



Maytree

Poverty • Rights • Change

Realizing the right to an adequate standard of living

Written submission for the pre-budget consultations in advance of the 2024 federal budget

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Maytree's recommendations:

Everyone in Canada has a right to an adequate standard of living. The International Covenant on Economic, Social, and Cultural Rights – which Canada ratified in 1976 – defines this as having adequate food, clothing, and housing, and the continuous improvement of living conditions. Maytree's submission to the 2024 budget calls on the federal government to help people realize this right by strengthening income supports, investing in more affordable housing, and embedding human rights into social policies and programs.

Strengthen income supports

- **Recommendation 1:** Transform part of the Canada Workers Benefit (CWB) for unattached working-age adults into a Canada Working-Age Supplement (CWAS), as proposed by Maytree and Community Food Centres Canada.
- **Recommendation 2:** Design a Canada Disability Benefit that brings people above the Official Poverty Line, is accessible to a broad range of people with disabilities, and is delivered in a way that is transparent, timely, and people centered.
- **Recommendation 3:** Provide an interim support to people with disabilities through an existing federal program, such as the Canada Workers Benefit disability supplement.
- **Recommendation 4:** Create a forgiveness policy grounded in rights-based principles for people with low incomes who are paying back Canada Emergency Response Benefits/Canada Recovery Benefits.

Invest in affordable housing

- **Recommendation 5:** Enhance the Canada Housing Benefit. Continue the \$500 one-time payment to low-income renters.
- **Recommendation 6:** Establish a fund for non-profit and public housing providers to acquire multi-family rental housing for people in core housing need.
- **Recommendation 7:** Make the Rapid Housing Initiative a permanent program.

Improve accountability on human rights

- **Recommendation 8:** Align the goals, eligibility requirements, and targets of the National Housing Strategy with the principles of the *National Housing Strategy Act, 2019*.
- **Recommendation 9:** Strengthen conditions for social transfers to other governments to create more complementary human rights-based policies and programs.
- **Recommendation 10:** Improve the collection and dissemination of information on the demographics and income sources of people with lower incomes. Use this information to inform the federal Poverty Reduction Strategy.

The situation: Why an adequate standard of living is out of reach

People with lower incomes are being disproportionately impacted by rising living costs.

A 2022 Statistics Canada study found that the majority (63 per cent) of Canadians in the lowest income households reported that they were very concerned about being able to meet their everyday expenses.¹ By contrast, only 19 per cent of people in the top income quintile shared this sentiment.²

Research also shows that these challenges tend to be greater among certain individuals and communities.

- Living in the bottom income quintile has been found to be more common among women, younger people, seniors, lone parents, those who were separated, divorced, or widowed, those with lower education, Indigenous Peoples, and recent immigrants.³
- Nearly all households who received social assistance in 2022 had incomes below the Market Basket Measure (Canada's Official Poverty Line).⁴
- Unattached working-age singles are more likely to live in deep poverty, representing about half of people living below 75 per cent of the Official Poverty Line in 2019.⁵
- Unaffordable housing is more prevalent among people with disabilities,⁶ households led by racialized communities, renters, and/or non-couple families, compared to the broader population.⁷

1 Uppal, Sharanjit. (2023). “Rising Prices and the Impact on the Most Financially Vulnerable: A Profile of Those in the Bottom Family Income Quintile.” *Statistics Canada Insights on Canadian Society*. Accessed at: <https://www150.statcan.gc.ca/n1/en/pub/75-006-x/2023001/article/00002-eng.pdf?st=cewFS5z0>.

2 Ibid.

3 Ibid.

4 Laidley, Jennefer and Mohy Tabbara. (2023). “Welfare in Canada, 2022.” *Maytree*. Accessed at: https://maytree.com/wp-content/uploads/Welfare_in_Canada_2022.pdf.

