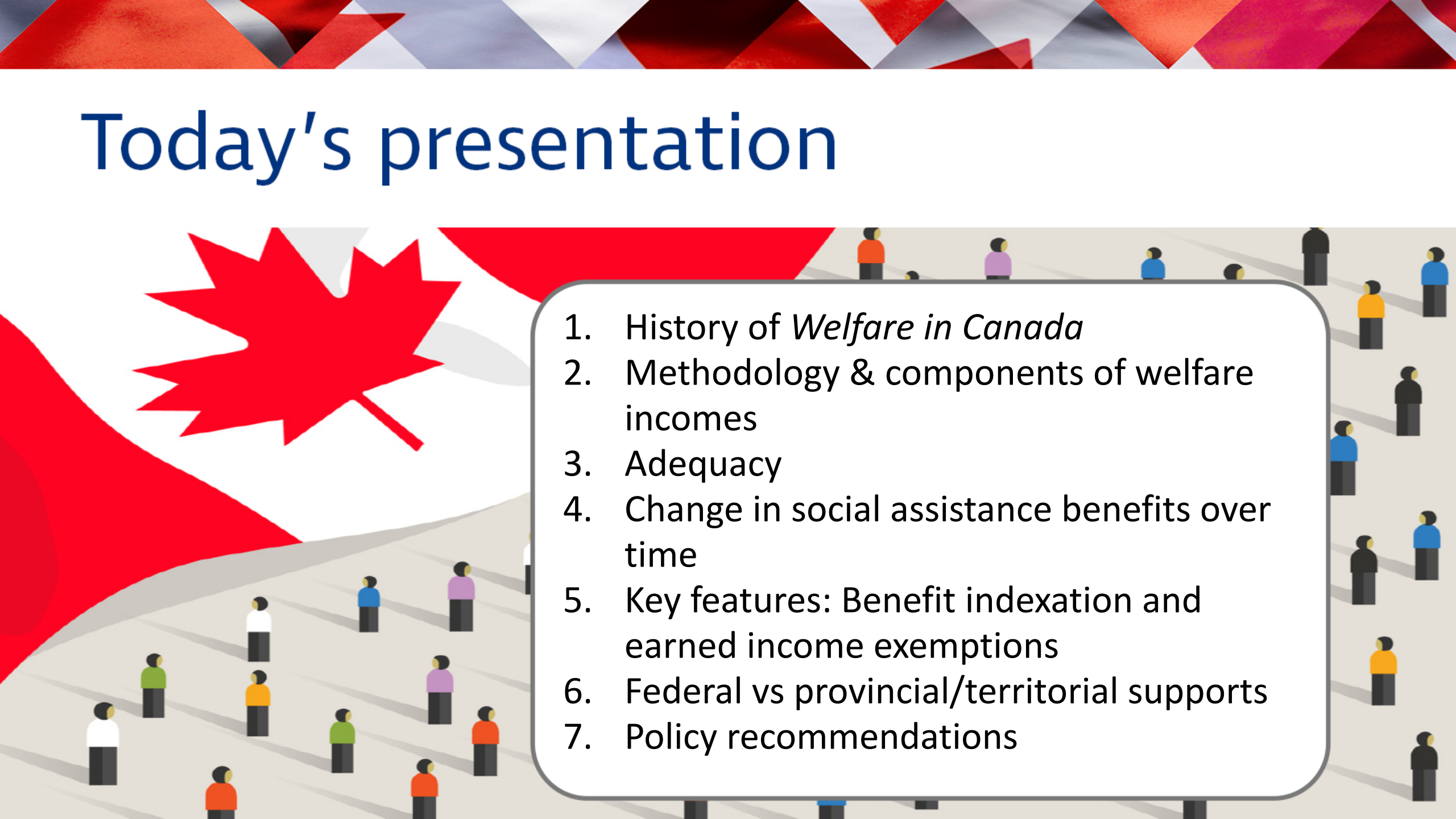


Mohy-Dean Tabbara

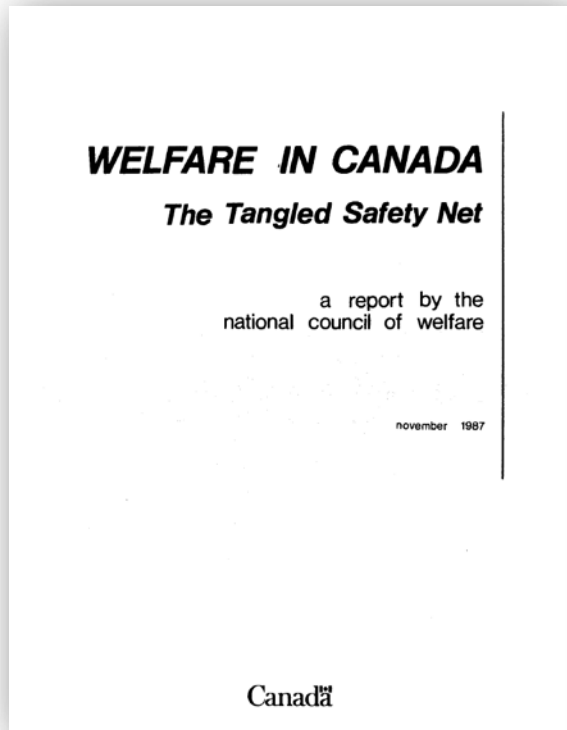


Elizabeth McIsaac

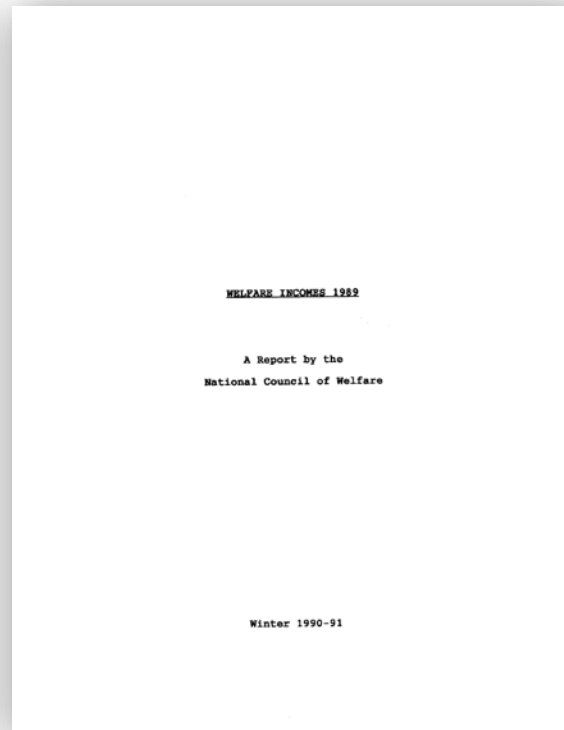
# Today's presentation

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- The background of the slide features a large, stylized red maple leaf on the left side. To the right of the leaf, there is a large, light gray, rounded rectangular box containing a list of seven items. The background also includes a pattern of small, stylized human figures in various colors (orange, purple, blue, black, green) scattered across the bottom and right sides, suggesting a diverse population.
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

