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NATIONAL COUNCIL OF WELFARE:
WELFARE INCOMES 2005

Summer 2006
Revised October 2006

Canada

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WELFARE INCOMES 2005

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WELFARE INCOMES: PATTERNS AND TRENDS

Welfare Incomes 2005 estimates total welfare incomes for four types of households in each province and territory, for a total of 52 scenarios. The four household types we use are a single employable person, a single person with a disability, a lone-parent with a 2-year-old child, and a two-parent family with two children aged 10 and 15. The National Council of Welfare has published similar estimates since 1986.

WELFARE INCOMES IN 2005

- Welfare incomes continued to decline in 2005, making life more difficult for the 1.7 million people—five percent of the population—forced to rely on welfare. Nearly half a million of those on welfare were children.
- New Brunswick and Alberta had the lowest welfare incomes in 2005 for the four household types we looked at in each province and territory.
 - In New Brunswick, a single person received \$3,427 and a couple with two children received \$17,567.
 - In Alberta, the welfare income of a single person with a disability was \$7,851¹ and a lone parent with one child received \$12,326.

TOTAL WELFARE INCOMES OVER TIME

For the first time, we looked at how total welfare incomes—provincial and territorial welfare benefits, provincial and territorial child benefits, and provincial and federal tax credits—have changed over time.

- In 2005, welfare incomes were at their lowest point since 1986 in 20 scenarios.
- Between 2004 and 2005, total welfare incomes decreased in 35 of our 52 scenarios.
- Between 2000 and 2005, welfare incomes were at their lowest levels in 32 of our 52 scenarios. Further, five provinces—Ontario, Manitoba, Saskatchewan, Alberta and British Columbia—recorded their lowest levels of welfare incomes for all four household types during this five-year period.

¹ Most single persons with a disability in Alberta receive financial assistance through the Assured Income for the Severely Handicapped (AISH) program. AISH rates are higher than those used in this report.

- The majority of welfare incomes, when adjusted for inflation, peaked in 1994 or earlier. When the peak year welfare incomes were compared to 2005 welfare incomes, some of the losses were staggering.
 - In Alberta, the income of a single person decreased by almost 50 percent.
 - In Ontario, a lone parent's income decreased by almost \$6,600 and a couple with two children lost just over \$8,700.
 - Across the provinces, one-third of households experienced losses of \$3,000 or more.

TOTAL WELFARE INCOMES AND ADEQUACY

We looked at welfare incomes in 2005 compared to the poverty line², average incomes and median incomes for all provinces. We were also able to look at median income data for the three territories.

- Welfare incomes continued to be well below the poverty line. In 2005, they were less than two-thirds of the poverty line for all households in all jurisdictions, except for the lone parent in Newfoundland and Labrador.
 - A single employable person's income in New Brunswick was the lowest, at 19 percent of the poverty line. Welfare incomes of single persons hovered around one-third of the poverty line and not one reached 50 percent.
 - The income of a single person with a disability was lowest in Alberta³ at 38 percent of the poverty line, followed closely by Manitoba at 41 percent of the poverty line.
 - The incomes of families with children were marginally better, hovering around 55 to 60 percent of the poverty line. The welfare income of a lone parent with one child was the lowest in Alberta, at 48 percent of the poverty line, whereas in Newfoundland and Labrador it was the highest, at 73 percent. Finally, the welfare income of a couple with two children in British Columbia was the lowest at 48 percent of the poverty line.
- Welfare incomes compared to average incomes showed the same disparity.
 - In 2005, all were less than half of average income, except for the lone parent in Newfoundland and Labrador, where it was 54 percent.

² In the absence of an official measure, we use Statistics Canada's pre-tax Low Income Cut-Off as the poverty line.

³ Most single persons with a disability in Alberta receive financial assistance through the Assured Income for the Severely Handicapped (AISH) program. AISH rates are higher than those used in this report.

- The lows were: for a single person, 15 percent of the average income of a single person in both New Brunswick and Alberta; for a person with a disability, 23 percent of the average income of a single person in Alberta³ (followed by 30 percent in Manitoba); for a lone parent with one child, 27 percent of a lone parent's income in Alberta; and for a couple with two children, 19 percent of the average income of a couple with children in Ontario.
- Comparing welfare incomes to median incomes paints a similar picture in all provinces. However, they were more generous for all households in the territories. This is likely a reflection of the higher welfare rates paid due to the higher cost of living.

No welfare incomes were remotely close to the poverty line, average incomes or median incomes.

- Two provinces were consistently at the bottom of all three measures: New Brunswick for the single person, and Alberta, for both the person with a disability and the lone parent with one child.
- By contrast, two provinces were the most generous across all three measures: Newfoundland and Labrador for the single person and lone parent with one child, and Prince Edward Island for the couple with two children.

WELFARE INCOMES AND CHILD BENEFITS

Over the past ten years, the system of federal and provincial child benefit programs has become incomprehensible to most people. And since these programs interact with provincial and territorial welfare programs, what was already a tangled safety net has become almost impossible to understand.

Since 1996, five provinces have implemented their own child benefit programs that pay benefits for children outside the welfare system. The federal government introduced the National Child Benefit Supplement (NCBS) in 1998. Most provinces clawed it back from welfare families, so they were no better off. As of early 2005, eight jurisdictions still claw back part or all of the NCBS. Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec and Manitoba do not claw back any of the NCBS.

Although the federal government has increased its spending on child benefits significantly since 1998, most welfare families with children have seen little, if any, improvement in their total income.

- Lone parents wound up with lower welfare incomes in 2005 than they had in 1997—the year before the NCBS was introduced—with three exceptions.
 - There was a minimal increase of \$12 in New Brunswick, \$405 in Quebec and \$534 in the Northwest Territories.

- Between 1997 and 2005, a couple with two children saw their welfare incomes decline in six jurisdictions.
 - In PEI the couple gained \$155, in Manitoba the increase was \$245, and in Newfoundland and Labrador it amounted to \$898. Couples in New Brunswick saw an increase of \$1,226, in the Northwest Territories the increase was \$2,023, and in Quebec it increased by \$2,353.

Some of these changes in welfare incomes—either increases or decreases—are a result of changes to welfare programs or rates, or are due to the implementation of new provincial programs. But overall, most welfare families are seeing very little improvement in their total incomes despite the sizeable increase in federal spending on children.

I. WHAT IS WELFARE?

Social assistance or welfare is the social safety net of last resort in Canada. It provides money to meet the basic needs of individuals and families who have exhausted all other means of financial support.

There are 13 different welfare systems in Canada—one in each province and territory. First Nations people on and off reserve receive the same benefits as others, through the welfare program in the province or territory where they live. Each welfare program has complex rules which regulate all aspects of the system, including eligibility for assistance, the rates of assistance, the amounts of other income recipients are allowed to keep, and the way in which applicants and recipients may question decisions regarding their cases.

Over the last decade, welfare programs have been evolving due to new approaches to child benefits. In 1998, the federal government introduced the National Child Benefit Supplement (NCBS). This provides financial benefits to low-income families with children, regardless of their source of income. Most families on welfare, however, had their federal benefit clawed back from their welfare income. As of 2005, five provinces—Newfoundland and Labrador, Nova Scotia, Quebec, Saskatchewan and British Columbia—provide financial benefits for children through an income-tested program rather than welfare. These provincial child benefits are available to all low-income families. The interaction of these child benefit programs with welfare programs has made an already complicated system even more complex.

Welfare Incomes 2005 looks at the amount of income received in 2005 by four typical households on welfare: a single person, a single person with a disability, a lone parent with a child aged 2 and a couple with children aged 10 and 15.

The report includes information on how people qualify for welfare, the different types of assets they may keep while on welfare, and how much they can earn while on welfare. Later chapters assess the adequacy of welfare incomes and trends in welfare incomes dating back to 1989.

ELIGIBILITY

Determining eligibility for welfare is a multi-step process. First, applicants must meet the administrative requirements. Then they undergo a needs test, which looks at their assets, income and basic needs.

Administrative rules vary throughout the country. In general, applicants must be of a certain age (usually between 18 and 65), provide written documentation concerning their financial situation, pursue any court-ordered maintenance support to which they are entitled and provide medical certification of any disabling condition. They must also agree to report any future changes in their circumstances and, where applicable, follow any employment plans that have been negotiated. In some jurisdictions, applicants are routinely diverted to other programs or services before they can apply for assistance.

Applicants who meet the administrative conditions then go through a needs test¹. The welfare department compares the budgetary needs of the household with its assets and income. Amounts for budgetary needs, covering items such as food, shelter, clothing, household expenses, transportation, personal grooming items and special needs items, are set by government regulation or policy directive. These amounts are set arbitrarily and do not necessarily reflect the actual cost of the necessities of life.

First, the applicants' fixed and liquid assets are reviewed. In most provinces and territories, fixed assets are exempt. Fixed assets include the principal residence, household and personal effects, a vehicle (up to a certain limit) and the value of prepaid funerals. Property and equipment required for employment are also generally considered exempt. Applicants are usually required to convert any non-exempt fixed assets into cash to cover their ongoing needs before they can qualify for welfare.

Liquid assets include cash on hand and in bank accounts, as well as stocks, bonds and securities that are readily convertible to cash. Most jurisdictions now exempt Registered Education Savings Plans. Table 1.1 presents the maximum allowable liquid asset limits in effect in January 2005 for our four typical welfare households. These limits vary according to the size of the household and, in some jurisdictions, the client's classification. For example, most recipients with a disability have higher asset exemption levels in recognition of the additional costs related to a disability. Households whose assets exceed these limits are not eligible for welfare.

Next, the welfare department identifies all the sources of income for the household. Each province and territory determines how income from various sources is treated—it may be fully exempt, partially exempt or not exempt at all. Exempt income is not taken into account when determining a household's entitlement. Examples include the Canada Child Tax Benefit Basic Benefit, provincial and territorial child welfare payments, the federal GST credit and many compensation payments (e.g., HIV, Hepatitis C). Income that is not exempt is deducted dollar for dollar from the welfare entitlement. Most pensions, Employment Insurance benefits, Workers' Compensation payments, training allowances and student assistance are considered non-exempt income. Most provinces and territories exempt a portion of a household's earnings—this is referred to as "earnings exemptions". Some have different earnings exemption provisions for those applying for welfare compared to those already receiving welfare. Earnings exemptions support welfare clients' personal efforts to join or return to the labour force by allowing them to retain a portion of their earnings. Table 1.3 at the end of this chapter provides a summary of earnings exemption provisions as of January 1, 2005 for our four household types.

¹ From 1966 until 1996, the needs test was the central eligibility criterion under the Canada Assistance Plan (CAP), which provided federal funding towards the cost of provincial and territorial welfare programs. CAP was replaced in 1996 by the Canada Health and Social Transfer (CHST), and then by the Canada Social Transfer (CST) in 2004. Neither the CHST nor the CST include a needs test as a requirement for federal funding. To date, no province or territory has done away with the needs test outright.

Finally, the welfare department subtracts all non-exempt income from the budgetary needs of the household. Applicants qualify for welfare if their household's assessed needs are greater than their non-exempted resources.

All in all, qualifying for welfare is a complicated, cumbersome and stigmatizing process.

As welfare programs evolve—for example, providing financial assistance for children through separate income-tested child benefit programs—eligibility criteria are changing. Despite its shortcomings, the needs test provides benefits based on family size and is responsive to sudden changes in a family's circumstances. By contrast, income-tested programs are much less intrusive or stigmatizing, since they are based on the household's taxable income. Assets are not considered and there is not the ongoing monitoring and requirement to report to authorities. However, because many income-tested programs are based on past income, they are not as responsive to rapid changes in a family's circumstances, such as significant income loss or a change in family size.

LIQUID ASSET EXEMPTION LEVELS

Table 1.1 presents liquid asset exemption levels as of January 2005. This table has changed from earlier reports and now focuses on provisions for our four household types only. It also shows, where applicable, the different provisions for those applying for assistance as opposed to those already receiving assistance.

There were very few changes between January 2004 and January 2005. Alberta's liquid asset exemption levels decreased with the introduction of the Alberta Works program in May 2004. With the exception of a person with a disability, the maximums allowed are equivalent to one month's assistance. A single person could only have \$402, as compared to \$1,500 under the former Supports to Independence program. The level for a lone parent with one child dropped from \$2,500 to \$858, and a family with two children had its level reduced from \$2,500 to \$1,317. However, the new system has eliminated the limits to the amount of cash assets that existed under the old program.

None of the asset exemption levels is generous, but some are non-existent. Having low or no exemptions for some applicants means that they have to spend their last dollar before they can qualify for assistance. This is the case for employable households in Prince Edward Island and Manitoba. In the Northwest Territories and Nunavut, neither applicants nor recipients are allowed any liquid assets.

Having higher liquid asset levels for recipients than for applicants doesn't make any sense either, because welfare incomes in all provinces and territories are so low that it is impossible to save any money without taking away from basic needs.

| TABLE 1.1: LIQUID ASSET EXEMPTION LEVELS AS OF JANUARY 2005 PROVISIONS FOR APPLICANTS AND RECIPIENTS ¹ | | | | | |
|--|---|---|--|--|--|
| | Single Employable Person | Single Person with a Disability | Lone Parent, One Child | Couple, Two Children | |
| Newfoundland and Labrador | \$500 | \$3,000 ² | \$1,500 | \$1,500 | |
| Prince Edward Island | \$50 to \$200 ³ | \$900 | \$50 to \$1,200 ³ | \$50 to \$1,800 ³ | |
| Nova Scotia | \$500 | \$500 | \$1,000 | \$1,000 | |
| New Brunswick | \$1,000 | \$3,000 | \$2,000 | \$2,000 | |
| Quebec | Applicants: \$816 ⁴ Recipients: \$1,500 | Applicants: \$816 ⁴ Recipients: \$2,500 | Applicants: \$1,166 ⁴ Recipients: \$2,850 ⁵ | Applicants: \$1,661 ⁴ Recipients: \$2,949 ⁶ | |
| Ontario ⁷ | \$520 | \$5,000 ⁸ | \$1,457 | \$2,030 | |
| Manitoba ⁹ | Applicants: \$0 Recipients: \$400 | \$2,000 | \$2,000 | Applicants: \$0 Recipients: \$1,600 | |
| Saskatchewan | \$1,500 | \$1,500 | \$3,000 | \$4,000 | |
| Alberta ¹⁰ | \$402 | \$1,114 ¹¹ | \$858 | \$1,317 | |
| British Columbia ¹² | Applicants: \$660 Recipients: \$1,500 | \$3,000 | Applicants: \$1,096 Recipients: \$2,500 | Applicants: \$1,241 Recipients: \$2,500 | |
| Yukon | \$500 | \$1,500 | \$1,000 | \$1,600 | |
| Northwest Territories ¹³ | \$0 | \$5,000 | \$0 | \$0 | |
| Nunavut ¹⁴ | \$0 | \$5,000 | \$0 | \$0 | |

¹ Unless otherwise noted, the asset exemption provisions apply to both those applying for and receiving social assistance.

² This applies to a single person with a disability requiring supportive services.

- ³ Applicants requiring short-term assistance (four months or less) could not have assets in excess of \$50. The higher asset exemption levels applied to those requiring long-term assistance.
- ⁴ Single persons and families had to divest themselves of part of their liquid assets to qualify for welfare if their assets exceeded an amount set according to family size. Applicants were not eligible if their assets exceeded the fixed amounts. The determination of a household's assets excluded income received during the month of application which was to cover the cost of rent, heating and public utilities. Higher asset exemption levels applied after the first month on assistance.
- ⁵ The exemption for a lone parent was \$2,500 plus \$350 for the child.
- ⁶ The exemption for a couple was \$2,500 plus \$449 for the two children.
- ⁷ Asset levels were increased for Ontario Works clients in March 2005. The new limits were \$536 for a single person, \$1,487 for a lone parent with one child and \$2,062 for a couple with two children.
- ⁸ This was the asset exemption level for a single person on the Ontario Disability Support Program.
- ⁹ Under the General Assistance provisions of the Employment and Income Assistance program, employable singles, childless couples and two-parent families were not eligible for any liquid asset exemption at application.
- ¹⁰ The maximum allowable liquid assets for those in the "expected to work" category of Alberta Works were equivalent to one month's core benefit for the applicable household unit. For those in the "not expected to work" category, the maximum was equivalent to two months' core benefits. The maximum applicable National Child Benefit Supplement is included for families with children. In July 2005, asset exemption levels were increased to \$876 for a lone parent with one child and \$1,352 for a couple with two children as a result of the increase to the NCB Supplement. In August 2005, asset exemption levels for clients in the "not expected to work" category were increased when the Personal Needs Supplement was included as a supplement to core benefits. As a result, the asset exemption level increased to \$1,270.
- ¹¹ This represented the amount for an Alberta Works client in the "not expected to work" category. Most people with severe and permanent disabilities received assistance under the Assured Income for the Severely Handicapped (AISH) program. AISH has an asset limit of \$100,000, not including the primary residence, personal belongings, or a vehicle (includes a specially-adapted vehicle). Effective October 1, 2005, AISH was enhanced to include personal income supports. A \$3,000 liquid asset limit applies to clients requesting this new benefit.
- ¹² The maximum allowable cash assets for applicants (other than persons with a disability) were equivalent to one month's benefit, plus \$150 for a single person and \$250 for a family.
- ¹³ In the Northwest Territories, there was no exemption on liquid assets other than for persons with a disability and persons 60 years of age or older.
- ¹⁴ In Nunavut, there was no exemption on liquid assets other than for persons with a disability and persons 60 years of age or older.

Having low or no exemptions on liquid assets is bad public policy. It means that households have no cushion against unforeseen emergencies and it makes it more difficult for them cover additional costs as they try to move into the labour force. From the National Council of Welfare's perspective, ensuring that people are destitute when they come onto welfare traps them in a web of dependency.

TOTAL WELFARE INCOMES

Table 1.2 presents a cross-Canada summary of the estimated total welfare income of four households on welfare in 2005: a single employable person, a single person with a long-term disability, a lone-parent family with a 2-year-old child, and a two-parent family with two children aged 10 and 15. Total welfare income comprises provincial and territorial welfare benefits, child benefit and tax credit programs, plus federal child benefits and the GST rebate.

The incomes in Table 2.1 are based on the assumption that the typical households are receiving the maximum basic welfare benefit. These amounts could vary depending on the household's situation. Some households might get less if they had non-exempt income or did not follow a prescribed employment plan as a condition of eligibility. Other households might get more if they had regularly recurring special needs.

To ensure the comparability of the data as much as possible, we made a number of assumptions in calculating the levels of assistance. These assumptions include where welfare households lived, the ages of the children, the employability of the household head, the type of housing, case history and entitlement to additional assistance.

A. RESIDENCE

The welfare rates shown for each province or territory assume the household is living in the largest urban area in the province or territory. Some provinces and territories offer supplements to compensate welfare households living in remote areas for higher living costs.

B. AGES OF CHILDREN

Rates for families with children in this report are based on the assumption that the child in the lone-parent family is 2 years old and the children in the two-parent family are 10 and 15 years old. Some provinces and territories vary a family's benefit with the age of each child in the household.

C. EMPLOYABILITY OF THE HOUSEHOLD HEAD

We considered the single person and couple with two children to be employable. The single person with a disability is considered to have a medically certified, long-term disability.

The rates for lone parents are based on the employability classifications in each province and territory. In most jurisdictions, a lone parent with a two-year-old child would be considered unemployable or temporarily unavailable for work.

D. TYPE OF HOUSING

We assumed that the welfare households in this report are tenants in the private rental market rather than homeowners or social housing tenants. We also assumed that they did not share their accommodation. Most provinces and the three territories reduce welfare entitlements when households live in subsidized housing or share their housing.

Where shelter allowances do not include the cost of heat and utilities, we added these costs to the shelter rates. We used maximum shelter rates in all jurisdictions and we excluded any additional shelter amounts that are discretionary.

E. CASE HISTORY

In order to calculate the rates for the full year for this report, we assumed that these four typical households started receiving welfare on January 1, 2005 and remained on assistance until the last day of the calendar year.

We calculated basic social assistance and applicable child benefits month by month for each category of household in each province and territory, taking into account increases or decreases in rates as of their effective dates during the year. We also assumed that welfare households did not have any income from paid work during the time they were on assistance.