5 Talwar Kapoor, Garima et al. (2022). “How to Reduce the Depth of Single Adult Poverty in Canada: Proposal for a Canada Working-Age Supplement.” *Maytree and Community Food Centres Canada*. Accessed at: <https://maytree.com/wp-content/uploads/canada-working-age-supplement-report.pdf>.

6 Randle, Jeff and Zach Thurston. (2022). “Housing Experiences in Canada: Persons with Disabilities.” *Statistics Canada*. Accessed at: <https://www150.statcan.gc.ca/n1/en/pub/46-28-0001/2021001/article/00011-eng.pdf?st=aPNHu62K>.

7 Statistics Canada. (2022). “Housing Challenges Remain for Vulnerable Populations in 2021.” Accessed at: <https://www150.statcan.gc.ca/n1/daily-quotidien/220721/dq220721b-eng.htm>.

Despite these circumstances, governments across Canada have failed to provide adequate benefits and collaborate effectively to address the urgency of the situation.

For example, while the federal government acted quickly to provide financial support during the COVID-19 pandemic, it has since set out to recover overpayments without being transparent about the process or taking individual circumstances into account. Even worse, some federal, provincial, and territorial supports were clawed back as a result of pandemic supports, leaving some not only worse off, but also required to pay back benefits at a time when they have lower incomes.

Similar challenges can be seen in housing policy, with federal programs not being targeted to those who need them most, and other governments are undermining federal efforts.

Take, for instance, the National Housing Strategy – the \$80 billion+ policy initiative to make housing more affordable in Canada. While just over \$33 billion of this funding has already been committed to different programs, many of these are not designed to lift people out of core housing need.⁸ One reason for that is likely the fact that the National Housing Strategy was developed prior to the *National Housing Strategy Act, 2019*, and has not been reassessed to align with this legislated commitment since.

In addition, some governments have acted in ways that weaken the impact of the National Housing Strategy by not investing in income or housing supports. In Ontario, for example:

- Social assistance benefits remain inadequate, yet the provincial government continues to underspend on social services and has not indexed Ontario Works;
- The social housing waiting list is one of the largest in the country, with about 481,000 people, or 3.4 per cent of population, on the list;⁹ and
- There are only rent controls for older buildings, exacerbating inequities between longer-term and newer tenants.

Taken together, it is clear that those in greatest need require support to help realize their right to an adequate standard of living.

⁸ Blueprint. (2022). “Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs.” *Prepared for the National Housing Council on Improving the National Housing Strategy.* Accessed at: <https://cms.nhc-cnl.ca/media/PDFs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf>.

⁹ Office of the Auditor General of Ontario. (2021). “Social and Affordable Housing.” Accessed at: https://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf.

The way forward: Maytree's recommended approach

In the development of budget 2024, Maytree recommends that the federal government follow its official principles for a rights-based approach to policy: equality and non-discrimination, participation and inclusion, and transparency and accountability.¹⁰

Recommendations to strengthen income supports

1. Transform part of the Canada Workers Benefit (CWB) into the proposed Canada Working-Age Supplement (CWAS) for working-age, unattached single adults.

Canada's experience with the Guaranteed Income Supplement and Canada Child Benefit show that income supports without work requirements can help lift people out of poverty and even lower barriers to labour market entrance.

In line with this approach, the government should implement the CWAS by:

- Adding a floor benefit to the CWB of \$3,000;
- Providing an employment boost—a phase-in of up to \$1,000 as earnings increase;
- Increasing the maximum yearly benefit to up to \$4,000, combining the floor benefit and the employment boost; and
- Broadening the benefit's eligibility, meaning that it would be provided until yearly net incomes reach \$49,611.

These changes would support about 1 million unattached single adults living in deep poverty and are estimated to cost roughly \$7.8 billion in total program funding.¹¹

10 Government of Canada. (2017). “Human Rights-Based Approach.” Accessed at: https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/human_rights-droits_personne.aspx?lang=eng.