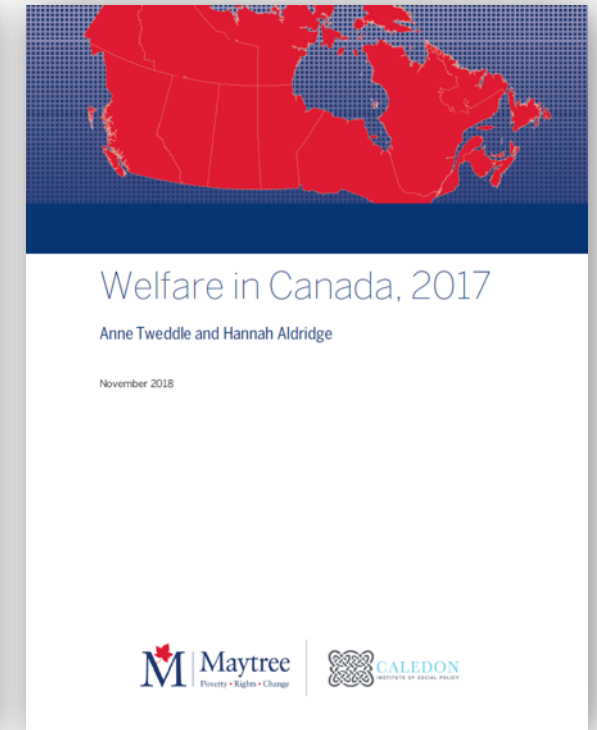
# The *Welfare in Canada* series: A history



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

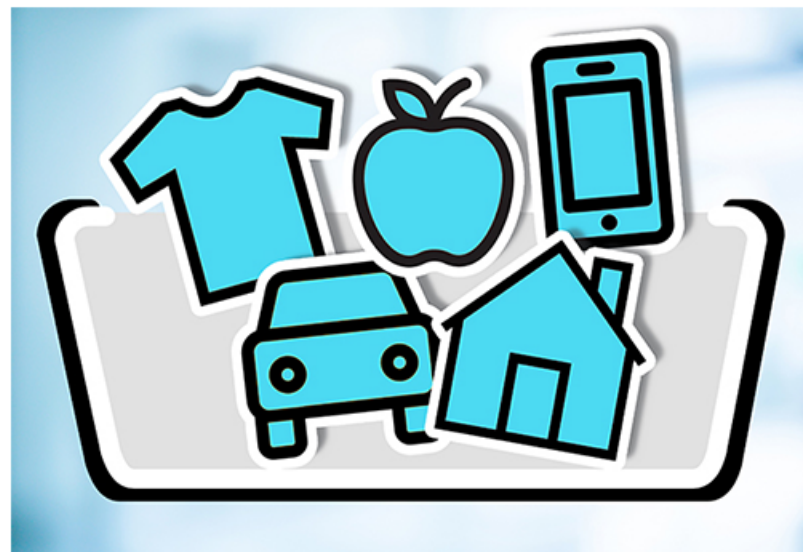
# Measures of adequacy

## Measures of poverty

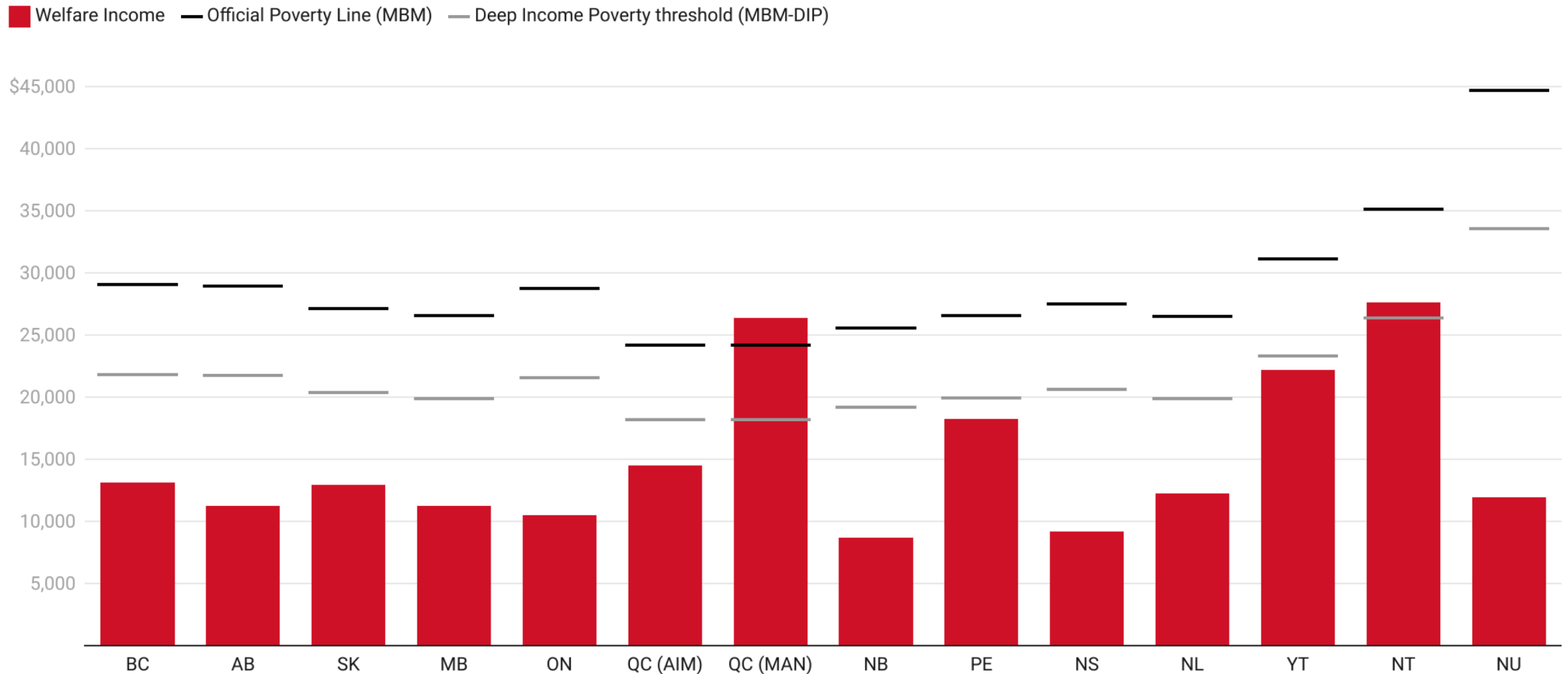
- Canada's Official Poverty Line, the Market Basket Measure (MBM) and Northern Market Basket Measure (MBM-N)
- Deep income poverty threshold, 75% of the MBM (MBM-DIP) or MBM-N (MBM-N-DIP)