BASIC SOCIAL ASSISTANCE

The column called Basic Social Assistance in Table 1.2 shows the maximum amount that eligible households could receive from welfare to meet their basic needs. This includes amounts for food, clothing, shelter, and utilities, personal and household needs. This column also reflects any reduction in social assistance caused by the clawback of the National Child Benefit Supplement.

ADDITIONAL BENEFITS

Welfare departments also provide additional assistance for special needs, such as transportation allowances, child care, drug benefits and non-insured medical services. These may be provided in the form of cash or services. Eligibility is assessed on a case-by-case basis, depending on the household's circumstances.

Certain groups, such as persons with a disability or parents with school-age children, may receive special assistance automatically. Examples include supplementary allowances for persons with disabilities, back to school allowances and winter clothing allowances. In several provinces, special assistance also includes additional benefits to cover high shelter costs. The amounts in the second column in Table 1.2 include additional benefits that are paid automatically to welfare households.

FEDERAL CHILD BENEFITS

Child benefit programs provide financial support to low-income families with children, based on an income test. The third column of Table 1.2 shows the money paid by the federal government under the Canada Child Tax Benefit (CCTB), which includes both the CCTB Basic Benefit and the National Child Benefit Supplement (NCBS).

In all jurisdictions except Alberta, the lone parent with a two-year-old received \$3,076 and the couple with two older children received \$5,451 during the 2005 calendar year. Alberta varies the payments according to the ages of the children, so the two welfare families in Alberta received \$2,972 and \$5,537 respectively in 2005.

The federal government pays the child benefits every month to low- to middle-income families with children under 18. The amounts increase every year in July. Details on the way benefits are calculated are contained in Appendix C and Appendix D at the end of this report.

PROVINCIAL AND TERRITORIAL CHILD BENEFITS

The fourth column in Table 1.2 gives the amounts of provincial or territorial child benefits paid to welfare families. Child benefit programs exist in six provinces and the three territories. With the exception of Quebec, these benefits are administered by the federal government on behalf of the provinces and territories and are included in the monthly Canada Child Tax Benefit payment.

In five provinces—Newfoundland and Labrador, Nova Scotia, Quebec, Saskatchewan and British Columbia—the child benefit now pays basic benefits for children outside of the welfare system. It has replaced the money that was once paid through the welfare system. Some of these provinces claw back all or part of the NCB Supplement from their child benefit program; others pass it on. Any reduction in child benefits as a result of the clawback of the NCBS is reflected in this column.

In New Brunswick, Yukon, the Northwest Territories and Nunavut, the welfare programs still pay basic benefits for children. The provincial or territorial child benefit is paid in addition to their welfare benefits.

GST CREDIT

The column for the federal GST credit shows the federal refundable credit for the Goods and Services Tax or the federal portion of the Harmonized Sales Tax in Newfoundland and Labrador, Nova Scotia and New Brunswick. The GST credit is paid quarterly to lower-income individuals and families based on net household income during the previous two tax years. Amounts change in July of each year.

In 2005, the quarterly payments added up to \$225.50 for an adult or the first child in a lone-parent family and \$119 for each other child. Single adults, including lone parents, qualified for a supplement to the GST credit if their incomes were higher than \$7,253 in 2003

or \$7,377 in 2004. The maximum supplement in 2005 was \$119. All lone parents automatically receive the maximum supplement.

PROVINCIAL TAX CREDITS

The tax credits in Column 6 are the Harmonized Sales Tax Credit in Newfoundland and Labrador, the Sales and Property Tax Credits in Ontario, the Sales Tax Rebate in Saskatchewan and the Sales Tax Credit in British Columbia. The value of the Quebec Sales Tax Credit is included in Quebec's basic social assistance rate.

| TABLE 1.2: ESTIMATED 2005 ANNUAL WELFARE INCOME BY TYPE OF HOUSEHOLD | | | | | | | |
|--|-------------------------|---------------------|-------------------------------------|---------------------------------------|---------------------------------|------------------------------------|----------------------|
| | Basic Social Assistance | Additional Benefits | Federal Child Benefits ¹ | Provincial/Territorial Child Benefits | Federal GST Credit ² | Provincial/Territorial Tax Credits | Total Welfare Income |
| NEWFOUNDLAND AND LABRADOR^{3, 4} | | | | | | | |
| Single Employable ⁵ | \$7,189 | \$732 | | | \$237 | \$40 | \$8,198 |
| Person with a Disability ^{5, 6} | \$7,189 | \$2,232 | | | \$267 | \$40 | \$9,728 |
| Lone Parent, One Child ⁷ | \$11,461 | \$732 | \$3,076 | \$242 ⁸ | \$570 | \$100 | \$16,181 |
| Couple, Two Children ⁷ | \$11,941 | \$732 | \$5,451 | \$565 ⁸ | \$689 | \$200 | \$19,578 |
| PRINCE EDWARD ISLAND⁹ | | | | | | | |
| Single Employable ¹⁰ | \$5,988 | | | | \$226 | | \$6,214 |
| Person with a Disability ¹¹ | \$7,848 | | | | \$236 | | \$8,084 |
| Lone Parent, One Child ^{12, 13} | \$10,061 | | \$3,076 | | \$570 | | \$13,707 |
| Couple, Two Children ^{12, 13} | \$14,723 | \$350 | \$5,451 | | \$689 | | \$21,213 |
| NOVA SCOTIA^{14, 15} | | | | | | | |
| Single Employable ¹⁶ | \$5,196 | | | | \$226 | | \$5,422 |
| Person with a Disability | \$8,646 | | | | \$251 | | \$8,897 |
| Lone Parent, One Child ¹⁷ | \$8,826 | | \$3,076 | \$445 ¹⁸ | \$570 | | \$12,917 |
| Couple, Two Children ¹⁷ | \$11,652 | \$150 | \$5,451 | \$1,090 ¹⁸ | \$689 | | \$19,032 |

| TABLE 1.2: ESTIMATED 2005 ANNUAL WELFARE INCOME BY TYPE OF HOUSEHOLD | | | | | | | |
|--|-------------------------|-----------------------|-------------------------------------|---------------------------------------|---------------------------------|------------------------------------|----------------------|
| | Basic Social Assistance | Additional Benefits | Federal Child Benefits ¹ | Provincial/Territorial Child Benefits | Federal GST Credit ² | Provincial/Territorial Tax Credits | Total Welfare Income |
| NEW BRUNSWICK ^{19, 20, 21} | | | | | | | |
| Single Employable | \$3,201 | | | | \$226 | | \$3,427 |
| Person with a Disability | \$6,762 | \$1,000 ²² | | | \$233 | | \$7,995 |
| Lone Parent, One Child ²³ | \$8,860 | \$900 | \$3,076 | \$250 ²⁴ | \$570 | | \$13,656 |
| Couple, Two Children ²³ | \$9,927 | \$1,000 | \$5,451 | \$500 ²⁵ | \$689 | | \$17,567 |
| QUEBEC ^{25, 26} | | | | | | | |
| Single Employable | \$6,721 | | | | \$226 | | \$6,947 |
| Person with a Disability | \$9,793 | | | | \$270 | | \$10,063 |
| Lone Parent, One Child ²⁷ | \$8,089 | \$960 | \$3,076 | \$2,700 ²⁸ | \$570 | | \$15,395 |
| Couple, Two Children ²⁷ | \$10,405 | \$1,159 | \$5,451 | \$3,000 ²⁸ | \$689 | | \$20,704 |
| ONTARIO ^{29, 30} | | | | | | | |
| Single Employable | \$6,400 | | | | \$226 | \$381 | \$7,007 |
| Person with a Disability | \$11,450 | | | | \$305 | \$302 | \$12,057 |
| Lone Parent, One Child ³¹ | \$10,321 | \$105 | \$3,076 | | \$570 | \$379 | \$14,451 |
| Couple, Two Children ³¹ | \$12,231 | \$407 | \$5,451 | | \$689 | \$524 | \$19,302 |

| TABLE 1.2: ESTIMATED 2005 ANNUAL WELFARE INCOME BY TYPE OF HOUSEHOLD | | | | | | | |
|--|-------------------------|---------------------|-------------------------------------|---------------------------------------|---------------------------------|------------------------------------|----------------------|
| | Basic Social Assistance | Additional Benefits | Federal Child Benefits ¹ | Provincial/Territorial Child Benefits | Federal GST Credit ² | Provincial/Territorial Tax Credits | Total Welfare Income |
| MANITOBA ³² | | | | | | | |
| Single Employable | \$5,592 | | | | \$226 | | \$5,818 |
| Person with a Disability | \$7,397 | \$960 | | | \$244 | | \$8,601 |
| Lone Parent, One Child ³³ | \$9,636 | | \$3,076 | | \$570 | | \$13,282 |
| Couple, Two Children ³³ | \$14,057 | \$160 | \$5,451 | | \$689 | | \$20,357 |
| SASKATCHEWAN ^{34, 35, 36, 37} | | | | | | | |
| Single Employable | \$6,328 | \$20 | | | \$226 | \$89 | \$6,663 |
| Person with a Disability ³⁸ | \$7,680 | \$860 | | | \$252 | \$101 | \$8,893 |
| Lone Parent, One Child ³⁹ | \$9,052 | \$20 | \$3,076 | \$315 ⁴⁰ | \$570 | \$202 | \$13,235 |
| Couple, Two Children ³⁹ | \$12,488 | \$235 | \$5,451 | \$111 ⁴¹ | \$689 | \$353 | \$19,327 |
| ALBERTA ^{42,43} | | | | | | | |
| Single Employable | \$4,824 | | | | \$226 | | \$5,050 |
| Person with a Disability ⁴⁴ | \$6,684 | \$936 | | | \$231 | | \$7,851 |
| Lone Parent, One Child ⁴⁵ | \$8,784 | | \$2,972 | | \$570 | | \$12,326 |
| Couple, Two Children ⁴⁵ | \$12,996 | \$275 | \$5,537 | | \$689 | | \$19,497 |

| TABLE 1.2: ESTIMATED 2005 ANNUAL WELFARE INCOME BY TYPE OF HOUSEHOLD | | | | | | | |
|--|-------------------------|---------------------|-------------------------------------|---------------------------------------|---------------------------------|------------------------------------|----------------------|
| | Basic Social Assistance | Additional Benefits | Federal Child Benefits ¹ | Provincial/Territorial Child Benefits | Federal GST Credit ² | Provincial/Territorial Tax Credits | Total Welfare Income |
| BRITISH COLUMBIA⁴⁶ | | | | | | | |
| Single Employable | \$6,120 | \$35 | | | \$226 | \$75 | \$6,456 |
| Person with a Disability ⁴⁷ | \$10,277 | \$35 | | | \$269 | \$75 | \$10,656 |
| Lone Parent, One Child | \$10,147 | \$80 | \$3,076 | \$0 ⁴⁸ | \$570 | \$75 | \$13,948 |
| Couple, Two Children | \$11,893 | \$212 | \$5,451 | \$71 ⁴⁹ | \$689 | \$150 | \$18,466 |
| YUKON⁵⁰ | | | | | | | |
| Single Employable | \$11,990 | \$155 | | | \$322 | | \$12,467 |
| Person with a Disability ⁵¹ | \$11,990 | \$2,405 | | | \$345 | | \$14,740 |
| Lone Parent, One Child ⁵² | \$15,474 | \$260 | \$3,076 | \$450 ⁵³ | \$570 | | \$19,830 |
| Couple, Two Children ⁵² | \$21,307 | \$685 | \$5,359 | \$900 ⁵³ | \$684 | | \$28,935 |
| NORTHWEST TERRITORIES^{54, 55} | | | | | | | |
| Single Employable | \$13,280 | | | | \$330 | | \$13,610 |
| Person with a Disability ⁵⁶ | \$13,330 | \$3,600 | | | \$345 | | \$17,275 |
| Lone Parent, One Child ⁵⁷ | \$18,672 | | \$3,076 | \$330 ⁵⁸ | \$570 | | \$22,648 |
| Couple, Two Children ⁵⁷ | \$25,103 | | \$5,181 | \$660 ⁵⁸ | \$689 | | \$31,633 |

TABLE 1.2: ESTIMATED 2005 ANNUAL WELFARE INCOME BY TYPE OF HOUSEHOLD

| | Basic Social Assistance | Additional Benefits | Federal Child Benefits ¹ | Provincial/Territorial Child Benefits | Federal GST Credit ² | Provincial/Territorial Tax Credits | Total Welfare Income |
|--------------------------------------|-------------------------|---------------------|-------------------------------------|---------------------------------------|---------------------------------|------------------------------------|----------------------|
| NUNAVUT ^{59, 60, 61, 62} | | | | | | | |
| Single Employable | \$10,686 | | | | \$285 | | \$10,971 |
| Person with a Disability | \$10,826 | \$2,100 | | | \$329 | | \$13,255 |
| Lone Parent, One Child ⁶³ | \$18,178 | | \$3,076 | \$330 ⁶⁴ | \$570 | | \$22,154 |
| Couple, Two Children ⁶³ | \$31,515 | | \$3,519 | \$660 ⁶⁴ | \$631 | | \$36,325 |

¹ Refers to the Canada Child Tax Benefit (CCTB), which includes the CCTB Basic Benefit and the National Child Benefit Supplement (NCBS), received between January 1 and December 31, 2005.

² The federal GST credit includes the quarterly payments received between January 1 and December 31, 2005.

Newfoundland and Labrador

³ In December 2005, the Fuel Supplement was increased from \$25 to \$50 per month.

⁴ Additional benefits include a supplementary shelter benefit of \$61 per month (\$732 yearly) for all households and the Flat Rate Allowance for the Disabled of \$125 per month. The additional shelter benefit is automatically paid to households in St. John's since rental costs exceed the basic shelter rate.

⁵ The Family Benefit rate for singles and childless couples was increased by one percent in July 2005.

⁶ Responsibility for the Enriched Needs Program, which provides the Flat Rate Allowance for the Disabled of \$125 per month, was transferred to the Department of Community Services and Health in 2005. A person with a disability who purchases a supportive service under the program is also entitled to receive additional funds to meet the actual cost of shelter, utilities, telephone and, possibly, debts.

- ⁷ Newfoundland and Labrador does not deduct the NCBS or the Newfoundland and Labrador Child Benefit when calculating eligibility for Income Support.
- ⁸ The Newfoundland and Labrador Child Benefit increased in July 2005 from \$19.50 to \$20.83 for the first child and from \$26.75 to \$27.16 for the second child.
- Prince Edward Island
- ⁹ Additional benefits include the School Allowance, issued in August and December. The allowance is \$75 for the 10-year-old and \$100 for the 15-year-old.
- ¹⁰ The majority of single people, whether employable or not, received a higher shelter allowance of \$435 per month. We used \$280 in our calculations, which is the legislated maximum for a single employable person. The shelter rate of \$435 is for people with mortgages or who have been renting for a considerable period of time prior to coming on assistance.
- ¹¹ Most disabled social assistance clients receive additional financial support through the Disability Support Program (DSP). Clients who are not eligible for the DSP may receive the Personal Care Allowance (\$53 per month) and the Special Care Allowance (\$40 per month) through the Social Assistance Program. These amounts are not included in the above table.
- ¹² The Healthy Child Allowance was increased in August 2005 from \$59 to \$76 per child per month. This mirrors the increase in the National Child Benefit Supplement.
- ¹³ PEI reduces the maximum benefit payable to families with children by the full amount of the NCB Supplement.

Nova Scotia

- ¹⁴ In October 2005, personal allowances increased from \$184 to \$190 per month.
- ¹⁵ Additional benefits include the annual School Supplies Supplement of \$50 for the 10-year-old and \$100 for the 15-year-old.
- ¹⁶ In October 2005, the basic shelter rate for a single employable person increased from \$235 to \$285 per month.
- ¹⁷ Nova Scotia passes on the full amount of the NCB Supplement.
- ¹⁸ The Nova Scotia Child Benefit is \$37.08 per month for the first child and \$53.75 per month for the second child.

New Brunswick

- ¹⁹Rates for the Interim Assistance, Transitional Assistance and Extended Benefits Program were increased by one percent in May and October 2005.
- ²⁰New Brunswick increased the monthly Fuel Supplement from \$90 to \$110 on November 1, 2005. Eligibility is determined on a case-by-case basis. It is paid in addition to basic assistance and is designed to help offset high heating costs for clients who pay for heat separately. It may be paid either monthly, from November to April, or as a one-time payment. This is not included in the above table.
- ²¹Additional benefits include the Income Supplement Benefit for families with children to offset high shelter costs (\$900 yearly), the School Supplement of \$50 per child per year, and the Disability Supplement (\$1,000 yearly).
- ²²Certified disabled clients who are in receipt of assistance on October 1 automatically receive the Disability Supplement. This annual benefit was introduced in October 2000 and originally set at \$250. It was increased to \$500 in October 2001, \$750 in October 2002 and \$1,000 in October 2003.
- ²³New Brunswick passes on the full amount of the NCB Supplement.
- ²⁴The New Brunswick Child Benefit is \$250 per child per year (\$20.83 per month).

Quebec

- ²⁵Employment Assistance rates increased in January 2005 for all client types. Basic assistance rates include the amount of the Quebec Sales Tax rebate.
- ²⁶Additional benefits include the monthly Housing Allowance of \$80 for families with children and an annual school allowance of \$76 for the 10-year-old and \$123 for the 15-year-old.
- ²⁷The NCB Supplement is passed on in full to all social assistance families.
- ²⁸The new Child Assistance measure was implemented in January 2005. It replaced the former Family Allowance, the tax credit for dependent children and the tax reduction for families. The maximum annual benefit was \$2,000 (\$166.67 per month) for a one-child family and \$3,000 (\$250 per month) for a two-child family. Lone parent families received an additional annual supplement of \$700 (\$58.33 per month).

Ontario

- ²⁹Ontario Works and the Ontario Disability Support Program (ODSP) rates were increased by three percent in March 2005.

- ³⁰ Additional benefits include the Winter Clothing Allowance for children (\$105 per child per year) and the annual Back to School Allowance of \$69 for the 10-year-old and \$128 for the 15-year-old.
- ³¹ In July 2004 and 2005, Ontario did not deduct the increase to the NCB Supplement.

Manitoba

- ³² Additional benefits include the Income Assistance for Persons with Disabilities (IAPD) benefit of \$80 per month plus the annual School supplies allowance of \$60 for the 10-year-old and \$100 for the 15-year-old.
- ³³ Manitoba no longer claws back the NCB Supplement for families on income assistance.

Saskatchewan

- ³⁴ The Saskatchewan Assistance Plan (SAP) basic allowance was increased in May 2005. At the same time, the shelter allowance was restructured, resulting in an increase for the single employable and lone parent and a decrease for the couple with two children. The shelter allowance for a person with a disability did not change.
- ³⁵ Saskatchewan pays actual utility costs. Amounts used are based on averages for the different household types during the 2005 calendar year.
- ³⁶ Additional benefits include the Temporary Energy Cost Allowance of \$20 for all households, the Disabled Persons Allowance of \$50 per month, the Special Transportation Allowance for the disabled of \$20 per month, and the annual Education Expenses Allowance of \$85 for the 10-year-old and \$130 for the 15-year-old. The Temporary Energy Cost Allowance is in effect from December 2005 to April 2006 only.
- ³⁷ The Saskatchewan Sales Tax Credit was implemented in 2000 to help low-income residents offset the cost of the provincial sales tax.
- ³⁸ Clients with a disability may also be eligible for the Disability Rental Housing Supplement, introduced in April 2005. The amount paid depends on family size, family income and the local rental market. The maximum monthly amount is \$93 for a single person and \$151 for a family (combined Family Housing Supplement and Disability Housing Supplement). The supplement is not included in the above table.
- ³⁹ Families with children may also be eligible for the Family Rental Housing Supplement, introduced in April 2005. The amount paid depends on family size, family income and the local rental market. The maximum monthly amount for one- and two-child families is \$89. The supplement is not included in the above table.
- ⁴⁰ The Saskatchewan Child Benefit (SCB) was designed to be a transitional benefit and is reduced as the NCB Supplement increases. In July 2004, the SCB was enhanced through the addition of a \$35 a month supplement for single parents. Without this enhancement, the SCB would have been zero for a lone parent with one child. Effective July 2005, the SCB for a lone parent with one child was reduced to \$17.42 a month.