11 For more information on the CWAS proposal, see: Talwar Kapoor, Garima et al. (2022). “How to Reduce the Depth of Single Adult Poverty in Canada: Proposal for a Canada Working-Age Supplement.” *Maytree and Community Food Centres Canada*. Accessed at: <https://maytree.com/wp-content/uploads/canada-working-age-supplement-report.pdf>.

2. Develop a permanent Canada Disability Benefit guided by rights-based principles.

The government should design a permanent Canada Disability Benefit that is:

- High enough to lift all people with disabilities out of poverty;
- Based on an eligibility model that recognizes the diverse experiences of people with disabilities;¹² and
- Assessed and delivered in a way that is transparent, timely, and puts the person first.

The government should also ensure that people with lived expertise are able to participate meaningfully in this process.

3. Consider ways to enhance existing supports for people with disabilities through an existing federal program while the Canada Disability Benefit is designed.

As the Canada Disability Benefit is developed, the government should consider ways to support people with disabilities through existing programs, such as the CWB disability supplement. This benefit provides up to \$720 per year for people with disabilities with employment earnings.

As a temporary measure, the government could enhance the CWB disability supplement by:

- Removing the requirement that people have annual earnings of at least \$1,150; and
- Significantly increasing the maximum benefit.

The government would also need to collaborate with provinces, territories, and municipalities to broaden access to the benefit to include those who already receive other disability-related supports (e.g., social assistance) beyond the federal disability tax credit.

12 Inclusion Canada recommends using the UN Convention on the Rights of Persons with Disabilities and the Accessible Canada Act definitions of disability. For more information on their recommendations, see: <https://inclusioncanada.ca/wp-content/uploads/2021/07/Canada-Disability-Benefit-Vision-and-Design-July-2021-FINAL.pdf>.

4. Create a forgiveness policy for people with low incomes who are required to pay back Canada Emergency Response Benefits (CERB)/Canada Recovery Benefits (CRB).

The government should consider a forgiveness policy for people living with low incomes, such as those with incomes below or near the after-tax Low-Income Measure, who are being asked to pay back pandemic-related supports.

This policy should be rooted in rights-based principles: the government should be transparent about who they are seeking repayments from and how much they are recovering, the process for repayments, and ensure that individual circumstances, where possible, are considered.

Recommendations to invest in affordable housing

5. Enhance the Canada Housing Benefit and continue the \$500 top-up for lower-income renters.

The Canada Housing Benefit should be enhanced by increasing benefits and expanding eligibility, so that receipt is not tied to the social housing waitlist.

The 2022 one-time top-up to the Canada Housing Benefit should also be made permanent so that it becomes a refundable tax credit for all renters with lower incomes. This change would reflect the fact that lower-income renters need additional support while supply-based National Housing Strategy programs are implemented.

In addition, the government should consider:

- increasing the \$500 housing top-up and providing it on a quarterly basis, similar to other refundable tax credits; and
- removing the requirement for applicants to attest that they pay at least 30 per cent of their income on rent to receive the benefit, since it is already income tested.

The government should also:

6. Establish a fund outside of existing National Housing Strategy programs for non-profit and public housing providers to acquire multi-family rental housing, where rents would be affordable to people in core housing need.

7. Make the Rapid Housing Initiative a permanent program.

These recommendations would increase the supply of both affordable and deeply affordable housing for those who need it most.

Recommendations to improve accountability on human rights

To ensure that the impact of these actions can be fully realized, the government must also improve the implementation of human rights considerations both within and across governments. This requires:

- 8. Aligning National Housing Strategy programs with the principles of the *National Housing Strategy Act, 2019* to focus on improving outcomes for people in greatest need.**
- 9. Strengthening the conditions for social transfers to other governments.** This could include, for example, establishing an accountability framework for provinces and territories to report back on the impact of funds received through the Canada Social Transfer.
- 10. Improving the collection and dissemination of information on the demographics and income sources of people with lower incomes, and better use these data to inform the federal Poverty Reduction Strategy.**

Maytree is pleased to have the opportunity to provide input in advance of the 2024 federal budget. We welcome any questions or comments on our proposed recommendations.