## Measures of low income

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

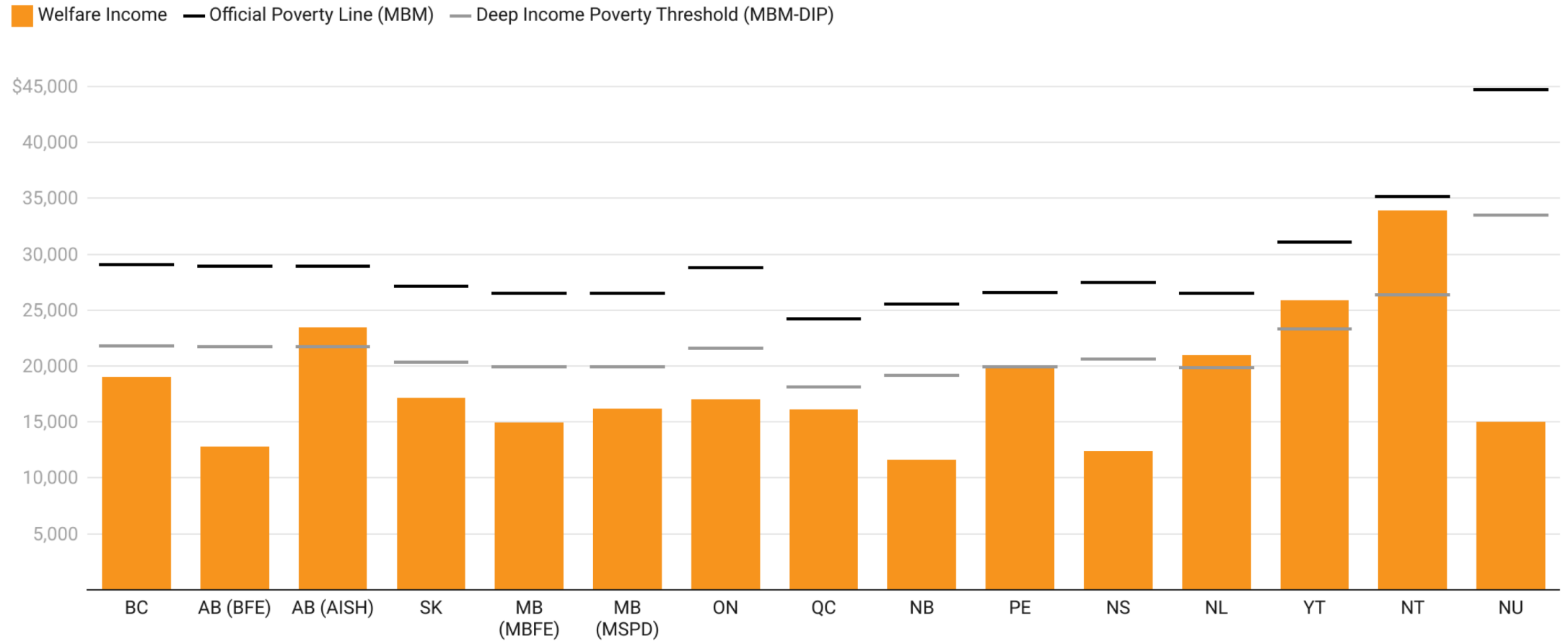


# Adequacy for unattached singles considered employable



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

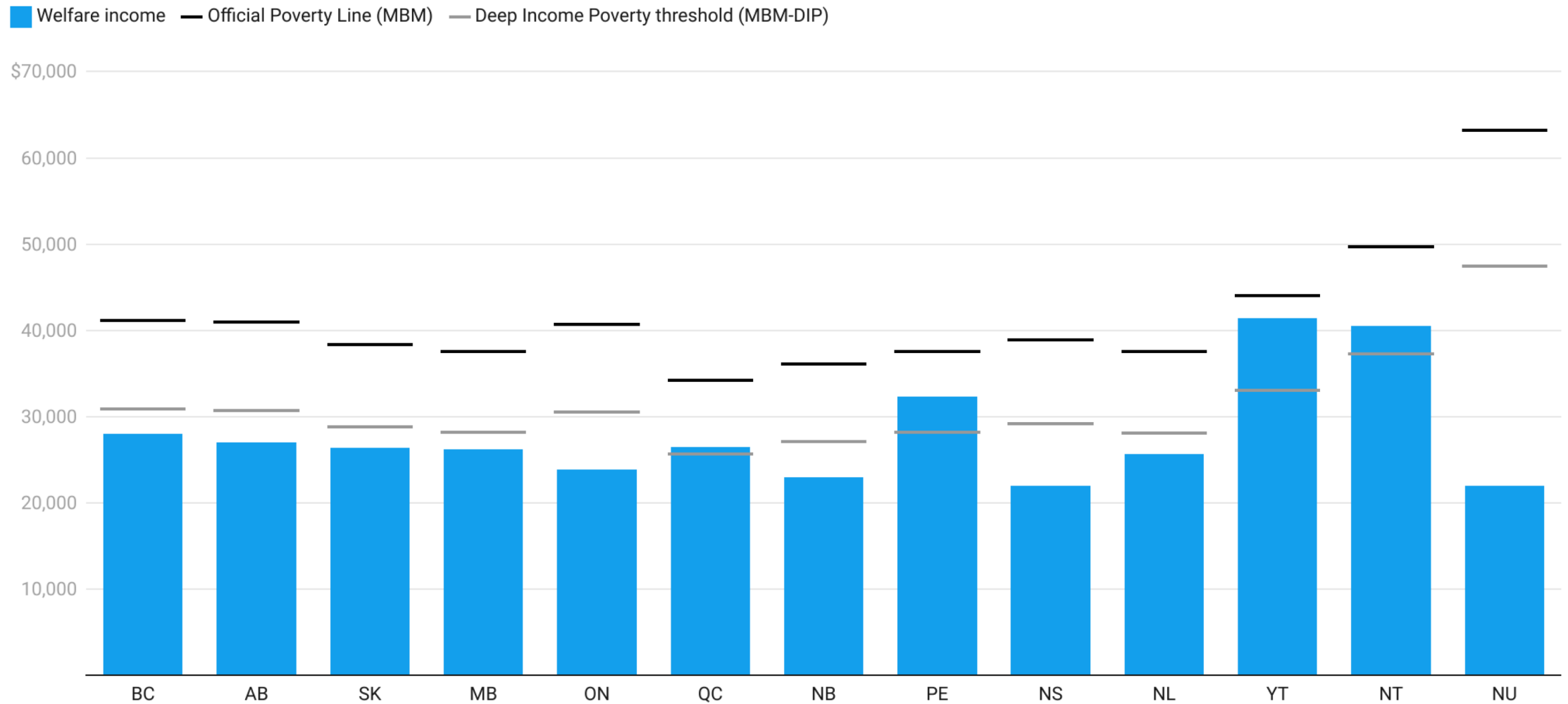
# Adequacy for unattached singles with disabilities



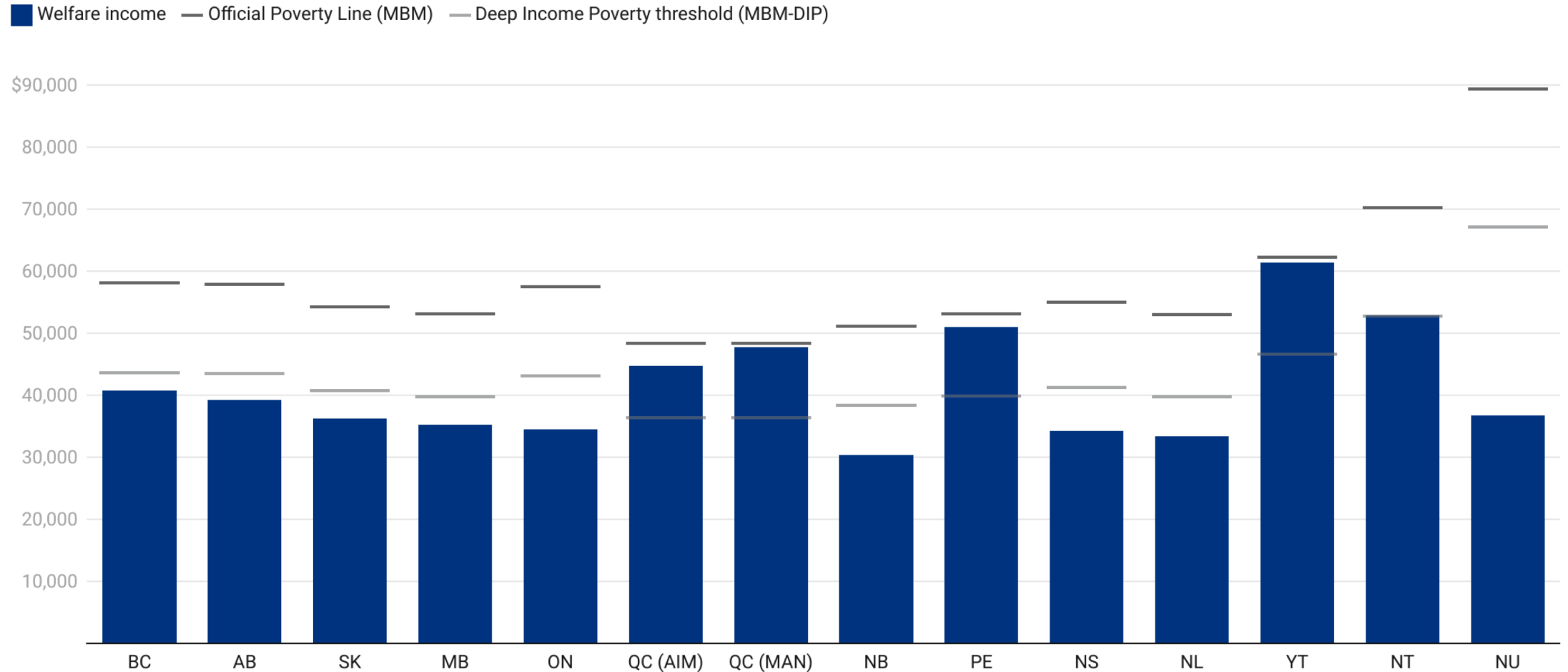
Note: BFE refers to the Barriers to Full Employment category of Alberta's Income Support program. AISH refers to Alberta's Assured Income for the Severely Handicapped program. MBFE refers to the Medical Barriers to Full Employment category of Manitoba's Employment and Income Assistance program. MSPD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