⁴¹The SCB was designed to be a transitional benefit and is reduced as the NCB Supplement increases. As of July 2004, the SCB for two-parent families was reduced to zero for the first child and was \$17.83 a month for the second child. In July 2005 the amount for the second child was reduced to \$0.58 month (paid as a lump sum).

Alberta

⁴²In May 2004, Alberta implemented the Alberta Works program. This is a single support program for Albertans requiring financial assistance. It replaced the former Supports for Independence (social assistance) program, Widow's Pension program (former beneficiaries will continue to receive their Widow's Pension until they reach age 65), and, as of August 2004, the Skills Development program's living allowance for students.

⁴³Additional benefits include \$78 per month for Personal Needs for the person with a disability and the annual school expense allowance of \$100 for the 10-year-old and \$175 for the 15-year-old.

⁴⁴This report features the most basic disability benefit under the Alberta Works program. Most single people with severe and permanent disabilities receive assistance under the Assured Income for the Severely Handicapped (AISH) program. In January 2005, the maximum AISH benefit was \$850 a month. This increased to \$950 a month in April 2005. In addition, as of October 1, 2005, AISH clients with \$3,000 or less in assets could also be eligible to receive personal income support benefits for a variety of needs such as special diets and medical transportation.

⁴⁵Since August 2003, Alberta has passed on the full amount of the increase to the NCB Supplement.

British Columbia

⁴⁶Additional benefits include the annual Christmas Supplement (\$35 for singles, \$70 for a family with children and \$10 for each child) and the annual School Start-up Supplement of \$42 for the 10-year-old and \$58 for the 15-year-old.

⁴⁷In January 2005, the support rate for a single person with a disability increased from \$461.42 to \$531.42 per month.

⁴⁸The BC Family Bonus is reduced as the NCB Supplement increases. As of July 2004, the BC Family Bonus for a one-child family was reduced to zero.

⁴⁹The BC Family Bonus is reduced as the NCB Supplement increases. In July 2004, the BC Family Bonus for a two-child family was \$11.91 per month. Effective July 2005, it was reduced to zero.

Yukon

⁵⁰Additional benefits include the annual Christmas Allowance of \$30 per person, the Winter Clothing Allowance (\$75 for persons under 14 years and \$125 for persons 14 years or over), the annual School Supply Allowance of \$50 for children in grades 1-5 and \$65 for those in grades 6-12, and the monthly Territorial Supplementary Allowance for persons with a disability.

- ⁵¹In July 2005, the Territorial Supplementary Allowance was increased from \$125 to \$250 per month.
- ⁵²Yukon reduces social assistance by the full amount of the NCB Supplement.
- ⁵³In July 2004, Yukon increased the maximum Yukon Child Benefit from \$25 to \$37.50 per child per month. At the same time, the threshold for the maximum benefit increased from \$16,700 to \$25,000.

Northwest Territories

- ⁵⁴The Northwest Territories Income Assistance Program generally pays actual costs of shelter, fuel and utilities. For a single person, the maximum shelter allowance is \$750 per month. For the lone parent and a couple with two children, the average costs in Yellowknife were used. All clients other than those with a disability and seniors must participate in a "productive choice" in order to receive income assistance.
- ⁵⁵Additional benefits include the Disability Allowance of \$300 per month.
- ⁵⁶The rate for a person with a disability may vary. A number of persons with a disability received a room and board rate of approximately \$850 a month.
- ⁵⁷NWT reduces social assistance by the full amount of the NCB Supplement.
- ⁵⁸The NWT Child Benefit is \$27.50 per child per month.

Nunavut

- ⁵⁹Effective April 1, 2005, food rates increased by 5 percent.
- ⁶⁰The majority of Income Support households in Nunavut reside in public housing. Applicants living in private accommodation must apply for public housing before being approved for rent payments. Private rents range from \$1,500 to \$2,700 per month. The amounts used in this report are the legislated shelter maximums: \$450 for a single person, \$900 for a lone parent and \$1,500 for a couple with two children.
- ⁶¹All clients other than the persons with a disability must be in receipt of assistance for two months before the regular clothing allowance is paid. Clients may only receive the seasonal clothing allowance after they have been on assistance for six consecutive months.
- ⁶²Additional benefits include the Disability Allowance of \$175 a month.
- ⁶³Nunavut reduces social assistance by the amount of the NCB Supplement.
- ⁶⁴The Nunavut Child Benefit is \$27.50 per child per month.

In 2005, the three territories had the highest welfare incomes for all four household types. However, this is largely a reflection of the high costs of living in northern Canada.

At the provincial level, the four household types continued to subsist on meagre levels of support. For a single employable person, 2005 welfare incomes ranged from a low of \$3,427 in New Brunswick to a high of \$8,198 in Newfoundland and Labrador. The lowest welfare income for a single person with a disability was \$7,851 in Alberta²—followed by New Brunswick at \$7,995—and it peaked in Ontario at \$12,057. A lone parent with one child in Alberta had the lowest welfare income at \$12,326, compared to Newfoundland and Labrador, the highest at \$16,181. And finally, the welfare income of a couple with two children ranged from a low of \$17,567 in New Brunswick to a high of \$21,213 in Prince Edward Island.

EARNINGS EXEMPTION LEVELS

The figures that appear in the tables in this report do not take into account the fact that welfare incomes may be higher if recipients have income from employment. Earnings exemptions are an important bridge from welfare to paid employment. They not only allow recipients to increase their overall income, but they also encourage recipients to gain work experience and make the transition to the labour market. Most provinces and territories allow welfare recipients to retain a certain amount of earned income—either a flat-rate amount, a percentage of earnings, or both – without any reduction in their welfare cheques.

However, many welfare recipients are unable to work or to find or keep a job. We estimate that as of March 2005 about 110,000 households—just over ten percent of all households on welfare in Canada - reported earnings from employment.

Table 1.3 shows the earnings exemption provisions in each province and territory as of January 2005 for the four typical households on welfare. It also shows, where applicable, the different levels for applicants versus recipients. The format of this table has changed from earlier reports and now focuses on provisions for our four household types only. A number of provinces do not allow employable persons applying for assistance any exemption on earnings. This means that earnings are deducted in full when determining the applicant's welfare entitlement. In Nova Scotia and New Brunswick, this applies to the first month on assistance. In Ontario and Saskatchewan, it applies to the first three months on assistance for all clients other than those with a disability. In British Columbia there is no earnings exemption for applicants or recipients, other than for recipients with a disability.

² Most single persons with a disability in Alberta receive financial assistance through the Assured Income for the Severely Handicapped (AISH) program. AISH rates are higher than those used in this report.

The National Council of Welfare feels that the earnings exemption policies in some provinces make no sense. If governments want welfare recipients to get jobs, where is the logic in having no exemptions for the first month or the first three months on assistance? These are clear disincentives to employment. Improving earnings exemption policies so that they provide real supports for labour force participation makes sense. But paying decent welfare rates make the most sense.

| TABLE 1.3: MONTHLY EARNINGS EXEMPTION LEVELS AS OF JANUARY 2005 PROVISIONS FOR APPLICANTS AND RECIPIENTS ¹ | | | | |
|--|--|---|--|---|
| | Single Employable Person | Single Person with a Disability | Lone Parent, One Child | Couple, Two Children |
| Newfoundland and Labrador ² | Up to \$75 | Up to \$95 ³ | Up to \$150 | Up to \$150 |
| Prince Edward Island | \$75 of net earned income plus 10% of the balance | \$75 of net earned income plus 10% of the balance | \$125 of net earned income plus 10% of the balance | \$125 of net earned income plus 10% of the balance |
| Nova Scotia | Applicants: no exemption Recipients: 30% of net wages | Applicants: no exemption Recipients: \$150 plus 30% of net surplus ⁴ | Applicants: no exemption Recipients: 30% of net wages | Applicants: no exemption Recipients: 30% of net family wages |
| New Brunswick ⁵ | Applicants: no exemption Recipients: \$200 ⁶ | Applicants: no exemption Recipients: \$150 ⁷ | Applicants: no exemption Recipients: \$200 ⁸ | Applicants: no exemption Recipients: \$200 ⁸ |
| Quebec | \$200 ⁹ | \$100 ¹⁰ | \$200 ¹¹ | \$300 ¹² |

| TABLE 1.3: MONTHLY EARNINGS EXEMPTION LEVELS AS OF JANUARY 2005 PROVISIONS FOR APPLICANTS AND RECIPIENTS ¹ | | | | |
|--|---|---|--|---|
| | Single Employable Person | Single Person with a Disability | Lone Parent, One Child | Couple, Two Children |
| Ontario ¹³ | Applicants: no exemption for first 3 months on assistance Recipients: \$143 plus variable exemption against net income ¹⁴ | \$160 basic exemption plus 25% of net earnings ¹⁵ (ODSP) | Applicants: no exemption for first 3 months on assistance Recipients: \$275 plus variable exemption plus child care ¹⁶ | Applicants: no exemption for first 3 months Recipients: \$346 plus variable exemption plus child care ¹⁶ |
| Manitoba | Applicants: \$100 of net earnings Recipients: after one month, \$100 of net earnings plus 25% of net earnings over \$100 | Applicants: \$100 of net earnings Recipients: after one month, \$100 of net earnings plus 30% of net earnings over \$100 | Applicants: \$115 of net earnings Recipients: after one month, \$115 of net earnings plus 25% of net earnings over \$115 | Applicants: \$100 of net earnings for each earner Recipients: after one month, \$100 of net earnings plus 25% net earnings over \$100, for each earner |

| TABLE 1.3: MONTHLY EARNINGS EXEMPTION LEVELS AS OF JANUARY 2005 PROVISIONS FOR APPLICANTS AND RECIPIENTS ¹ | | | | | |
|--|--|--|--|--|--|
| | Single Employable Person | Single Person with a Disability | Lone Parent, One Child | Couple, Two Children | |
| Saskatchewan ¹⁷ | Applicants: no exemption for first 3 months Recipients: \$25 plus 20% of surplus, to a maximum exemption of \$100 | \$100 plus 25% of surplus, to a maximum exemption of \$225 | Applicants: no exemption for first 3 months Recipients: \$125 Clients with earnings over \$125 are eligible for the Saskatchewan Employment Supplement ¹⁸ | Applicants: no exemption for first 3 months Recipients: \$125 Clients with earnings over \$125 are eligible for the Saskatchewan Employment Supplement ¹⁸ | |
| Alberta ¹⁹ | \$115 of net income plus 25% of surplus | \$115 of net income plus 25% of surplus ²⁰ | \$230 of net income plus 25% of surplus | \$115 of net income for each working adult plus 25% of surplus | |
| British Columbia | No earnings exemption | Applicants: no exemption for first 3 months Recipients: \$400 ²¹ | No earnings exemption | No earnings exemption | |

**TABLE 1.3: MONTHLY EARNINGS EXEMPTION LEVELS AS OF JANUARY 2005
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

| | Single Employable Person | Single Person with a Disability | Lone Parent, One Child | Couple, Two Children |
|-----------------------|---|---|---|---|
| Yukon | Applicants: \$100 Recipients: \$100 plus additional 25% of surplus after third consecutive month on assistance | Applicants: \$100 Recipients: \$100 plus additional 25% of surplus after third consecutive month on assistance ²² | Applicants: \$150 Recipients: \$150 plus additional 25% of surplus after third consecutive month on assistance | Applicants: \$150 Recipients: \$150 plus additional 25% of surplus after third consecutive month on assistance |
| Northwest Territories | \$200 | \$200 | \$400 | \$400 |
| Nunavut | \$200 | \$200 | \$400 | \$400 |

¹ Unless otherwise noted, the earnings exemption levels apply to both those applying for and receiving social assistance.

² Newfoundland and Labrador amended its earnings exemptions policy in July 2005. Single employable persons had the first \$75 exempt, then 10 percent of the excess to a maximum exemption of \$150. A single person with a disability had the first \$95 exempt, then 10 percent of the excess to a maximum exemption of \$150. Units of two or more persons had the first \$150 exempt, plus 10 percent of the excess to a maximum exemption of \$275.

³ A person with a disability is one who requires supportive services.

⁴ Nova Scotia's provision applied to persons with a disability participating in supported employment. Additional special needs such as transportation, child care and clothing were included in the client's basic entitlement before the exemption was applied.

- ⁵ New Brunswick has two types of wage exemptions. The regular Wage Exemption amounts are shown in the above table. The Extended Wage Exemption (EWE) provides higher exemptions to clients during their transition to self-sufficiency. A client may only receive one type of exemption at any time. The EWE, which is limited to a maximum of two years, exempts a percentage of net income based on the household type. Singles and families with no children may receive an exemption of up to 30 percent of net earned income for the first six months, 25 percent of net income for the next six months, then the appropriate flat rate wage exemption for the remaining 12 months. Families with children may receive an exemption of up to 35 percent of income for the first six months, 30 percent of income for the next six months, then the regular flat rate wage exemption for the remaining 12 months.
- ⁶ This was for a single person receiving Interim Assistance. This amount was increased to \$300 per month in September 2005.
- ⁷ This was for a single person with a disability receiving Extended Benefits. This amount was increased to \$250 per month in September 2005.
- ⁸ This was for a family receiving Transitional Assistance.
- ⁹ This was for a person with no limitations to employment.
- ¹⁰ This was for a person with severe limitations to employment.
- ¹¹ This was for a person with temporary limitations to employment.
- ¹² This was for a couple with no limitations to employment.
- ¹³ New earnings exemption provisions were introduced in August 2005 for Ontario Works clients. The flat-rate and variable exemptions were discontinued and replaced by an across-the-board exemption of 50 percent of gross earnings.
- ¹⁴ The variable exemption allowed recipients to retain a portion of their net earnings once the flat-rate exemption was applied. It varied depending on the number of months the household declared earnings. For the first 12 months on assistance the variable exemption was 25 percent; for 13 to 24 months on assistance it was 15 percent; and after 24 months there was no further exemption.
- ¹⁵ Disability-related work expenses up to a maximum of \$140 per month could be deducted.
- ¹⁶ This was either the actual monthly cost for licensed child care or a maximum of \$390/month for each child under age 13.
- ¹⁷ Fully employable persons were not entitled to an earnings exemption until they had been on assistance for three months.
- ¹⁸ The Saskatchewan Employment Supplement (SES) is a monthly payment to low-income parents who worked for pay, were self-employed or received child or spousal support. The supplement is paid at the rate of 25 to 45 percent of income and depends on the size of the family and the ages of the children. In January 2005, the maximum monthly benefit for a lone parent with one child aged 2 was \$242. A couple with two children aged 10 and 15 could receive a maximum of \$281. SES rates were increased in July 2005 to \$248 (one child age 2) and \$288 (two children aged 10 and 15). The SES is fully exempted income in determining entitlement to social assistance benefits.

- ¹⁹These are exemption levels under the new Alberta Works program, implemented in May 2004. The amounts did not change from the previous Supports for Independence program.
- ²⁰Persons who qualified for the Assured Income for the Severely Handicapped (AISH) program had higher earnings exemptions. An eligible single person had a flat-rate exemption of \$200 a month plus 25 percent of additional employment income. As of October 1, 2005, this increased to \$400 plus 50 percent of the surplus, to a total maximum exemption of \$700. In addition, AISH clients were also able to receive a partial exemption for other types of income, such as investment income, of \$200 a month plus 25 percent of the surplus.
- ²¹This increased to \$500 in March 2005.
- ²²Effective July 2005, persons who qualified for the Territorial Supplementary Allowance (payable to persons with a disability and the elderly) were eligible for an additional annual earned income exemption of \$3,900.

II. ADEQUACY OF WELFARE INCOMES

Welfare incomes were woefully inadequate in 2005, as they have been every year since 1986, when the National Council of Welfare started tracking them. Welfare recipients are among the poorest of the poor and have to subsist on incomes far below what most people would consider reasonable. And, hand in hand with their inadequate incomes, is the social deprivation that people on welfare experience. They are so poor that they cannot access the resources that many of us take for granted—resources such as adequate housing, employment, and recreational opportunities.

This chapter compares welfare incomes in 2005 to Statistics Canada's pre-tax low income cut-offs. In the absence of an official poverty line, the National Council of Welfare regards these as poverty lines. The National Council of Welfare uses the version of the cut-offs based on incomes after government transfer payments such as welfare and child benefits but before the payment of federal and provincial income taxes. Before tax cut-offs are especially appropriate for assessing the adequacy of welfare incomes, because social assistance payments are not taxable.

This chapter also compares 2005 welfare incomes with before-tax average and median incomes.

2005 POVERTY LINES

Each year Statistics Canada calculates the low income cut-offs—or LICOs—for households of different sizes in communities of different sizes. They approximate levels of income where people are forced to spend a much higher proportion of their income on the basics of food, shelter and clothing compared to other Canadians.

Table 2.1 compares 2005 welfare incomes to the poverty lines. Column one shows the total welfare incomes of the four typical households in the ten provinces. The three territories are not included in this table because they are excluded from the Statistics Canada survey used to generate the low income cut-offs.

Column two indicates the 2005 poverty lines for the largest city in each province. The poverty gap, or difference between the total welfare income and the poverty line, is shown in column three. The fourth column represents the total welfare income as a percentage of the poverty line.

In 2005, all households except the lone parent in Newfoundland and Labrador had welfare incomes below two-thirds of the poverty line and just over half of the households had incomes that were one-half of the poverty line or less, reflecting the gross inadequacy of welfare incomes.

In 2005, welfare incomes for single employable people were by far the lowest. Not one reached 50 percent of the poverty line. They ranged from a low of 19 percent of the poverty line in New Brunswick to a high of 46 percent in Newfoundland and Labrador.

Welfare incomes for single persons with a disability were the lowest in Alberta¹ at 38 percent of the poverty line, followed by 41 percent in Manitoba. The highest level was in Ontario, at 58 percent of the poverty line.

For a lone parent with one child, Alberta had the lowest welfare income, at 48 percent of the poverty line. The highest was in Newfoundland and Labrador, where it was 73 percent of the poverty line.

Finally, the welfare incomes for two-parent families with two children were the lowest in British Columbia at 48 percent of the poverty line. Prince Edward Island was the highest, at 64 percent of the poverty line.

No province had welfare incomes even close to the poverty line. Single employable persons were by far the worst off, with most incomes hovering around one-third of the poverty line. Single persons with a disability were marginally better off, but their incomes still were 50 percent of the poverty line or less in almost all provinces. Finally, lone parents and couples with children had incomes 60 percent or less of the poverty line in most provinces.

¹ Most single persons with a disability in Alberta receive financial assistance through the Assured Income for the Severely Handicapped (AISH) program. AISH rates are higher than those used in this report.