# Adequacy for single parent with one child



# Adequacy for couple with two children

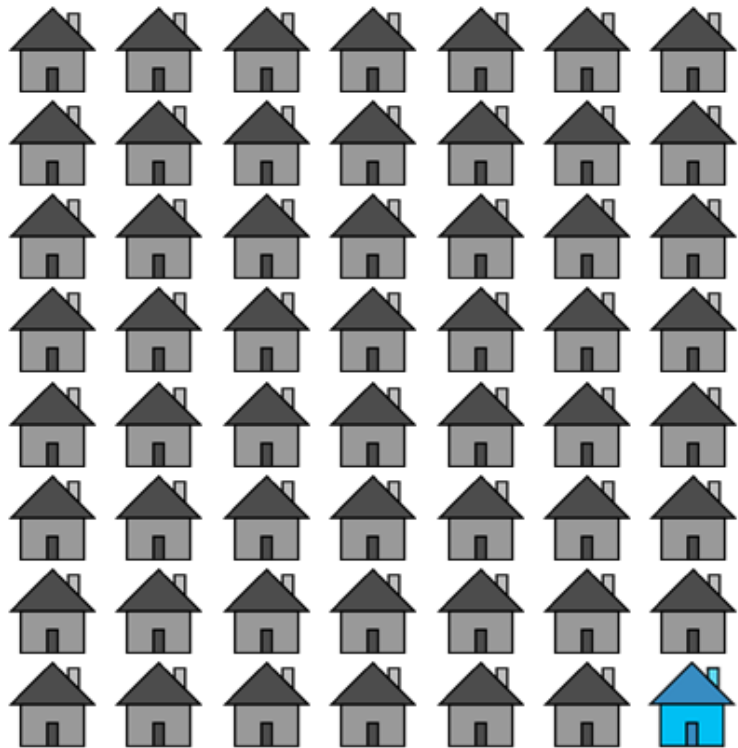


Note: AIM refers to Quebec's Aim for Employment program. MAN refers to Quebec's Manpower Training measure.

# Adequacy in 2023 - Overview

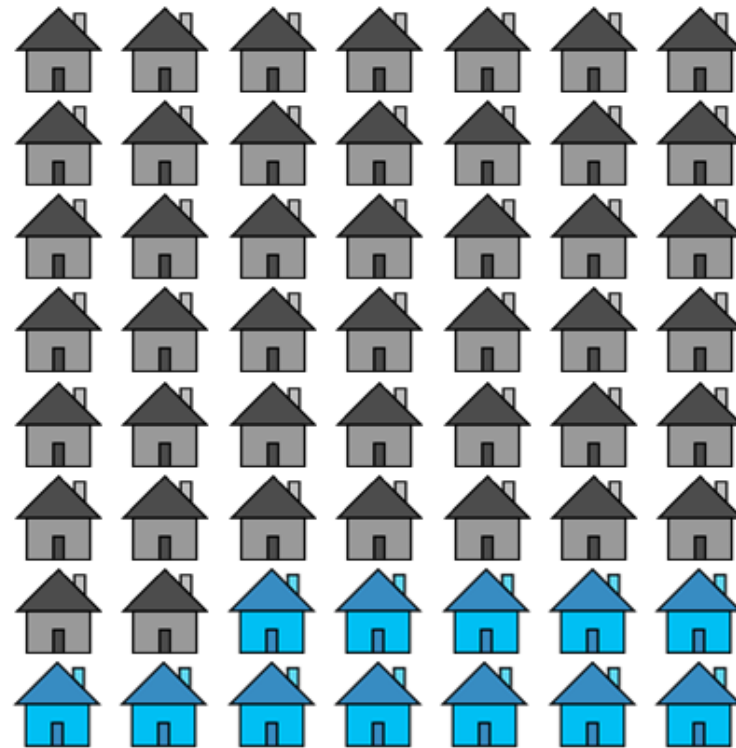
Living below the Official Poverty Line:

- 98% of all households
- 55 of the 56



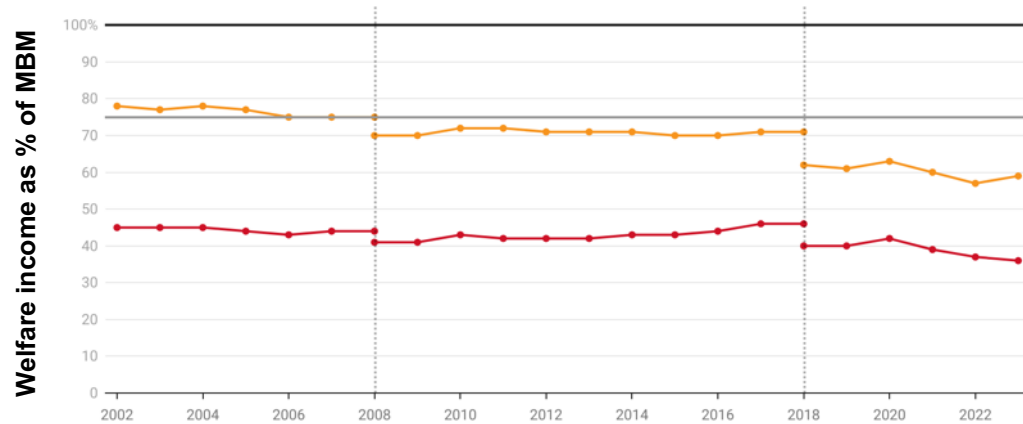
Living below the Deep Income Poverty threshold

- 79% of all households
- 44 of the 56

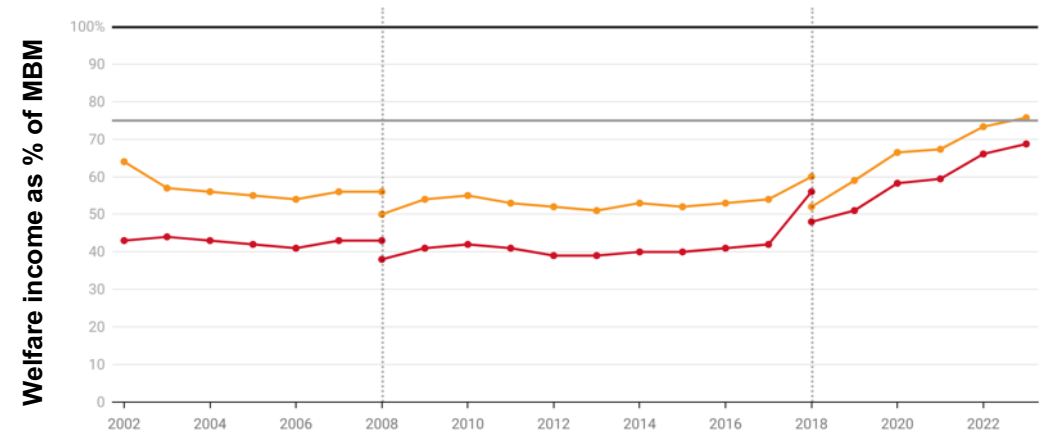


# Adequacy over time

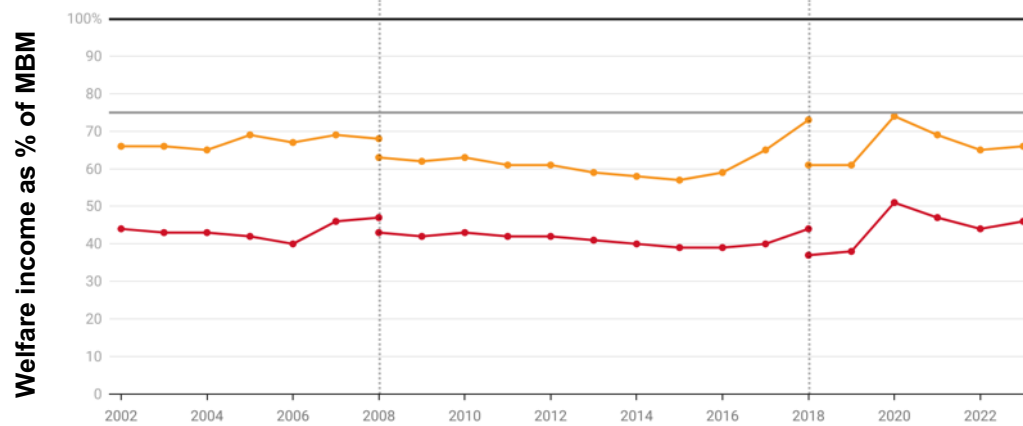
## Ontario



## Prince Edward Island



## British Columbia



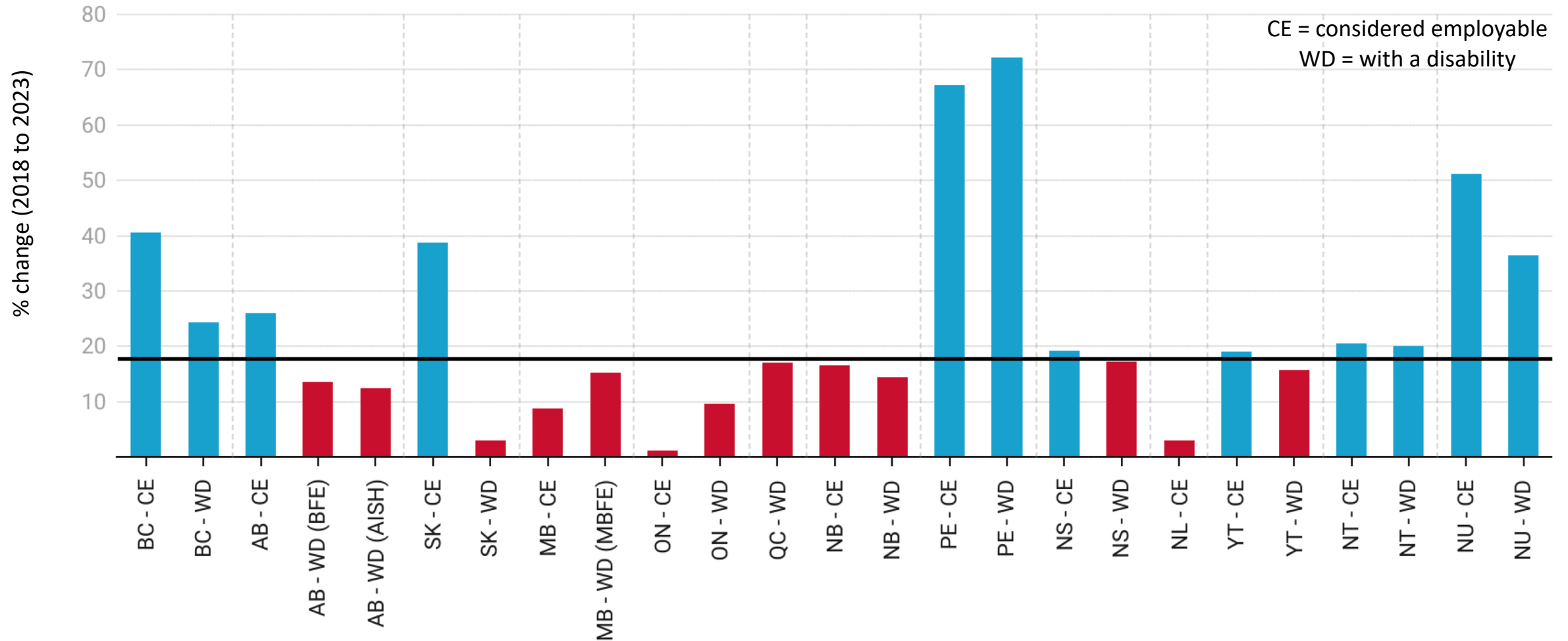
■ Unattached single considered employable ■ Unattached single with a disability

■ Official Poverty Line (MBM/MBM-N)