TABLE 2.1: ADEQUACY OF 2005 WELFARE INCOMES

| | Total Welfare Income | Poverty Line | Poverty Gap | Total Welfare Income as % of Poverty Line |
|----------------------------------|----------------------|--------------|-------------|---|
| NEWFOUNDLAND AND LABRADOR | | | | |
| Single Employable | \$8,198 | \$17,895 | -\$9,697 | 46% |
| Person with a Disability | \$9,728 | \$17,895 | -\$8,167 | 54% |
| Lone Parent, One Child | \$16,181 | \$22,276 | -\$6,095 | 73% |
| Couple, Two Children | \$19,578 | \$33,251 | -\$13,673 | 59% |
| PRINCE EDWARD ISLAND | | | | |
| Single Employable | \$6,214 | \$17,784 | -\$11,570 | 35% |
| Person with a Disability | \$8,084 | \$17,784 | -\$9,700 | 45% |
| Lone Parent, One Child | \$13,707 | \$22,139 | -\$8,432 | 62% |
| Couple, Two Children | \$21,213 | \$33,046 | -\$11,833 | 64% |
| NOVA SCOTIA | | | | |
| Single Employable | \$5,422 | \$17,895 | -\$12,473 | 30% |
| Person with a Disability | \$8,897 | \$17,895 | -\$8,998 | 50% |
| Lone Parent, One Child | \$12,917 | \$22,276 | -\$9,359 | 58% |
| Couple, Two Children | \$19,032 | \$33,251 | -\$14,219 | 57% |
| NEW BRUNSWICK | | | | |
| Single Employable | \$3,427 | \$17,895 | -\$14,468 | 19% |
| Person with a Disability | \$7,995 | \$17,895 | -\$9,900 | 45% |
| Lone Parent, One Child | \$13,656 | \$22,276 | -\$8,620 | 61% |
| Couple, Two Children | \$17,567 | \$33,251 | -\$15,684 | 53% |
| QUEBEC | | | | |
| Single Employable | \$6,947 | \$20,778 | -\$13,831 | 33% |
| Person with a Disability | \$10,063 | \$20,778 | -\$10,715 | 48% |
| Lone Parent, One Child | \$15,395 | \$25,867 | -\$10,472 | 60% |
| Couple, Two Children | \$20,704 | \$38,610 | -\$17,906 | 54% |

| TABLE 2.1: ADEQUACY OF 2005 WELFARE INCOMES | | | | |
|---|----------------------|--------------|-------------|---|
| | Total Welfare Income | Poverty Line | Poverty Gap | Total Welfare Income as % of Poverty Line |
| ONTARIO | | | | |
| Single Employable | \$7,007 | \$20,778 | -\$13,771 | 34% |
| Person with a Disability | \$12,057 | \$20,778 | -\$8,721 | 58% |
| Lone Parent, One Child | \$14,451 | \$25,867 | -\$11,416 | 56% |
| Couple, Two Children | \$19,302 | \$38,610 | -\$19,308 | 50% |
| MANITOBA | | | | |
| Single Employable | \$5,818 | \$20,778 | -\$14,960 | 28% |
| Person with a Disability | \$8,601 | \$20,778 | -\$12,177 | 41% |
| Lone Parent, One Child | \$13,282 | \$25,867 | -\$12,585 | 51% |
| Couple, Two Children | \$20,357 | \$38,610 | -\$18,253 | 53% |
| SASKATCHEWAN | | | | |
| Single Employable | \$6,663 | \$17,895 | -\$11,232 | 37% |
| Person with a Disability | \$8,893 | \$17,895 | -\$9,002 | 50% |
| Lone Parent, One Child | \$13,235 | \$22,276 | -\$9,041 | 59% |
| Couple, Two Children | \$19,327 | \$33,251 | -\$13,924 | 58% |
| ALBERTA | | | | |
| Single Employable | \$5,050 | \$20,778 | -\$15,728 | 24% |
| Person with a Disability | \$7,851 | \$20,778 | -\$12,927 | 38% |
| Lone Parent, One Child | \$12,326 | \$25,867 | -\$13,541 | 48% |
| Couple, Two Children | \$19,497 | \$38,610 | -\$19,113 | 50% |
| BRITISH COLUMBIA | | | | |
| Single Employable | \$6,456 | \$20,778 | -\$14,322 | 31% |
| Person with a Disability | \$10,656 | \$20,778 | -\$10,122 | 51% |
| Lone Parent, One Child | \$13,948 | \$25,867 | -\$11,919 | 54% |
| Couple, Two Children | \$18,466 | \$38,610 | -\$20,144 | 48% |

2005 AVERAGE INCOME

Table 2.2 shows welfare incomes as a percentage of average 2005 incomes in each province. The average income is based on the 2004 Survey of Labour and Income Dynamics (SLID), adjusted by the Consumer Price Index to 2005. Income refers to income from all sources, including government transfers, but before federal or provincial income taxes are deducted. The three territories are not included because they are excluded from the survey.

For the single employable person and the single person with a disability, we used average pre-tax incomes in each province for all unattached people. For lone parents, we used the average incomes of lone parents under 65 with children under 18. For the two-parent family, we used the average incomes of couples under 65 with children under 18. Average incomes vary considerably between rich and poor provinces, and also between different family types. Average incomes for one-earner households are relatively low, whereas most couples with children have much higher incomes. This is because both parents in the couple are often employed.

In 2005, welfare incomes remained far below average incomes for all household types. The welfare income of a single employable person ranged from just 15 percent of the average income of single people in New Brunswick and Alberta to a high of 41 percent in Newfoundland and Labrador.

The welfare income of a person with a disability ranged from a low of 23 percent of the average income of singles in Alberta² (followed by 30 percent in Manitoba) to 48 percent in Newfoundland and Labrador.

In Alberta, the lone parent's welfare income represented 27 percent of the average income of lone parents in that province, compared to 54 percent in Newfoundland and Labrador.

The couple with two children on welfare in Ontario received only 19 percent of the average income of Ontario couples with children. A two-parent family on welfare in Prince Edward Island received 32 percent of the average income of two-parent families in the province.

² Most single persons with a disability in Alberta receive financial assistance through the Assured Income for the Severely Handicapped (AISH) program. AISH rates are higher than those used in this report.

TABLE 2.2: 2005 WELFARE INCOMES AS A
PERCENTAGE OF AVERAGE INCOMES

| | Welfare Income 2005 | Estimated Average Income 2005 | Welfare Income as % of Estimated Average Income |
|--------------------------------------|------------------------|----------------------------------|--|
| NEWFOUNDLAND AND LABRADOR | | | |
| Single Employable | \$8,198 | \$20,236 | 41% |
| Person with a Disability | \$9,728 | \$20,236 | 48% |
| Lone Parent, One Child | \$16,181 | \$29,945 | 54% |
| Couple, Two Children | \$19,578 | \$68,678 | 29% |
| PRINCE EDWARD ISLAND | | | |
| Single Employable | \$6,214 | \$21,769 | 29% |
| Person with a Disability | \$8,084 | \$21,769 | 37% |
| Lone Parent, One Child | \$13,707 | \$29,536 | 46% |
| Couple, Two Children | \$21,213 | \$65,919 | 32% |
| NOVA SCOTIA | | | |
| Single Employable | \$5,422 | \$27,185 | 20% |
| Person with a Disability | \$8,897 | \$27,185 | 33% |
| Lone Parent, One Child | \$12,917 | \$33,215 | 39% |
| Couple, Two Children | \$19,032 | \$74,606 | 26% |
| NEW BRUNSWICK | | | |
| Single Employable | \$3,427 | \$23,302 | 15% |
| Person with a Disability | \$7,995 | \$23,302 | 34% |
| Lone Parent, One Child | \$13,656 | \$30,558 | 45% |
| Couple, Two Children | \$17,567 | \$74,708 | 24% |
| QUEBEC | | | |
| Single Employable | \$6,947 | \$30,353 | 23% |
| Person with a Disability | \$10,063 | \$30,353 | 33% |
| Lone Parent, One Child | \$15,395 | \$39,858 | 39% |
| Couple, Two Children | \$20,704 | \$84,315 | 25% |

| TABLE 2.2: 2005 WELFARE INCOMES AS A PERCENTAGE OF AVERAGE INCOMES | | | |
|--|---------------------|-------------------------------|---|
| | Welfare Income 2005 | Estimated Average Income 2005 | Welfare Income as % of Estimated Average Income |
| ONTARIO | | | |
| Single Employable | \$7,007 | \$35,157 | 20% |
| Person with a Disability | \$12,057 | \$35,157 | 34% |
| Lone Parent, One Child | \$14,451 | \$39,654 | 36% |
| Couple, Two Children | \$19,302 | \$103,835 | 19% |
| MANITOBA | | | |
| Single Employable | \$5,818 | \$28,207 | 21% |
| Person with a Disability | \$8,601 | \$28,207 | 30% |
| Lone Parent, One Child | \$13,282 | \$38,938 | 34% |
| Couple, Two Children | \$20,357 | \$80,534 | 25% |
| SASKATCHEWAN | | | |
| Single Employable | \$6,663 | \$26,265 | 25% |
| Person with a Disability | \$8,893 | \$26,265 | 34% |
| Lone Parent, One Child | \$13,235 | \$29,638 | 45% |
| Couple, Two Children | \$19,327 | \$76,139 | 25% |
| ALBERTA | | | |
| Single Employable | \$5,050 | \$34,237 | 15% |
| Person with a Disability | \$7,851 | \$34,237 | 23% |
| Lone Parent, One Child | \$12,326 | \$45,275 | 27% |
| Couple, Two Children | \$19,497 | \$96,988 | 20% |
| BRITISH COLUMBIA | | | |
| Single Employable | \$6,456 | \$31,069 | 21% |
| Person with a Disability | \$10,656 | \$31,069 | 34% |
| Lone Parent, One Child | \$13,948 | \$32,193 | 43% |
| Couple, Two Children | \$18,466 | \$85,439 | 22% |

2005 MEDIAN INCOME

Table 2.3 compares welfare incomes to the median pre-tax 2005 income of families. The median income is the midpoint of the income spectrum: one half of incomes are below it and the other half are above it. It is considered by many to be a better indicator than an average, which is distorted by extremely high or low amounts. The data were produced by the Small Area and Administrative Data Division of Statistics Canada based on income tax data for 2003 for the four typical households in the largest municipal area in each province. Data are based on the definition of a Census family. Data for the entire territory were used for Yukon, the Northwest Territories and Nunavut. In our figures, income includes market income and government transfers before taxes. All income data have been adjusted by the Consumer Price Index to provide 2005 estimates.

The picture is still much the same: in all provinces, welfare incomes remain far below median incomes. Single persons continued to fare the worst. The welfare income of a single person in both New Brunswick and Alberta was 18 percent of the median income for single persons. A single person on welfare in Newfoundland and Labrador received 44 percent of the median income.

The welfare income of a single person with a disability as a percentage of median income ranged from a low of 29 percent in Alberta³ (followed by both Nova Scotia and Manitoba at 38 percent) to a high of 53 percent in Newfoundland and Labrador and Ontario.

The welfare income of a lone parent in Alberta represented 34 percent of median income, compared to a high of 62 percent in Newfoundland and Labrador.

Finally, couples with children did the worst overall. The difference between the lowest and highest provinces was only six percentage points. In Alberta, welfare income represented only 22 percent of median income, compared to Prince Edward Island, where it was 28 percent of the median income.

At the provincial level, welfare incomes as a percentage of median incomes were the lowest in Alberta for all four household types. They ranged from a low of 18 percent for a single person to a high of 34 percent for a lone parent with one child.

In the territories, welfare benefits as a percentage of median income were more generous for most household types, but particularly for lone parents and couples with children. This may be partly attributed to the higher welfare rates paid in the territories to take into account the higher cost of living.

³ Most single persons with a disability in Alberta receive financial assistance through the Assured Income for the Severely Handicapped (AISH) program. AISH rates are higher than those used in this report.

| TABLE 2.3: 2005 WELFARE INCOMES AS A PERCENTAGE OF MEDIAN INCOMES | | | |
|---|---------------------|------------------------------|--|
| | Welfare Income 2005 | Estimated Median Income 2005 | Welfare Income as % of Estimated Median Income |
| NEWFOUNDLAND AND LABRADOR | | | |
| Single Employable | \$8,198 | \$18,426 | 44% |
| Person with a Disability | \$9,728 | \$18,426 | 53% |
| Lone Parent, One Child | \$16,181 | \$26,025 | 62% |
| Couple, Two Children | \$19,578 | \$80,261 | 24% |
| PRINCE EDWARD ISLAND | | | |
| Single Employable | \$6,214 | \$19,363 | 32% |
| Person with a Disability | \$8,084 | \$19,363 | 42% |
| Lone Parent, One Child | \$13,707 | \$28,836 | 48% |
| Couple, Two Children | \$21,213 | \$74,640 | 28% |
| NOVA SCOTIA | | | |
| Single Employable | \$5,422 | \$23,214 | 23% |
| Person with a Disability | \$8,897 | \$23,214 | 38% |
| Lone Parent, One Child | \$12,917 | \$28,732 | 45% |
| Couple, Two Children | \$19,032 | \$81,510 | 23% |
| NEW BRUNSWICK | | | |
| Single Employable | \$3,427 | \$19,363 | 18% |
| Person with a Disability | \$7,995 | \$19,363 | 41% |
| Lone Parent, One Child | \$13,656 | \$25,713 | 53% |
| Couple, Two Children | \$17,567 | \$77,034 | 23% |
| QUEBEC | | | |
| Single Employable | \$6,947 | \$20,508 | 34% |
| Person with a Disability | \$10,063 | \$20,508 | 49% |
| Lone Parent, One Child | \$15,395 | \$31,230 | 49% |
| Couple, Two Children | \$20,704 | \$78,283 | 26% |

TABLE 2.3: 2005 WELFARE INCOMES AS A
PERCENTAGE OF MEDIAN INCOMES

| | Welfare Income 2005 | Estimated Median Income 2005 | Welfare Income as % of Estimated Median Income |
|--------------------------|------------------------|---------------------------------|---|
| ONTARIO | | | |
| Single Employable | \$7,007 | \$22,902 | 31% |
| Person with a Disability | \$12,057 | \$22,902 | 53% |
| Lone Parent, One Child | \$14,451 | \$33,624 | 43% |
| Couple, Two Children | \$19,302 | \$79,845 | 24% |
| MANITOBA | | | |
| Single Employable | \$5,818 | \$22,382 | 26% |
| Person with a Disability | \$8,601 | \$22,382 | 38% |
| Lone Parent, One Child | \$13,282 | \$31,230 | 43% |
| Couple, Two Children | \$20,357 | \$79,116 | 26% |
| SASKATCHEWAN | | | |
| Single Employable | \$6,663 | \$21,861 | 30% |
| Person with a Disability | \$8,893 | \$21,861 | 41% |
| Lone Parent, One Child | \$13,235 | \$26,962 | 49% |
| Couple, Two Children | \$19,327 | \$79,532 | 24% |
| ALBERTA | | | |
| Single Employable | \$5,050 | \$27,482 | 18% |
| Person with a Disability | \$7,851 | \$27,482 | 29% |
| Lone Parent, One Child | \$12,326 | \$36,123 | 34% |
| Couple, Two Children | \$19,497 | \$88,069 | 22% |
| BRITISH COLUMBIA | | | |
| Single Employable | \$6,456 | \$22,069 | 29% |
| Person with a Disability | \$10,656 | \$22,069 | 48% |
| Lone Parent, One Child | \$13,948 | \$30,814 | 45% |
| Couple, Two Children | \$18,466 | \$71,309 | 26% |

| TABLE 2.3: 2005 WELFARE INCOMES AS A PERCENTAGE OF MEDIAN INCOMES | | | |
|---|---------------------|------------------------------|--|
| | Welfare Income 2005 | Estimated Median Income 2005 | Welfare Income as % of Estimated Median Income |
| YUKON | | | |
| Single Employable | \$12,467 | \$26,337 | 47% |
| Person with a Disability | \$14,740 | \$26,337 | 56% |
| Lone Parent, One Child | \$19,830 | \$33,520 | 59% |
| Couple, Two Children | \$28,935 | \$92,753 | 31% |
| NORTHWEST TERRITORIES | | | |
| Single Employable | \$13,610 | \$33,312 | 41% |
| Person with a Disability | \$17,275 | \$33,312 | 52% |
| Lone Parent, One Child | \$22,648 | \$28,315 | 80% |
| Couple, Two Children | \$31,633 | \$103,475 | 31% |
| NUNAVUT | | | |
| Single Employable | \$10,971 | \$34,249 | 32% |
| Person with a Disability | \$13,255 | \$34,249 | 39% |
| Lone Parent, One Child | \$22,154 | \$19,883 | 111% |
| Couple, Two Children | \$36,325 | \$66,104 | 55% |

Regardless of the measure used, the 2005 welfare incomes fall far below what households need to meet their basic living costs, let alone be considered as “included” in Canadian society. No province had welfare incomes remotely close to any of the measures used. Two provinces are consistently at the bottom across all three measures: New Brunswick, for single persons, and Alberta, for both the person with a disability⁴ and the lone parent. Conversely, two provinces ranked highest across all three measures. They are Newfoundland and Labrador, for both the single person and the lone parent, and Prince Edward Island, for the couple with two children.

⁴ Most single persons with a disability in Alberta receive financial assistance through the Assured Income for the Severely Handicapped (AISH) program. AISH rates are higher than those used in this report.

III. WELFARE INCOMES OVER TIME

This chapter looks at total welfare incomes over time—both welfare and other benefits provided by provincial and territorial governments combined with federal benefits such as the Canada Child Tax Benefit and the GST credit.

Earlier editions of *Welfare Incomes* looked mainly at provincial and territorial welfare and related benefits over time, because these were the benefits that were most likely to undergo major changes. The social policy landscape began changing in 1998, however, because of the new system of federal child benefits and the clawback of the National Child Benefit Supplement by most provinces and territories.

The National Council of Welfare now believes that looking at welfare income from all sources over time is much more informative than looking at provincial and territorial benefits alone.

Total welfare income, as in the previous chapter, includes basic social assistance and additional welfare benefits, provincial and territorial child benefits, provincial and territorial tax credits, federal child benefits and the GST credit. All the incomes in the tables and the graphs that follow are expressed in constant 2005 dollars to factor out the influence of inflation over the years.

Table 3.1 shows total welfare incomes over time. It looks at the welfare incomes between 1986 and 2005 for the single employable person, the lone parent with one child and the two-parent family with two children. The National Council of Welfare did not include the single person with a disability in its original calculations of welfare incomes for 1986, so the comparison for this group is available from 1989 to 2005. The National Council of Welfare first estimated welfare incomes in the Northwest Territories in 1993. The data for Nunavut started in 1999, with the creation of the new territory.

Table 3.2 looks at the percentage change in welfare incomes between 2004 and 2005, 1997 (the last full year under the old system of federal child benefits) and 2005, and 1989 and 2005.

Table 3.3 looks at when welfare incomes were at their peak and compares them to 2005.

THE SHORT TERM: 2004 TO 2005

Most welfare incomes continued to decline in 2005, making life more difficult for the nearly 1.7¹ million children, women and men who relied on welfare.

Between 2004 and 2005, there were only 17 increases in welfare incomes among the 52 calculations done by the National Council of Welfare for the four household types in the 13 jurisdictions.

¹ Excludes an estimated 150,000 First Nations people on reserve who receive welfare.

Because welfare rates are not adjusted automatically for increases in the Consumer Price Index—a technique known as indexing—welfare recipients typically lose ground to the cost of living year after year. Quebec has full indexing for some recipients and partial indexing for others, and Newfoundland and Labrador plan to start indexing welfare benefits in 2007.

Between 2004 and 2005, the cost of living rose 2.2 percent. Many welfare rates remained the same both years, so the purchasing power of welfare benefits declined by 2.2 percent.

On the federal side, both child benefits and the GST credit have been indexed since 2000. The CCTB was further enhanced in 2003, and benefits since that time have been increasing much faster than the cost of living. The increase between 2004 and 2005 averaged about six percent but varied slightly, depending on the number of children in the family.

The increase in federal child benefits helped to take the sting out of low welfare rates in some provinces, but it was not enough to increase the overall purchasing power of welfare families with children between 2004 and 2005.

Some provinces and territories made improvements in their welfare and related benefits, but most of the changes were too small to have much of an impact. The most notable increases took place in Quebec and to a lesser extent in Saskatchewan, British Columbia and Yukon.

Here are some of the improvements made by provinces and territories in 2005.

- In Newfoundland and Labrador, Family Benefit rates for single persons were increased by one percent in July, the Newfoundland and Labrador Child Benefit rates were increased in July, and the Fuel Supplement was increased in December for all households.
- In Prince Edward Island, the Healthy Child Allowance was increased in August.
- In Nova Scotia, the personal allowance component of welfare was increased for all clients and the shelter allowance for singles increased by \$50 per month in October.
- In New Brunswick, welfare rates increased by one percent in May and another one percent in October.
- In Quebec, welfare rates were increased in January and a new system of provincial child benefits also went into effect. The new Child Assistance measure replaced the former Family Allowance and several tax credits for families. A lone parent with one child could receive a maximum of \$2,700 per year, and a couple with two children could receive up to \$3,000 per year.
- In Ontario, welfare rates for all households were increased by three percent in March. However, all households except the couple saw a decrease in their welfare income compared to the previous year. This was due to a lump sum special payment in the fall of 2004 to all welfare households which made incomes for the year unduly large compared to 2005.

- In Saskatchewan, the basic allowance for adults was increased in May. At the same time, the shelter allowance was restructured, resulting in an increase for the single person and lone parent, but a decrease for the couple with two children. The shelter rate for a single person with a disability did not change.
- In British Columbia, the rate for a person with a disability increased by \$70 a month in January.
- In the Yukon, the Territorial Supplementary Allowance, payable to persons with a disability, increased by \$125 a month in July.
- In Nunavut, food rates were increased by five percent in April.

In the Northwest Territories, all four household types saw an increase in their welfare income, but not because of the usual type of increase in welfare rates. The Northwest Territories pays actual costs for shelter and utilities, and more current data became available. However, since these merely offset higher costs, welfare recipients don't gain any purchasing power from the increase.

THE LONGER VIEW: 1986 TO 2005

Over the longer term, welfare incomes have been seriously eroded, but particularly over the past five years. Between 2000 and 2005, welfare incomes were at their lowest levels in 32 of the 52 scenarios we looked at. Five provinces—Ontario, Manitoba, Saskatchewan, Alberta and British Columbia—recorded the lowest levels of welfare incomes for all four household types between 2000 and 2005. In 2005 alone, welfare incomes were at their lowest in 20 scenarios. In Table 3.1 we have shaded the lowest welfare income for each of the four household types in each jurisdiction to highlight this disturbing trend. Rate cuts, the lack of indexing of welfare benefits and the NCBS clawback have been the order of the day.

Table 3.2 shows that between 1989 and 2005, welfare incomes for both single employable persons and a single person with a disability decreased in all provinces except Newfoundland and Labrador and Quebec, and also in the Yukon. The decreases for single employable persons were particularly harsh, with many welfare incomes dropping by over one third. Lone parents and couples also saw their incomes decline in all provinces except Newfoundland and Labrador, New Brunswick and Quebec, as well as in the Yukon. During this same period, the cost of living increased by 43 percent.

Changes that occurred between 1997 and 2005 are discussed in the next chapter, *Welfare Incomes and Child Benefits*.

TABLE 3.1: TOTAL WELFARE INCOMES OVER

| | 1986 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| NEWFOUNDLAND AND LABRADOR | | | | | | | | |
| Single Employable | 5,524 | 5,430 | 5,501 | 5,582 | 5,720 | 5,655 | 5,647 | 5,528 |
| Person with a Disability | | 10,836 | 10,837 | 10,698 | 10,818 | 10,680 | 10,665 | 10,441 |
| Lone Parent, One Child | 15,581 | 15,273 | 15,507 | 15,957 | 16,415 | 16,239 | 16,215 | 15,869 |
| Couple, Two Children | 19,485 | 18,726 | 18,920 | 18,818 | 18,755 | 18,539 | 18,513 | 18,123 |
| PRINCE EDWARD ISLAND | | | | | | | | |
| Single Employable | 10,259 | 10,030 | 10,092 | 10,264 | 10,296 | 10,229 | 9,221 | 7,154 |
| Person with a Disability | | 11,656 | 11,656 | 11,682 | 11,714 | 11,622 | 11,484 | 11,054 |
| Lone Parent, One Child | 15,874 | 15,393 | 15,596 | 15,952 | 16,064 | 15,973 | 15,708 | 15,008 |
| Couple, Two Children | 24,189 | 23,417 | 23,647 | 24,165 | 24,081 | 23,897 | 23,502 | 22,615 |
| NOVA SCOTIA | | | | | | | | |
| Single Employable | 7,540 | 8,511 | 8,227 | 7,996 | 7,760 | 7,628 | 7,617 | 7,456 |
| Person with a Disability | | 11,171 | 11,215 | 11,241 | 10,989 | 10,800 | 10,960 | 10,761 |
| Lone Parent, One Child | 14,790 | 15,162 | 15,321 | 15,458 | 15,352 | 15,106 | 15,284 | 14,991 |
| Couple, Two Children | 19,183 | 20,148 | 19,616 | 19,470 | 19,154 | 18,896 | 18,870 | 18,472 |
| NEW BRUNSWICK | | | | | | | | |
| Single Employable | 3,716 | 4,122 | 4,164 | 4,243 | 4,125 | 4,072 | 4,097 | 4,025 |
| Person with a Disability | | 10,639 | 10,585 | 10,463 | 10,363 | 10,302 | 8,144 | 8,111 |
| Lone Parent, One Child | 12,895 | 12,610 | 12,683 | 12,718 | 12,674 | 12,693 | 13,127 | 13,623 |
| Couple, Two Children | 15,540 | 14,827 | 14,854 | 15,148 | 15,189 | 15,195 | 15,630 | 16,195 |
| QUEBEC | | | | | | | | |
| Single Employable | 3,912 | 5,128 | 7,336 | 7,774 | 7,875 | 7,898 | 7,737 | 7,573 |
| Person with a Disability | | 9,138 | 9,579 | 10,017 | 10,204 | 10,209 | 10,374 | 10,161 |
| Lone Parent, One Child | 14,834 | 13,717 | 14,774 | 13,951 | 15,476 | 16,032 | 16,345 | 16,010 |
| Couple, Two Children | 20,754 | 18,890 | 18,778 | 19,642 | 19,854 | 20,322 | 20,099 | 19,674 |
| ONTARIO | | | | | | | | |
| Single Employable | 8,360 | 9,091 | 10,018 | 10,447 | 10,687 | 10,663 | 10,675 | 9,927 |
| Person with a Disability | | 13,082 | 14,068 | 14,582 | 14,732 | 14,662 | 14,674 | 14,366 |
| Lone Parent, One Child | 16,705 | 17,841 | 20,051 | 20,805 | 21,039 | 20,995 | 21,010 | 19,598 |
| Couple, Two Children | 22,102 | 23,392 | 26,865 | 27,750 | 28,019 | 27,928 | 27,719 | 25,741 |
| MANITOBA | | | | | | | | |
| Single Employable | 8,295 | 8,709 | 8,923 | 8,981 | 9,036 | 8,894 | 8,297 | 8,133 |
| Person with a Disability | | 9,462 | 9,441 | 9,451 | 11,416 | 10,325 | 10,267 | 10,051 |
| Lone Parent, One Child | 14,547 | 14,269 | 14,362 | 14,432 | 15,630 | 14,238 | 14,148 | 13,843 |
| Couple, Two Children | 22,881 | 24,450 | 25,195 | 25,605 | 25,912 | 23,891 | 24,252 | 23,728 |

| TIME IN 2005 CONSTANT DOLLARS (\$) | | | | | | | | | |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| 3,247 | 1,546 | 1,551 | 1,545 | 2,061 | 3,583 | 8,688 | 8,468 | 8,323 | 8,198 |
| 10,640 | 11,055 | 11,003 | 10,902 | 10,734 | 10,549 | 10,347 | 10,070 | 9,886 | 9,728 |
| 15,980 | 16,353 | 16,651 | 16,894 | 16,827 | 16,845 | 16,726 | 16,433 | 16,306 | 16,181 |
| 18,198 | 18,680 | 19,178 | 19,641 | 19,649 | 19,911 | 19,917 | 19,666 | 19,616 | 19,578 |
| 6,553 | 6,525 | 6,465 | 6,353 | 6,505 | 6,393 | 6,383 | 6,406 | 6,343 | 6,214 |
| 10,203 | 10,005 | 9,906 | 9,726 | 9,787 | 9,594 | 9,581 | 8,377 | 8,276 | 8,084 |
| 14,374 | 13,821 | 13,687 | 13,445 | 13,732 | 13,704 | 13,882 | 13,875 | 13,837 | 13,707 |
| 21,062 | 21,058 | 20,864 | 20,505 | 21,225 | 21,216 | 21,477 | 21,393 | 21,364 | 21,213 |
| 7,358 | 5,474 | 5,424 | 5,268 | 5,132 | 5,268 | 5,552 | 5,407 | 5,325 | 5,422 |
| 10,589 | 10,422 | 10,326 | 10,149 | 9,883 | 9,090 | 9,435 | 9,182 | 9,032 | 8,897 |
| 14,753 | 14,520 | 14,533 | 14,468 | 14,242 | 13,398 | 13,231 | 13,027 | 12,959 | 12,917 |
| 19,534 | 19,687 | 19,750 | 19,162 | 19,415 | 20,235 | 19,270 | 19,031 | 18,997 | 19,032 |
| 4,004 | 3,983 | 3,947 | 3,879 | 3,780 | 3,690 | 3,614 | 3,521 | 3,461 | 3,427 |
| 8,052 | 8,119 | 8,085 | 7,948 | 8,021 | 8,100 | 8,195 | 8,242 | 8,097 | 7,995 |
| 13,533 | 13,644 | 13,975 | 14,191 | 14,102 | 14,095 | 13,998 | 13,773 | 13,679 | 13,656 |
| 16,059 | 16,341 | 16,979 | 17,476 | 17,527 | 17,724 | 17,739 | 17,540 | 17,510 | 17,567 |
| 7,452 | 7,227 | 7,126 | 7,169 | 7,046 | 7,016 | 7,118 | 7,035 | 7,038 | 6,947 |
| 10,221 | 10,200 | 10,292 | 10,312 | 10,194 | 10,186 | 10,232 | 10,111 | 10,125 | 10,063 |
| 15,578 | 14,990 | 14,979 | 14,927 | 14,525 | 14,565 | 14,762 | 14,646 | 14,689 | 15,395 |
| 19,214 | 18,351 | 18,532 | 18,456 | 18,265 | 18,503 | 18,872 | 18,802 | 18,950 | 20,704 |
| 8,185 | 8,084 | 7,997 | 7,859 | 7,655 | 7,469 | 7,310 | 7,117 | 7,124 | 7,007 |
| 14,135 | 13,912 | 13,784 | 13,547 | 13,191 | 12,864 | 12,584 | 12,246 | 12,246 | 12,057 |
| 16,440 | 16,205 | 16,051 | 15,779 | 15,430 | 15,123 | 14,839 | 14,486 | 14,560 | 14,451 |
| 21,729 | 21,421 | 21,214 | 20,861 | 20,428 | 20,047 | 19,683 | 19,227 | 19,263 | 19,302 |
| 7,536 | 6,567 | 6,507 | 6,395 | 6,229 | 6,078 | 5,950 | 5,794 | 5,918 | 5,818 |
| 9,889 | 9,733 | 9,643 | 9,558 | 9,365 | 9,134 | 8,936 | 8,696 | 8,762 | 8,601 |
| 13,621 | 13,405 | 13,282 | 13,050 | 13,028 | 13,485 | 13,692 | 13,475 | 13,387 | 13,282 |
| 21,542 | 20,112 | 19,722 | 19,383 | 19,230 | 19,385 | 19,365 | 19,680 | 20,394 | 20,357 |

TABLE 3.1: TOTAL WELFARE INCOMES OVER

| | 1986 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| SASKATCHEWAN | | | | | | | | |
| Single Employable | 6,944 | 7,052 | 6,996 | 6,957 | 7,087 | 7,448 | 7,437 | 6,684 |
| Person with a Disability | | 11,428 | 11,184 | 10,948 | 10,743 | 10,644 | 10,627 | 10,403 |
| Lone Parent, One Child | 15,980 | 15,904 | 15,758 | 15,544 | 15,285 | 15,122 | 15,094 | 14,771 |
| Couple, Two Children | 23,452 | 22,731 | 22,386 | 22,047 | 22,019 | 21,736 | 21,776 | 21,320 |
| ALBERTA | | | | | | | | |
| Single Employable | 9,881 | 6,970 | 6,755 | 7,492 | 7,424 | 7,013 | 6,149 | 6,019 |
| Person with a Disability | | 8,596 | 8,306 | 8,899 | 8,726 | 8,482 | 8,450 | 8,294 |
| Lone Parent, One Child | 16,071 | 14,468 | 14,130 | 15,030 | 14,890 | 14,373 | 13,493 | 13,194 |
| Couple, Two Children | 25,127 | 22,129 | 21,480 | 23,735 | 23,426 | 22,661 | 21,485 | 21,217 |
| BRITISH COLUMBIA | | | | | | | | |
| Single Employable | 7,058 | 7,847 | 8,120 | 7,793 | 8,275 | 8,302 | 8,504 | 8,353 |
| Person with a Disability | | 10,790 | 11,268 | 11,201 | 11,569 | 11,652 | 11,924 | 11,716 |
| Lone Parent, One Child | 14,443 | 15,699 | 16,104 | 16,126 | 16,644 | 16,688 | 17,050 | 16,736 |
| Couple, Two Children | 20,826 | 20,508 | 20,855 | 20,851 | 21,645 | 21,726 | 22,285 | 21,876 |
| YUKON | | | | | | | | |
| Single Employable | 8,386 | 10,228 | 10,456 | 10,468 | 10,330 | 10,155 | 10,138 | 9,924 |
| Person with a Disability | | 11,430 | 11,608 | 11,571 | 11,421 | 11,226 | 11,207 | 11,777 |
| Lone Parent, One Child | 16,793 | 18,446 | 18,811 | 18,979 | 18,868 | 18,558 | 18,531 | 18,140 |
| Couple, Two Children | 26,541 | 27,992 | 28,006 | 28,476 | 28,488 | 28,016 | 27,972 | 27,382 |
| NORTHWEST TERRITORIES | | | | | | | | |
| Single Employable | | | | | | 14,504 | 14,477 | 14,172 |
| Person with a Disability | | | | | | 16,386 | 16,359 | 16,014 |
| Lone Parent, One Child | | | | | | 26,127 | 26,084 | 25,533 |
| Couple, Two Children | | | | | | 31,661 | 31,655 | 30,987 |
| NUNAVUT | | | | | | | | |
| Single Employable | | | | | | | | |
| Person with a Disability | | | | | | | | |
| Lone Parent, One Child | | | | | | | | |
| Couple, Two Children | | | | | | | | |

Note: Shaded cells represent the lowest

| TIME IN 2005 CONSTANT DOLLARS (\$) | | | | | | | | | |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| 7,163 | 6,472 | 6,432 | 6,611 | 6,610 | 6,599 | 6,499 | 6,466 | 6,384 | 6,663 |
| 10,524 | 9,434 | 9,428 | 9,660 | 9,587 | 9,557 | 9,364 | 9,275 | 9,246 | 8,893 |
| 14,534 | 14,305 | 13,245 | 13,682 | 13,700 | 13,694 | 13,462 | 13,102 | 12,988 | 13,235 |
| 20,977 | 19,625 | 19,564 | 20,264 | 20,144 | 20,204 | 19,891 | 19,522 | 19,471 | 19,327 |
| 5,923 | 5,862 | 5,888 | 5,787 | 5,637 | 5,501 | 5,385 | 5,244 | 5,153 | 5,050 |
| 8,161 | 8,066 | 8,072 | 8,134 | 8,510 | 8,307 | 8,132 | 8,059 | 8,016 | 7,851 |
| 12,974 | 12,859 | 12,997 | 13,105 | 12,928 | 12,707 | 12,445 | 12,383 | 12,414 | 12,326 |
| 20,876 | 20,629 | 20,767 | 20,643 | 20,489 | 20,117 | 19,696 | 19,546 | 19,582 | 19,497 |
| 7,612 | 7,490 | 7,420 | 7,292 | 7,159 | 7,062 | 6,912 | 6,708 | 6,590 | 6,456 |
| 11,530 | 11,349 | 11,244 | 11,051 | 10,848 | 10,698 | 10,467 | 10,213 | 10,026 | 10,656 |
| 16,468 | 16,149 | 16,000 | 15,737 | 15,504 | 15,387 | 14,662 | 14,232 | 14,077 | 13,948 |
| 21,524 | 21,066 | 20,872 | 20,541 | 20,246 | 20,136 | 19,498 | 18,826 | 18,653 | 18,466 |
| 9,764 | 13,218 | 13,071 | 12,871 | 12,602 | 13,493 | 13,317 | 12,972 | 12,735 | 12,467 |
| 11,595 | 15,028 | 14,890 | 14,634 | 14,304 | 15,156 | 14,940 | 14,544 | 14,284 | 14,740 |
| 17,848 | 21,533 | 21,335 | 21,314 | 20,809 | 21,562 | 21,210 | 20,682 | 20,426 | 19,830 |
| 26,942 | 31,190 | 30,902 | 30,371 | 29,691 | 30,314 | 30,076 | 29,366 | 29,136 | 28,935 |
| 13,854 | 9,151 | 9,045 | 10,043 | 9,792 | 9,814 | 12,555 | 13,315 | 13,163 | 13,610 |
| 16,027 | 11,646 | 11,584 | 12,557 | 12,240 | 12,442 | 16,176 | 17,100 | 16,851 | 17,275 |
| 25,015 | 22,114 | 22,233 | 23,676 | 23,109 | 22,737 | 23,046 | 22,532 | 22,229 | 22,648 |
| 30,345 | 29,610 | 29,953 | 31,808 | 31,070 | 30,512 | 30,969 | 30,400 | 30,233 | 31,633 |
| | | | 11,984 | 11,703 | 11,445 | 11,153 | 10,956 | 10,943 | 10,971 |
| | | | 14,457 | 14,104 | 13,781 | 13,486 | 13,333 | 13,277 | 13,255 |
| | | | 32,421 | 31,622 | 30,901 | 30,269 | 22,212 | 22,104 | 22,154 |
| | | | 39,450 | 38,511 | 37,671 | 36,642 | 36,180 | 36,143 | 36,325 |

welfare income for that household type.

Table 3.3 further illustrates the extent of the decline in welfare incomes in recent years. For each of the four household types in each jurisdiction, it identifies the year in which welfare incomes were at their peak and the amount of benefits received during that year. The table then shows the comparable income received in 2005 and the losses since the peak year in both dollar and percentage terms.

The table shows several very discouraging facts. The first is that the vast majority of welfare incomes peaked many years ago. At the provincial level, 33 of the 40 households in the table had peak years in 1994 or earlier.

The second fact concerns the amount of the decrease in total welfare incomes. The welfare income of a single person on welfare in Alberta dropped by over \$4,800—nearly 50%—since 1986. The harshest losses in dollar terms were in Ontario between 1992 and 2005, when a lone parent's welfare income declined by nearly \$6,600 and a couple with two children saw a loss of just over \$8,700. These losses both exceeded 30 percent.

In the provinces, 21 of the 40 households experienced losses of \$2,500 or more, and 14—or just over one third—had losses in excess of \$3,000.

Most Canadians would find it impossible to cope with the substantial income losses that welfare households have experienced. Coping is even harder for those who are already at the bottom of the income scale, given their already meagre incomes. Yet there appears to be little concern for the most vulnerable in society. Have both governments and the Canadian public turned their backs on the poorest of the poor?