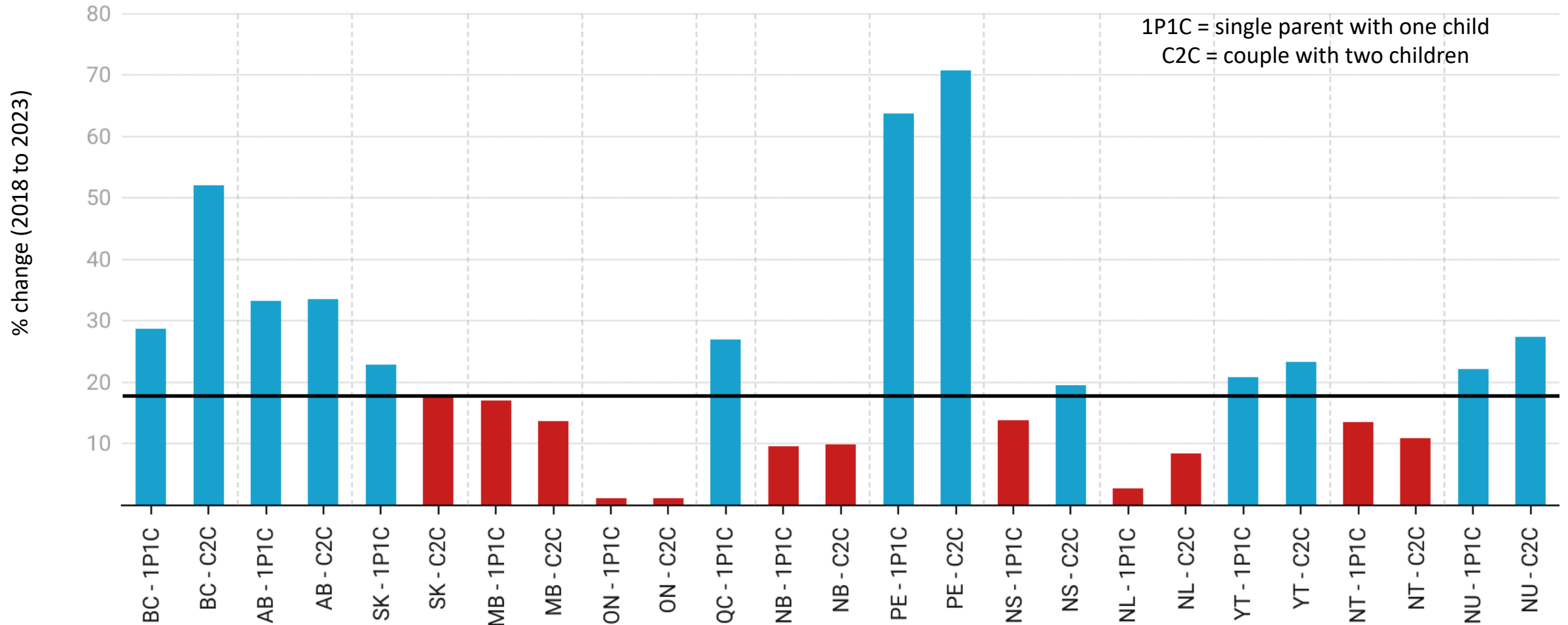
■ Deep income poverty threshold (75% of MBM/MBM-N)



# 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



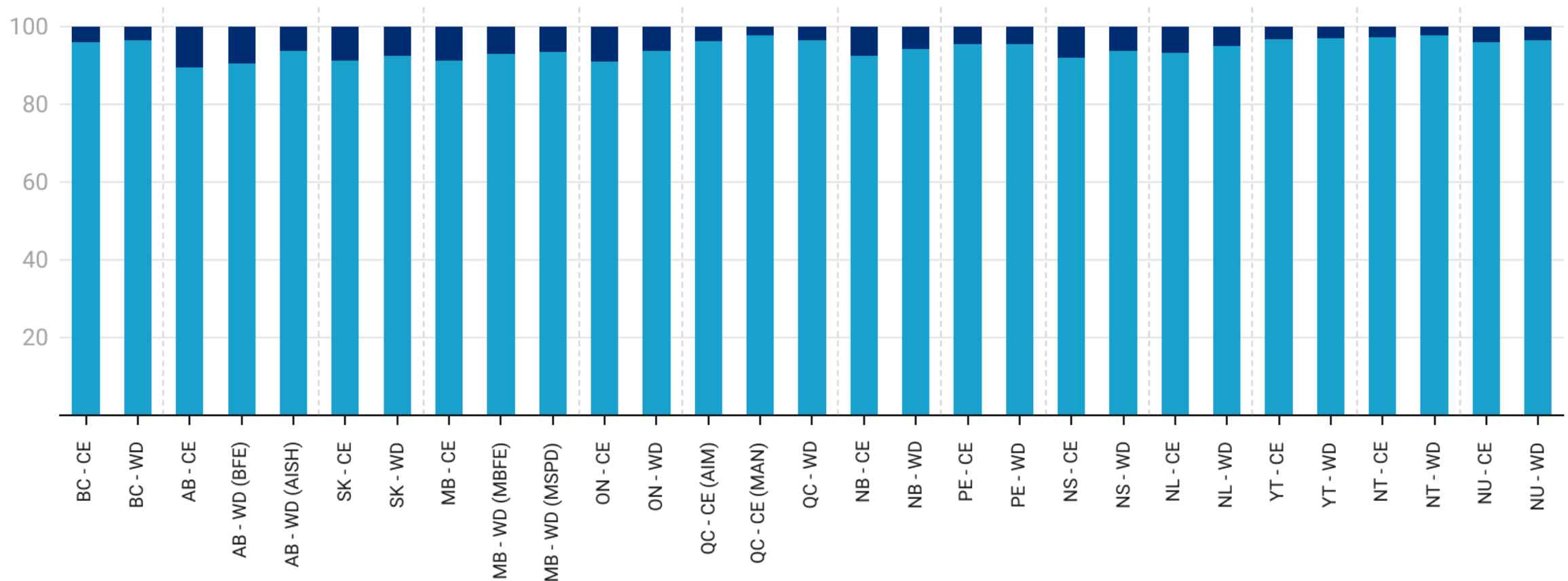
- Three types of earned income exemptions
  - a flat-rate amount
  - a percentage of earnings
  - a combination of a flat-rate amount and a percentage
- A percentage or combination exemption provides more total income than flat-rate exemption.