TABLE 3.2: PERCENTAGE CHANGE IN WELFARE INCOMES
IN 2005 CONSTANT DOLLARS, SELECTED YEARS

| | | 2004-2005 (\$) | Percentage change 2004-2005 | 1997-2005 (\$) | Percentage change 1997-2005 | 1989-2005 (\$) | Percentage change 1989-2005 |
|------------------------------|--------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|
| NEWFOUNDLAND AND LABRADOR | Single Employable | -\$125 | -1.5% | \$6,652 | 430.2% | \$2,768 | 51.0% |
| | Person with a Disability | -\$158 | -1.6% | -\$1,327 | -12.0% | -\$1,108 | -10.2% |
| | Lone Parent, One Child | -\$125 | -0.8% | -\$172 | -1.1% | \$908 | 5.9% |
| | Couple, Two Children | -\$38 | -0.2% | \$898 | 4.8% | \$852 | 4.5% |
| PRINCE EDWARD ISLAND | Single Employable | -\$129 | -2.0% | -\$311 | -4.8% | -\$3,816 | -38.0% |
| | Person with a Disability | -\$192 | -2.3% | -\$1,921 | -19.2% | -\$3,572 | -30.6% |
| | Lone Parent, One Child | -\$130 | -0.9% | -\$114 | -0.8% | -\$1,686 | -11.0% |
| | Couple, Two Children | -\$151 | -0.7% | \$155 | 0.7% | -\$2,204 | -9.4% |
| NOVA SCOTIA | Single Employable | \$97 | 1.8% | -\$52 | -1.0% | -\$3,089 | -36.3% |
| | Person with a Disability | -\$135 | -1.5% | -\$1,525 | -14.6% | -\$2,274 | -20.4% |
| | Lone Parent, One Child | -\$42 | -0.3% | -\$1,603 | -11.0% | -\$2,245 | -14.8% |
| | Couple, Two Children | \$35 | 0.2% | -\$655 | -3.3% | -\$1,116 | -5.5% |
| NEW BRUNSWICK | Single Employable | -\$34 | -1.0% | -\$556 | -14.0% | -\$695 | -16.9% |
| | Person with a Disability | -\$102 | -1.3% | -\$124 | -1.5% | -\$2,644 | -24.9% |
| | Lone Parent, One Child | -\$23 | -0.2% | \$12 | 0.1% | \$1,046 | 8.3% |
| | Couple, Two Children | \$57 | 0.3% | \$1,226 | 7.5% | \$2,740 | 18.5% |
| QUEBEC | Single Employable | -\$91 | -1.3% | -\$280 | -3.9% | \$1,819 | 35.5% |
| | Person with a Disability | -\$62 | -0.6% | -\$137 | -1.3% | \$925 | 10.1% |
| | Lone Parent, One Child | \$706 | 4.8% | \$405 | 2.7% | \$1,678 | 12.2% |
| | Couple, Two Children | \$1,754 | 9.3% | \$2,353 | 12.8% | \$1,814 | 9.6% |
| ONTARIO | Single Employable | -\$117 | -1.6% | -\$1,077 | -13.3% | -\$2,084 | -22.9% |
| | Person with a Disability | -\$189 | -1.5% | -\$1,855 | -13.3% | -\$1,025 | -7.8% |
| | Lone Parent, One Child | -\$109 | -0.8% | -\$1,754 | -10.8% | -\$3,390 | -19.0% |
| | Couple, Two Children | \$39 | 0.2% | -\$2,119 | -9.9% | -\$4,090 | -17.5% |
| MANITOBA | Single Employable | -\$100 | -1.7% | -\$749 | -11.4% | -\$2,891 | -33.2% |
| | Person with a Disability | -\$161 | -1.8% | -\$1,132 | -11.6% | -\$861 | -9.1% |
| | Lone Parent, One Child | -\$105 | -0.8% | -\$123 | -0.9% | -\$987 | -6.9% |
| | Couple, Two Children | -\$37 | -0.2% | \$245 | 1.2% | -\$4,093 | -16.7% |

TABLE 3.2: PERCENTAGE CHANGE IN WELFARE INCOMES
IN 2005 CONSTANT DOLLARS, SELECTED YEARS

| | | 2004-2005 (\$) | Percentage change 2004-2005 | 1997-2005 (\$) | Percentage change 1997-2005 | 1989-2005 (\$) | Percentage change 1989-2005 |
|--------------------------|--------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|
| SASKATCHEWAN | Single Employable | \$279 | 4.4% | \$191 | 2.9% | -\$389 | -5.5% |
| | Person with a Disability | -\$353 | -3.8% | -\$541 | -5.7% | -\$2,535 | -22.2% |
| | Lone Parent, One Child | \$247 | 1.9% | -\$1,070 | -7.5% | -\$2,669 | -16.8% |
| | Couple, Two Children | -\$144 | -0.7% | -\$298 | -1.5% | -\$3,404 | -15.0% |
| ALBERTA | Single Employable | -\$103 | -2.0% | -\$812 | -13.9% | -\$1,920 | -27.5% |
| | Person with a Disability | -\$165 | -2.1% | -\$215 | -2.7% | -\$745 | -8.7% |
| | Lone Parent, One Child | -\$88 | -0.7% | -\$533 | -4.1% | -\$2,142 | -14.8% |
| | Couple, Two Children | -\$85 | -0.4% | -\$1,132 | -5.5% | -\$2,632 | -11.9% |
| BRITISH COLUMBIA | Single Employable | -\$134 | -2.0% | -\$1,034 | -13.8% | -\$1,391 | -17.7% |
| | Person with a Disability | \$630 | 6.3% | -\$693 | -6.1% | -\$134 | -1.2% |
| | Lone Parent, One Child | -\$129 | -0.9% | -\$2,201 | -13.6% | -\$1,751 | -11.2% |
| | Couple, Two Children | -\$188 | -1.0% | -\$2,600 | -12.3% | -\$2,042 | -10.0% |
| YUKON | Single Employable | -\$268 | -2.1% | -\$751 | -5.7% | \$2,239 | 21.9% |
| | Person with a Disability | \$456 | 3.2% | -\$288 | -1.9% | \$3,310 | 29.0% |
| | Lone Parent, One Child | -\$596 | -2.9% | -\$1,703 | -7.9% | \$1,384 | 7.5% |
| | Couple, Two Children | -\$201 | -0.7% | -\$2,255 | -7.2% | \$943 | 3.4% |
| NORTHWEST TERRITORIES | Single Employable | \$447 | 3.4% | \$4,459 | 48.7% | | |
| | Person with a Disability | \$424 | 2.5% | \$5,629 | 48.3% | | |
| | Lone Parent, One Child | \$419 | 1.9% | \$534 | 2.4% | | |
| | Couple, Two Children | \$1,400 | 4.6% | \$2,023 | 6.8% | | |
| NUNAVUT | Single Employable | \$28 | 0.3% | | | | |
| | Person with a Disability | -\$22 | -0.2% | | | | |
| | Lone Parent, One Child | \$50 | 0.2% | | | | |
| | Couple, Two Children | \$182 | 0.5% | | | | |

| TABLE 3.3: PEAK YEAR AND 2005 WELFARE INCOMES | | | | | | |
|---|--------------------------|-----------|-------------|-------------|--------------------------------------|--|
| | | Peak Year | Peak Amount | 2005 Amount | Dollar Change from Peak Year to 2005 | Percentage Change from Peak Year to 2005 |
| NEWFOUNDLAND AND LABRADOR | Single Employable | 2002 | \$8,688 | \$8,198 | -\$490 | -5.6% |
| | Person with a Disability | 1997 | \$11,055 | \$9,728 | -\$1,327 | -12.0% |
| | Lone Parent, One Child | 1999 | \$16,894 | \$16,181 | -\$713 | -4.2% |
| | Couple, Two Children | 2002 | \$19,917 | \$19,578 | -\$339 | -1.7% |
| PRINCE EDWARD ISLAND | Single Employable | 1992 | \$10,296 | \$6,214 | -\$4,082 | -39.6% |
| | Person with a Disability | 1992 | \$11,714 | \$8,084 | -\$3,630 | -31.0% |
| | Lone Parent, One Child | 1992 | \$16,064 | \$13,707 | -\$2,357 | -14.7% |
| | Couple, Two Children | 1986 | \$24,189 | \$21,213 | -\$2,976 | -12.3% |
| NOVA SCOTIA | Single Employable | 1989 | \$8,511 | \$5,422 | -\$3,089 | -36.3% |
| | Person with a Disability | 1991 | \$11,241 | \$8,897 | -\$2,344 | -20.9% |
| | Lone Parent, One Child | 1991 | \$15,458 | \$12,917 | -\$2,541 | -16.4% |
| | Couple, Two Children | 2001 | \$20,235 | \$19,032 | -\$1,203 | -5.9% |
| NEW BRUNSWICK | Single Employable | 1991 | \$4,243 | \$3,427 | -\$816 | -19.2% |
| | Person with a Disability | 1989 | \$10,639 | \$7,995 | -\$2,644 | -24.9% |
| | Lone Parent, One Child | 1999 | \$14,191 | \$13,656 | -\$535 | -3.8% |
| | Couple, Two Children | 2002 | \$17,739 | \$17,567 | -\$172 | -1.0% |
| QUEBEC | Single Employable | 1993 | \$7,898 | \$6,947 | -\$951 | -12.0% |
| | Person with a Disability | 1994 | \$10,374 | \$10,063 | -\$311 | -3.0% |
| | Lone Parent, One Child | 1994 | \$16,345 | \$15,395 | -\$951 | -5.8% |
| | Couple, Two Children | 1986 | \$20,754 | \$20,704 | -\$50 | -0.2% |
| ONTARIO | Single Employable | 1992 | \$10,687 | \$7,007 | -\$3,680 | -34.4% |
| | Person with a Disability | 1992 | \$14,732 | \$12,057 | -\$2,675 | -18.2% |
| | Lone Parent, One Child | 1992 | \$21,039 | \$14,451 | -\$6,588 | -31.3% |
| | Couple, Two Children | 1992 | \$28,019 | \$19,302 | -\$8,717 | -31.1% |
| MANITOBA | Single Employable | 1992 | \$9,036 | \$5,818 | -\$3,218 | -35.6% |
| | Person with a Disability | 1992 | \$11,416 | \$8,601 | -\$2,815 | -24.7% |
| | Lone Parent, One Child | 1992 | \$15,630 | \$13,282 | -\$2,348 | -15.0% |
| | Couple, Two Children | 1992 | \$25,912 | \$20,357 | -\$5,555 | -21.4% |

| TABLE 3.3: PEAK YEAR AND 2005 WELFARE INCOMES | | | | | | |
|---|--------------------------|-----------|-------------|-------------|--------------------------------------|--|
| | | Peak Year | Peak Amount | 2005 Amount | Dollar Change from Peak Year to 2005 | Percentage Change from Peak Year to 2005 |
| SASKATCHEWAN | Single Employable | 1993 | \$7,448 | \$6,663 | -\$785 | -10.5% |
| | Person with a Disability | 1989 | \$11,428 | \$8,893 | -\$2,535 | -22.2% |
| | Lone Parent, One Child | 1986 | \$15,980 | \$13,235 | -\$2,745 | -17.2% |
| | Couple, Two Children | 1986 | \$23,452 | \$19,327 | -\$4,125 | -17.6% |
| ALBERTA | Single Employable | 1986 | \$9,881 | \$5,050 | -\$4,831 | -48.9% |
| | Person with a Disability | 1991 | \$8,899 | \$7,851 | -\$1,048 | -11.8% |
| | Lone Parent, One Child | 1986 | \$16,071 | \$12,326 | -\$3,745 | -23.3% |
| | Couple, Two Children | 1986 | \$25,127 | \$19,497 | -\$5,630 | -22.4% |
| BRITISH COLUMBIA | Single Employable | 1994 | \$8,504 | \$6,456 | -\$2,048 | -24.1% |
| | Person with a Disability | 1994 | \$11,924 | \$10,656 | -\$1,268 | -10.6% |
| | Lone Parent, One Child | 1994 | \$17,050 | \$13,948 | -\$3,102 | -18.2% |
| | Couple, Two Children | 1994 | \$22,285 | \$18,466 | -\$3,819 | -17.1% |
| YUKON | Single Employable | 2001 | \$13,493 | \$12,467 | -\$1,026 | -7.6% |
| | Person with a Disability | 2001 | \$15,156 | \$14,740 | -\$416 | -2.7% |
| | Lone Parent, One Child | 2001 | \$21,562 | \$19,830 | -\$1,732 | -8.0% |
| | Couple, Two Children | 1997 | \$31,190 | \$28,935 | -\$2,255 | -7.2% |
| NORTHWEST TERRITORIES | Single Employable | 1993 | \$14,504 | \$13,610 | -\$894 | -6.2% |
| | Person with a Disability | 2005 | \$17,275 | \$17,275 | \$0 | 0.0% |
| | Lone Parent, One Child | 1993 | \$26,127 | \$22,648 | -\$3,479 | -13.3% |
| | Couple, Two Children | 1999 | \$31,808 | \$31,633 | -\$176 | -0.6% |
| NUNAVUT | Single Employable | 1999 | \$11,984 | \$10,971 | -\$1,013 | -8.5% |
| | Person with a Disability | 1999 | \$14,457 | \$13,255 | -\$1,202 | -8.3% |
| | Lone Parent, One Child | 1999 | \$32,421 | \$22,154 | -\$10,267 | -31.7% |
| | Couple, Two Children | 1999 | \$39,450 | \$36,325 | -\$3,125 | -7.9% |

IV. WELFARE INCOMES AND CHILD BENEFITS

The current system of federal and provincial child benefit programs has become totally incomprehensible to most people. This, coupled with the interaction between child benefits and welfare programs, has made what was already a tangled safety net almost impossible to understand. Given this, it is very difficult for households to know whether they are receiving their correct benefits.

FEDERAL CHILD BENEFITS

Under the system of federal child benefits that went into effect on July 1, 1998, the federal government pays the Canada Child Tax Benefit to all low-income families and many middle-income families with children under 18. For most low-income families, the entitlement is the sum of the CCTB Basic Benefit and the National Child Benefit Supplement (NCBS).

As of July 1, 2005, the maximum CCTB Base Benefit goes to families with net family income under \$35,595. The benefit declines and eventually disappears as family income for a one- or two-child family rises above \$96,995. The maximum NCBS goes to families with net incomes below \$21,480 and partial supplements go to families with incomes between \$21,480 and \$35,595.

When the National Child Benefit Supplement was introduced in 1998, one of its aims was to move towards a separate, national platform of income-tested child benefits. This would replace children's benefits paid through the welfare system and provide additional financial support to low-income families in the labour force. Under the terms of the NCB's operating principles, families on welfare would have their benefits reduced by the amount of the NCB Supplement—this is commonly known as the clawback of the NCBS. The money clawed back would be reinvested in programs and services for low-income families with children. Provinces and territories would stop clawing back the NCBS once it exceeded their basic welfare benefit for children. Low-income families with children not on welfare would get to keep the entire National Child Benefit Supplement.

The combination of additional financial benefits and services was intended to encourage families to enter and remain in the labour market. Families moving from welfare to the labour market face a number of obstacles, including the loss of financial support for their children, as well as in-kind supports such as dental, health and prescription drug coverage. These losses, combined with the costs of working, often mean that families are worse off working than they are on welfare.

The original clawback mechanisms varied from place to place. Most provinces and territories considered the NCBS as non-exempted income and deducted it dollar for dollar from the monthly welfare cheques they paid to families with children. Alberta, on the other hand, reduced its welfare rate by the amount of the NCBS. Another approach was to reduce the amount of provincial child benefits, where these programs existed, by the amount of the

NCB Supplement. However, both New Brunswick and Newfoundland and Labrador decided to pass on the full amount to welfare families in 1998. In all other jurisdictions, families on social assistance had the NCB Supplement clawed back.

The clawback has evolved since 1998. Some jurisdictions continue to claw back all or part of the NCBS from their welfare or child benefits. Some stopped clawing back when they reformed their welfare programs and implemented new child benefit programs. Some do not claw back yet have not changed the basic structure of their welfare program. It is difficult for most people to understand what approach is being taken in their province or territory, let alone the rationale for it. But what is clear is that the system has become highly convoluted.

The federal government considers that the clawback has been nearly eliminated because the NCBS has replaced benefits for children in most jurisdictions. The National Council of Welfare has a different view of ending the clawback. Ending the clawback means raising the incomes of families on welfare by the amount of the NCBS that has been deducted from their social assistance or child benefit payments.

The National Council of Welfare has been opposed to the clawback of the National Child Benefit Supplement since it was first announced. Although the NCBS was lauded as a poverty reduction tool, its target was really low-income working families with children. And it has shown some success in reducing poverty for these families. However, there is a large group of families with children living in poverty—those on welfare—who have seen little or no benefit from the NCBS despite the substantial sums of new money provided by the federal government.

Further, the National Council of Welfare sees no evidence that the NCBS is assisting welfare families to move to paid employment or obtain employment experience. The 2005 *Evaluation of the National Child Benefit Initiative: Synthesis Report* did not provide any evidence that the initiative increased the labour force participation of those on welfare, nor was it able to determine the effectiveness of the various NCB reinvestment initiatives, due to a lack of data.

The clawback reinforces the notion of the deserving and undeserving poor. Those working for low pay – the deserving poor – get to keep all of the NCBS. Those on welfare – the undeserving poor – don't get to keep the NCBS. Furthermore, since the majority of those on welfare who have the NCBS clawed back are female-headed lone-parent families, the NCBS discriminates against women.

The National Council of Welfare's position is that any jurisdiction that continues to reduce welfare or child benefits by the NCBS—either in part or in full—claws back. Here is where things stand on the NCBS clawback as of early 2005.

Five provinces—Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec and Manitoba—do not claw back.

Three provinces—Prince Edward Island, Ontario and Alberta—continue to claw back part of the NCBS from their welfare benefits. In July 2001, PEI introduced its Healthy Child

Allowance as a new benefit for welfare families. Although the NCBS is deducted in full from welfare benefits, the Healthy Child Allowance is increased each year by an amount equivalent to the NCBS increase, thereby flowing through increases. In Ontario, NCBS increases since July 2004 have been passed on. As of July 2005, the lone parent with one child and the couple with two children still had \$121.91 and \$226.41 respectively clawed back each month. Alberta has passed on all NCBS increases since July 2003. However, the lone parent with one child and the couple with two children still had \$107.75 and \$198.33 clawed back respectively as of July 2005.

Yukon, the Northwest Territories and Nunavut continue to claw back the full amount of the NCBS from welfare families with children.

Saskatchewan and British Columbia had provincial child benefit programs in place when the NCB Supplement was implemented. In both cases, every time the NCBS was increased, the provincial child benefit was decreased by the same amount. In British Columbia, the child benefit for all families with children reached zero in July 2005—it was fully offset by the federal child benefit. In Saskatchewan, as of July 2005, two-parent families with one child no longer received any provincial child benefit and those with two or more children received a small benefit. A lone parent, regardless of the number of children, continued to receive benefits due to the addition of a single-parent supplement in July 2004.

As of early 2005, an estimated 174,250 families with 280,900 children continue to have their welfare or child benefits reduced by all or part of the NCBS. Appendices E and F at the end of this report have details as of early 2005.

PROVINCIAL CHILD BENEFITS

This section describes the five provincial child benefit programs that now provide basic benefits to children outside of the welfare system. The child benefit programs in New Brunswick and the three territories have not replaced children's social assistance benefits. Eligible welfare families receive them in addition to their regular welfare entitlement.

NEWFOUNDLAND AND LABRADOR

The Newfoundland and Labrador Child Benefit (NLCB) was introduced in July 1999 as part of the province's reform of its social assistance program. The NLCB, combined with the federal NCBS, provides child benefits to social assistance families with children. As of July 2005, the maximum monthly benefits were \$20.83 for the first child and \$27.16 for the second child. There is no clawback of the NCBS from welfare families.

NOVA SCOTIA

The Nova Scotia Child Benefit was originally introduced in July 1998. In July 2001, Nova Scotia redesigned its welfare system. Basic benefits for children were removed from social

assistance and paid to all low-income families through an enhanced Nova Scotia Child Benefit. Since July 2001, monthly benefit levels have remained the same at \$37.08 for the first child and \$53.75 for the second child. As of July 2001, the NCBS was no longer clawed back.

QUEBEC

In September 1997, Quebec reformed its social assistance system and implemented its child benefit program—the new Family Allowance program. From 1998 until July 2001, Quebec reduced its child benefit by the amount of the NCBS. In July 2001, the province stopped clawing back increases to the NCBS.

In January 2005, Quebec introduced the new Child Assistance measure. It replaced the former Family Allowance, the tax credit for dependent children and the tax reduction for families. The maximum monthly benefit for a one-child family was \$166.66 and for a two-child family it was \$250. Lone-parent families received a maximum additional monthly supplement of \$58.33. There is no clawback of the NCBS from the new Child Assistance measure.

SASKATCHEWAN

Saskatchewan restructured its welfare programs and introduced the Saskatchewan Child Benefit (SCB) in July 1998, at the same time as the National Child Benefit Supplement. The SCB was designed to be a transitional program, with benefits for all families with children decreasing in July of each year as the federal NCBS increased. As of July 2005, the SCB for a lone parent with one child was \$17.42 per month. This was due to the addition of a \$35 per month single-parent supplement in July 2004 (without this, the SCB would have been reduced to zero). The SCB for a couple with one child was zero as of July 2005. A couple with two children received \$0.58 per month (paid as a lump sum).

BRITISH COLUMBIA

In July 1996, British Columbia restructured its social assistance program and implemented the BC Family Bonus, which paid a set amount per child. Starting in July 1998, with the introduction of the NCB Supplement, Family Bonus benefits for all families with children were decreased each time the NCBS was increased. By July 2004, the Family Bonus for the first child in a family was zero and \$11.91 per month for the second child. In July 2005, the amount for the second child was reduced to zero. The BC Family Bonus has been fully offset by the NCBS.