# Federal vs provincial/territorial support: Unattached singles

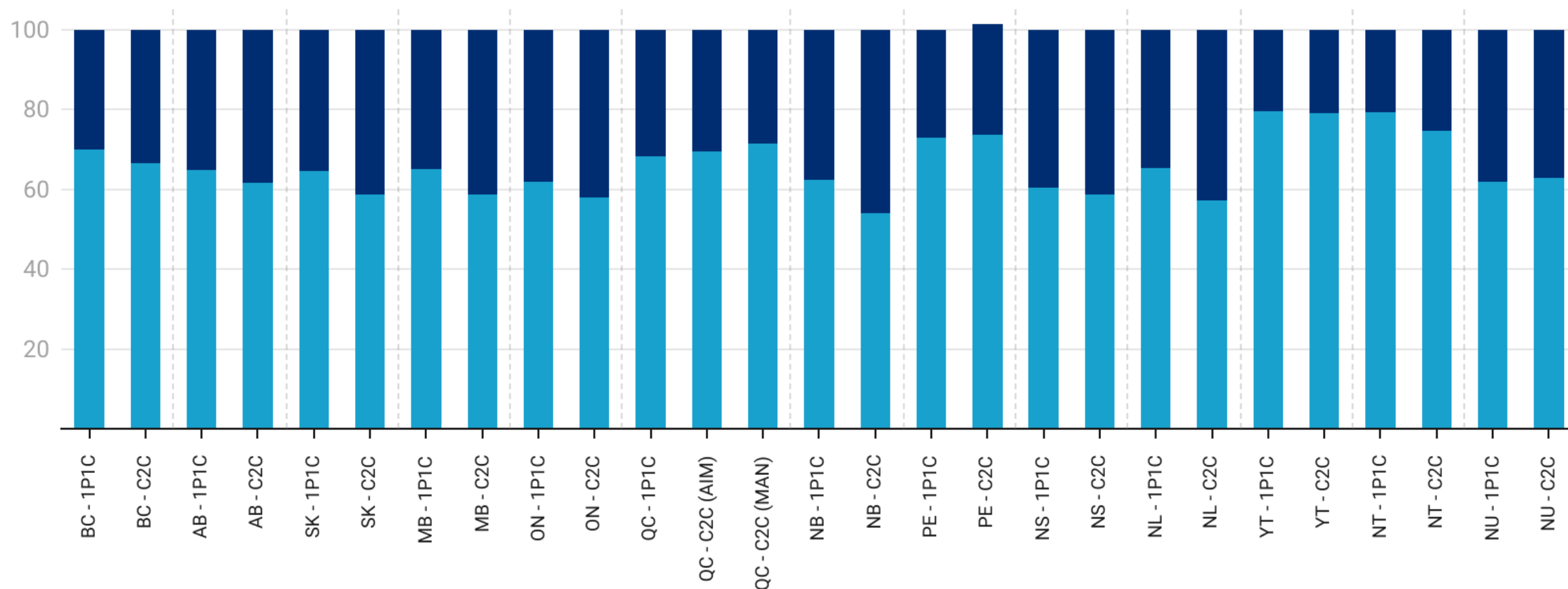
■ Provincial/territorial sources (%) ■ Federal sources (%)

CE = considered employable WD = with a disability



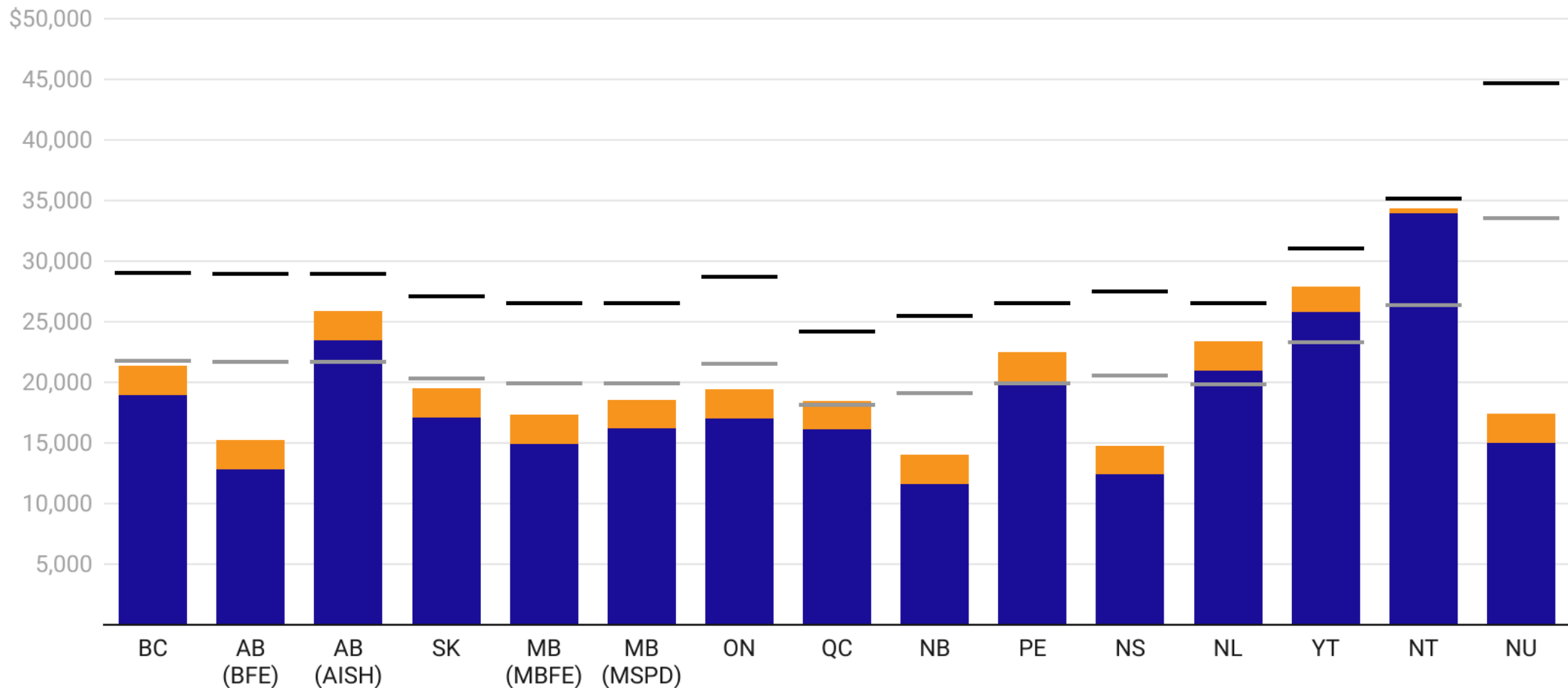
# Federal vs provincial/territorial support: Households with children

■ 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!

- Download and share the *Welfare in Canada, 2023* report on the Maytree website
- Sign up for the Maytree newsletter for related content