THE EFFECTS OF THE CLAWBACK

The clawback of the National Child Benefit Supplement has had perverse effects on total welfare incomes. Each year, as the NCBS increased, the amount of money clawed back by

provinces and territories also increased. As a result, provincial and territorial spending on welfare decreased.

Figures 4.1 through 4.26 show the shifts in funding patterns for welfare over the years, particularly since the start of the National Child Benefit in July 1998. The federal contribution to total welfare incomes through federal child benefits and GST credit is represented by the black portion of each of the bars in the charts. It got progressively larger starting in 1998. Provincial and territorial contributions to total welfare incomes, represented by the white portion of each of the bars, got smaller and smaller.

Between 1999—the first full year of the NCBS—and 2005, the amount of the federal component of welfare incomes for the lone parent with one child increased by about one-third. The increase ranged from \$845 to \$897 in 2005 constant dollars. The amount varies since not all lone parents received the same amount of the GST credit in 1999. For a couple with two children, in most jurisdictions it rose by 39 percent—or \$1,718—after adjusting for inflation. In both scenarios, most of this was due to increases in federal child benefits.

Meanwhile, there were freezes and cuts in the benefits provided by provincial and territorial governments that more or less offset the increases from the federal government.

Table 3.2 in the previous chapter compares welfare incomes for families with children in 1997, before the implementation of the NCBS, and in 2005. All figures have been adjusted for inflation. Lone parents wound up with lower total welfare incomes in 2005 than they had in 1997, with only three exceptions. The lone-parent family in New Brunswick gained a mere \$12, in Quebec it gained \$405, and in the Northwest Territories the increase was \$534. Two-parent families with children on welfare wound up with lower total incomes in 2005 than they had in 1997 in six jurisdictions—Nova Scotia, Ontario, Saskatchewan, Alberta, British Columbia, and the Yukon. Couples with two children in PEI gained \$155 and in Manitoba they saw an increase of \$245. The increases in the three remaining provinces were more substantial: \$898 in Newfoundland and Labrador, \$1,226 in New Brunswick, and \$2,353 in Quebec, while in the Northwest Territories the increase was \$2,023.

Some of these changes—either increases or decreases—are a result of changes to welfare programs or rates, or are due to the implementation of new provincial or territorial programs. For example, Quebec's gains are largely due to their new child benefit program. In the NWT, the increase reflects the higher cost of living, as the NWT pays welfare households the actual costs of shelter, fuel and utilities.

There is no guarantee that welfare incomes will rise if a province does not claw back the NCBS. In the five provinces that do not claw back as of early 2005—Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec and Manitoba—incomes decreased in four of the ten scenarios since 1997. In Nova Scotia, welfare incomes decreased by 11 percent for the lone parent with one child and just over 3 percent for the couple with two children. These were largely due to the restructuring of the province's welfare program in August 2001. Welfare incomes for the lone parent in Newfoundland and Labrador and Manitoba decreased

by 1 percent. The couple with two children in New Brunswick saw an increase of 7.5 percent. The largest increase—12.8 percent for the couple with two children—occurred in Quebec.

Despite the significant increase in federal support, cuts or freezes in the already inadequate levels of provincial and territorial support have further eroded welfare incomes. At the provincial level in 2005, the lone parent with one child and the couple with two children were worse off in 13 of the 20 scenarios than they were eight years earlier, before the NCBS was implemented. This was a big step backwards in the fight against child poverty.

Figure 4.1: Newfoundland & Labrador Welfare Income, Lone Parent, One Child (2005 dollars)

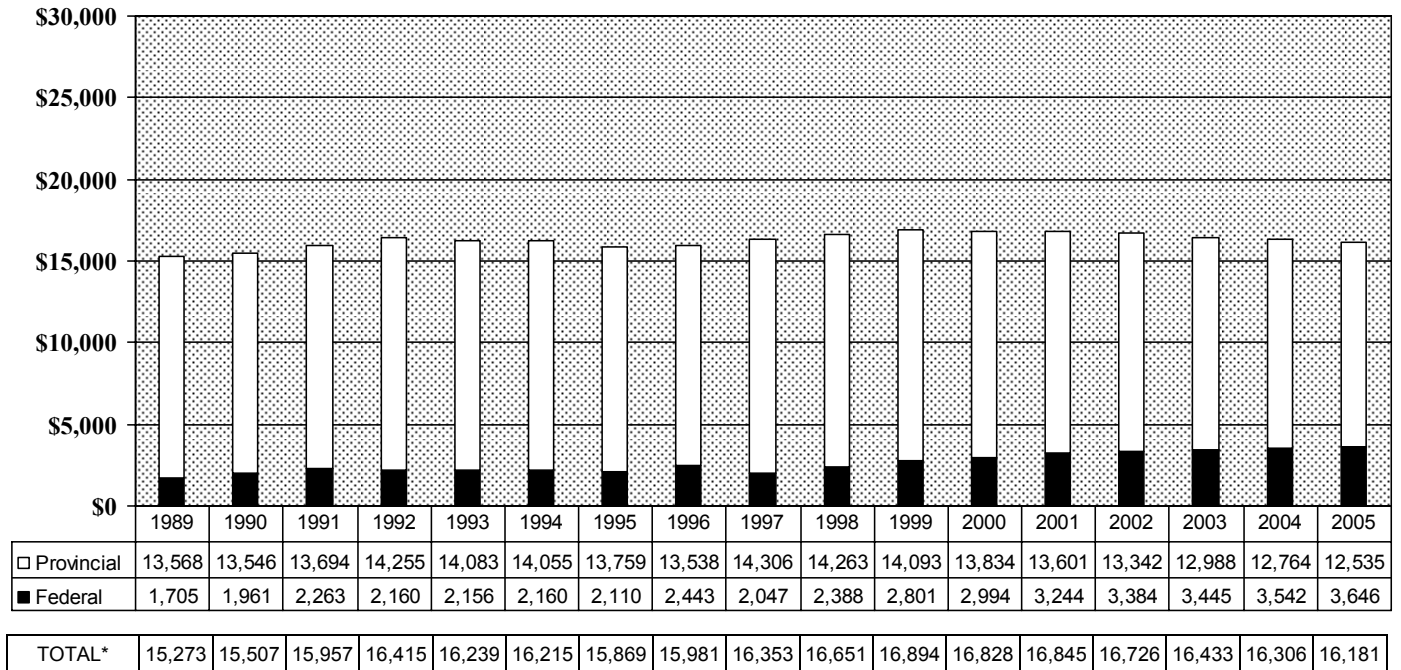
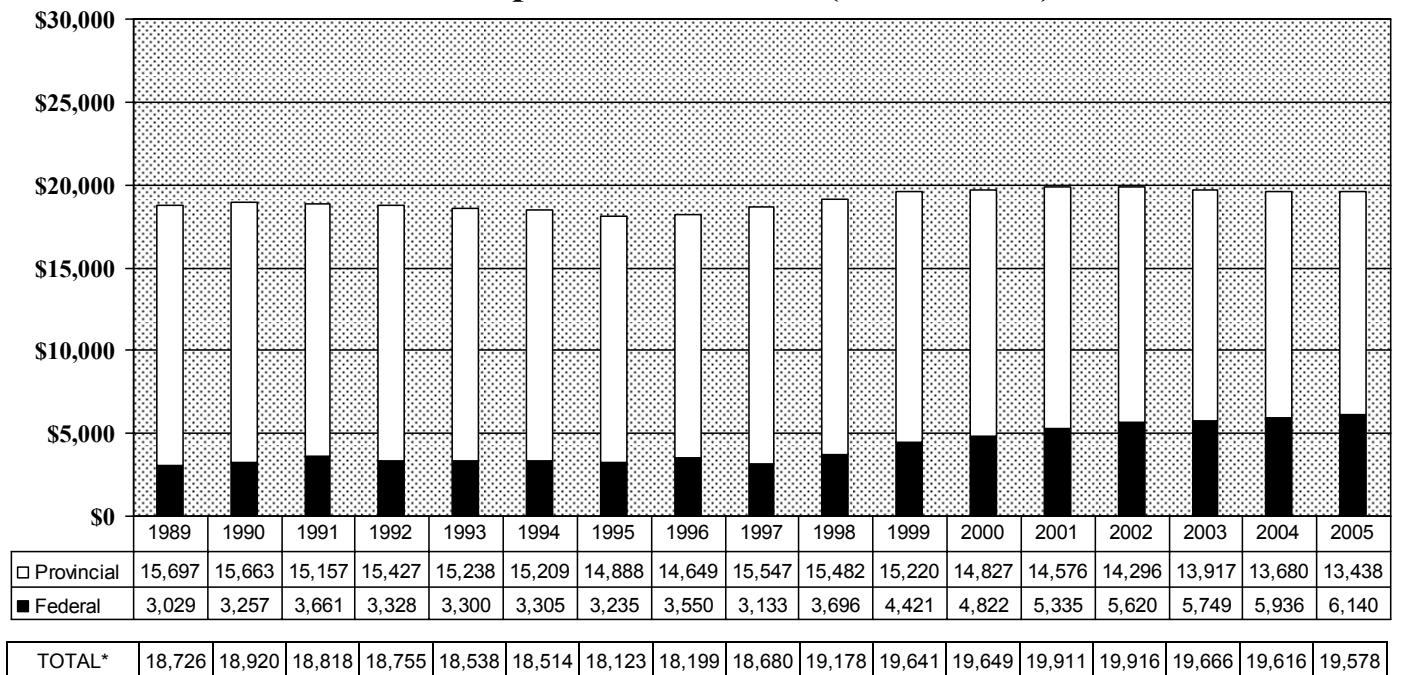


Figure 4.2: Newfoundland & Labrador Welfare Income, Couple, Two Children (2005 dollars)



* Due to the effects of rounding, totals may not always add up.

Figure 4.3: Prince Edward Island Welfare Income, Lone Parent, One Child (2005 dollars)

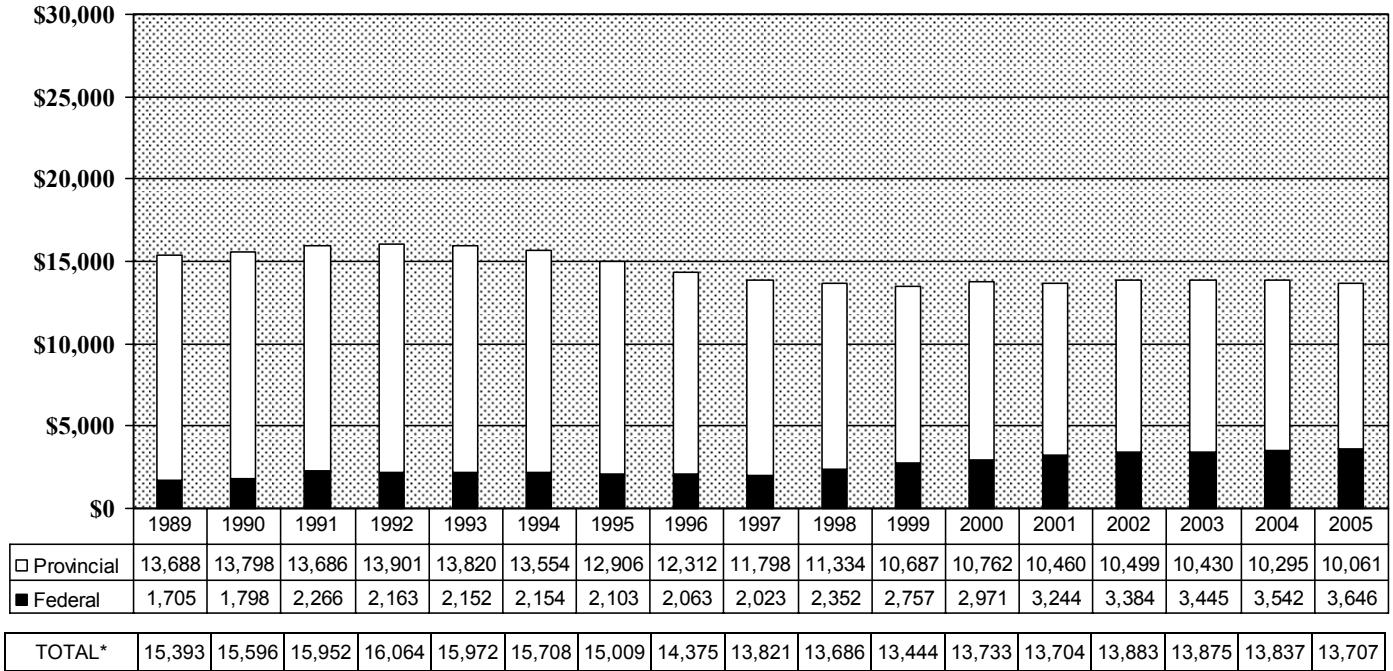
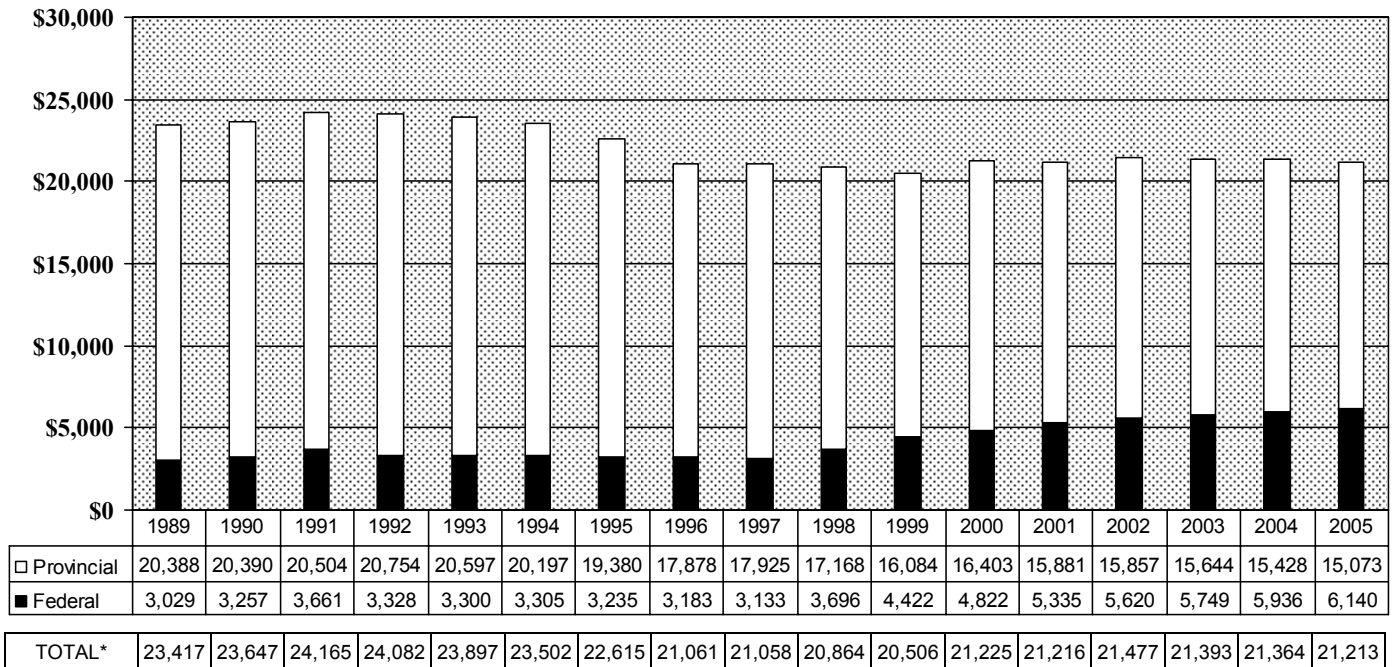


Figure 4.4: Prince Edward Island Welfare Income, Couple, Two Children (2005 dollars)



*** Due to the effects of rounding, totals may not always add up.**

Figure 4.5: Nova Scotia Welfare Income, Lone Parent, One Child (2005 dollars)

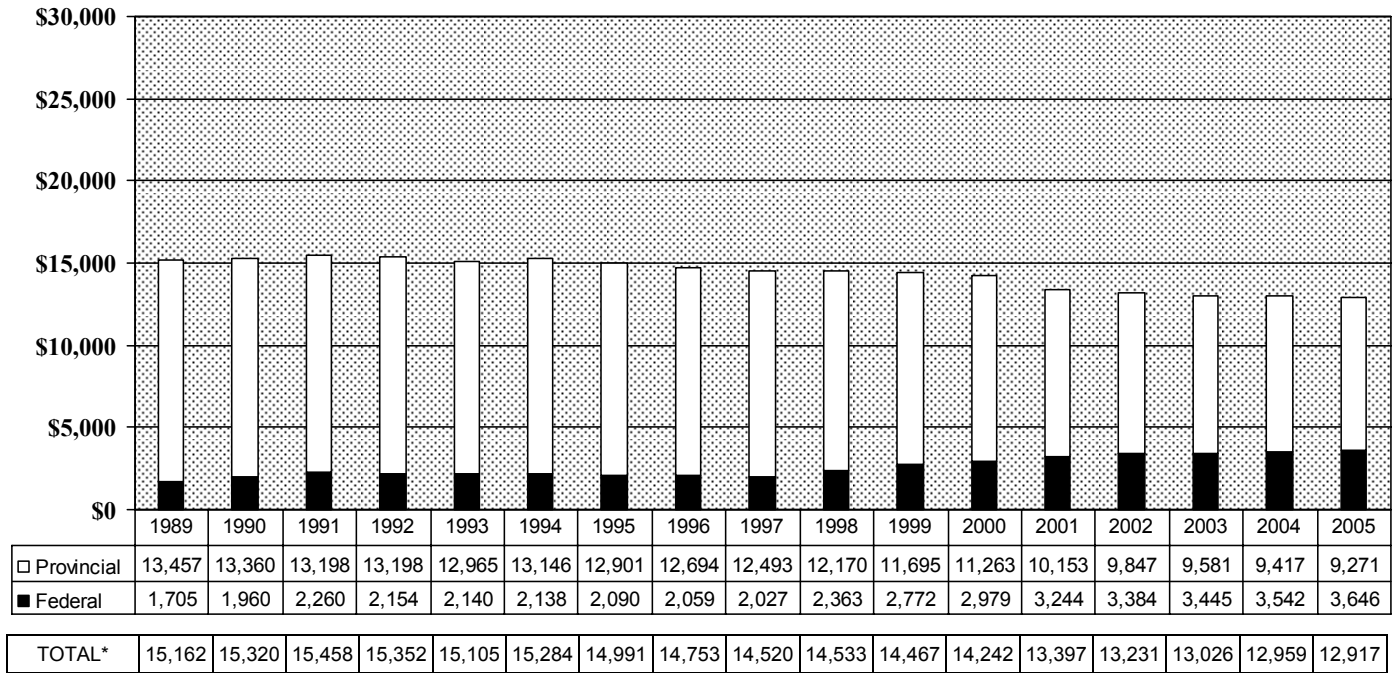
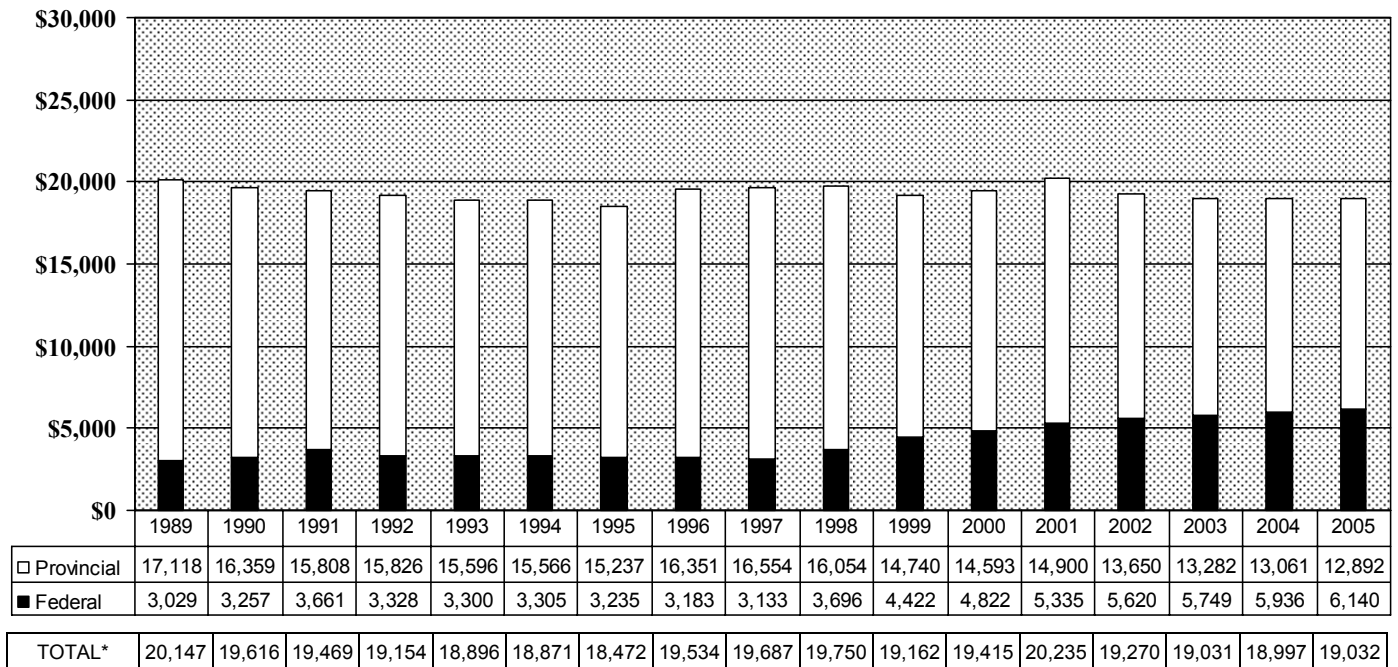


Figure 4.6: Nova Scotia Welfare Income, Couple, Two Children (2005 dollars)



*** Due to the effects of rounding, totals may not always add up.**

Figure 4.7: New Brunswick Welfare Income, Lone Parent, One Child (2005 dollars)

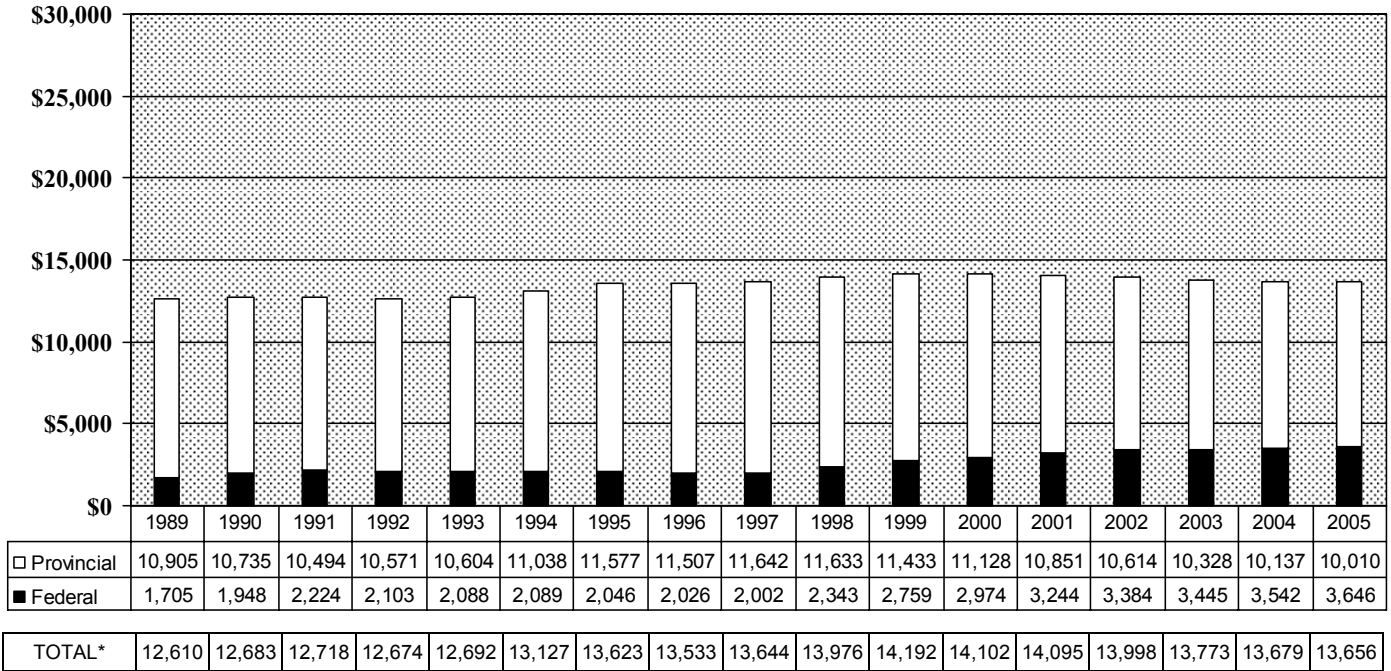
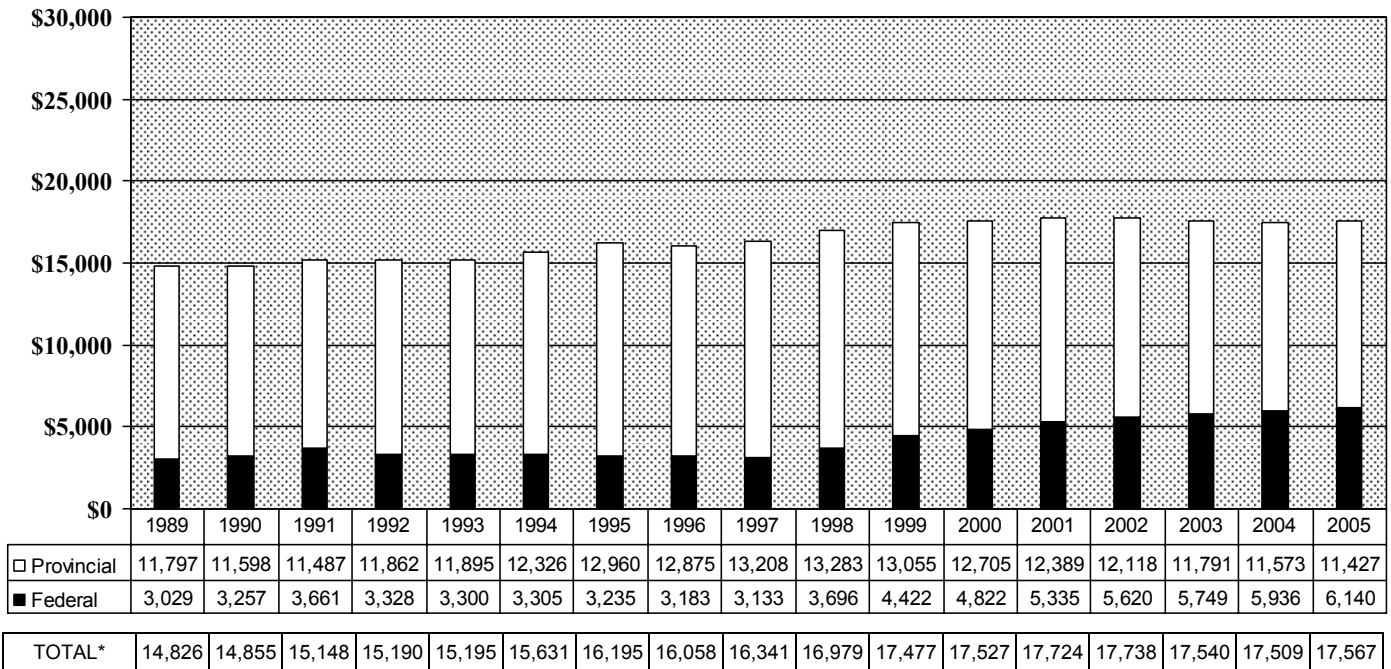
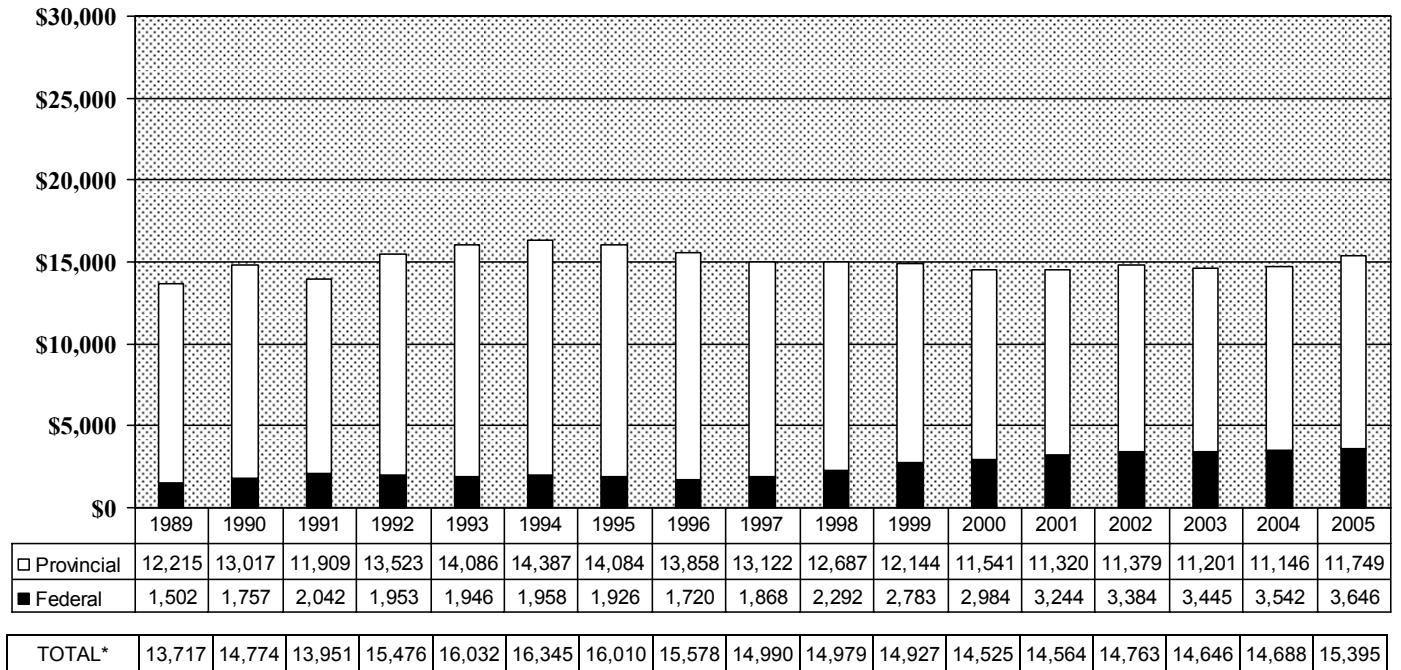


Figure 4.8: New Brunswick Welfare Income, Couple, Two Children (2005 dollars)

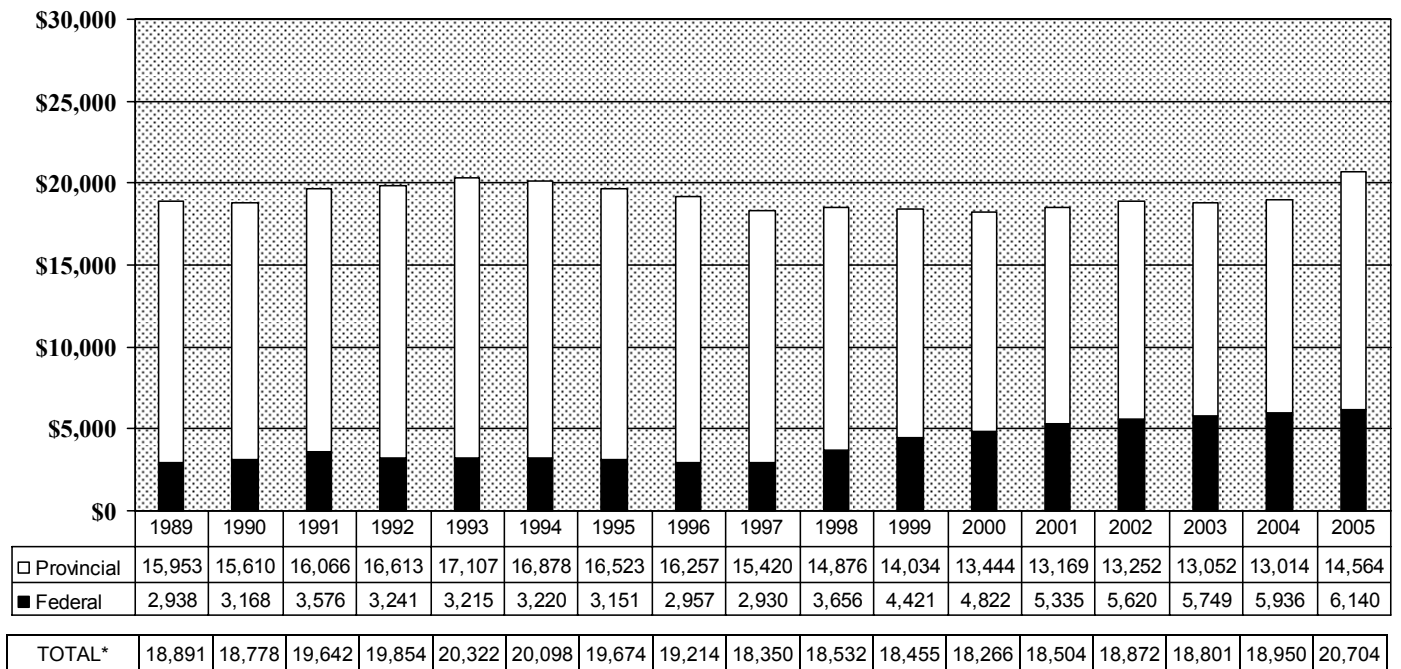


* Due to the effects of rounding, totals may not always add up.

**Figure 4.9: Quebec Welfare Income,
Lone Parent, One Child (2005 dollars)**



**Figure 4.10: Quebec Welfare Income,
Couple, Two Children (2005 dollars)**



* Due to the effects of rounding, totals may not always add up.

Figure 4.11: Ontario Welfare Income, Lone Parent, One Child (2005 dollars)

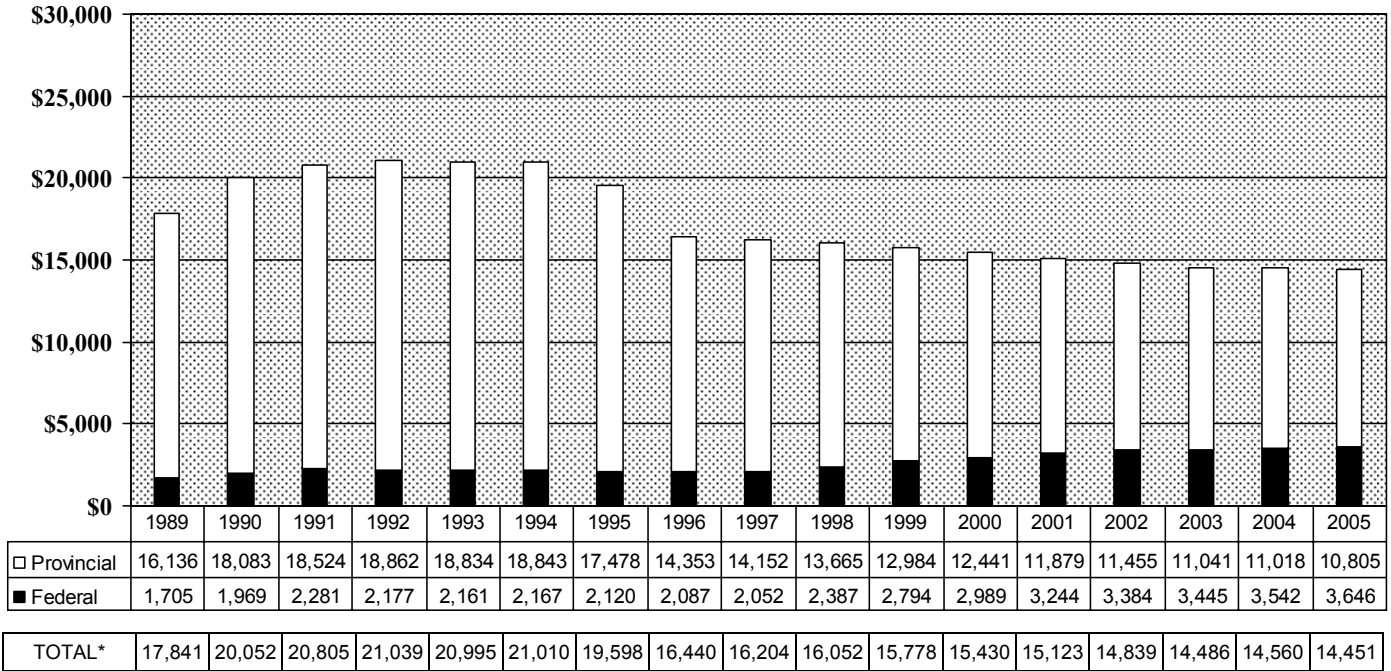
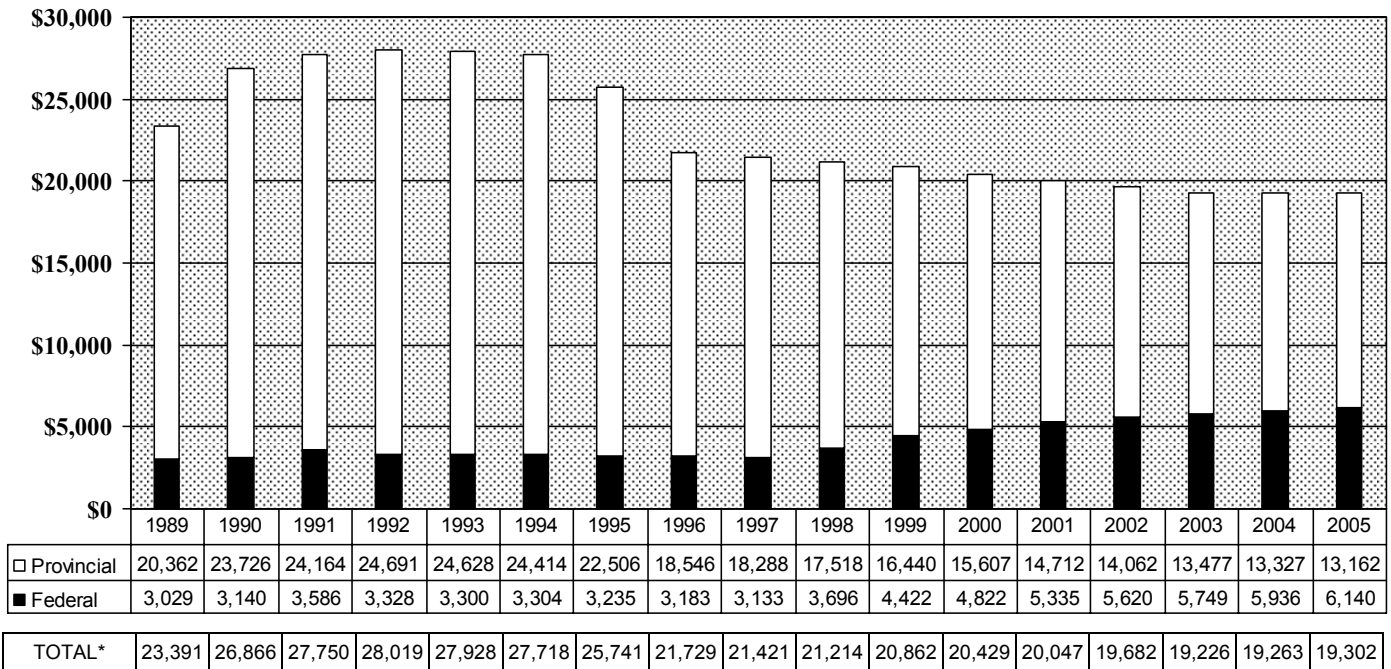
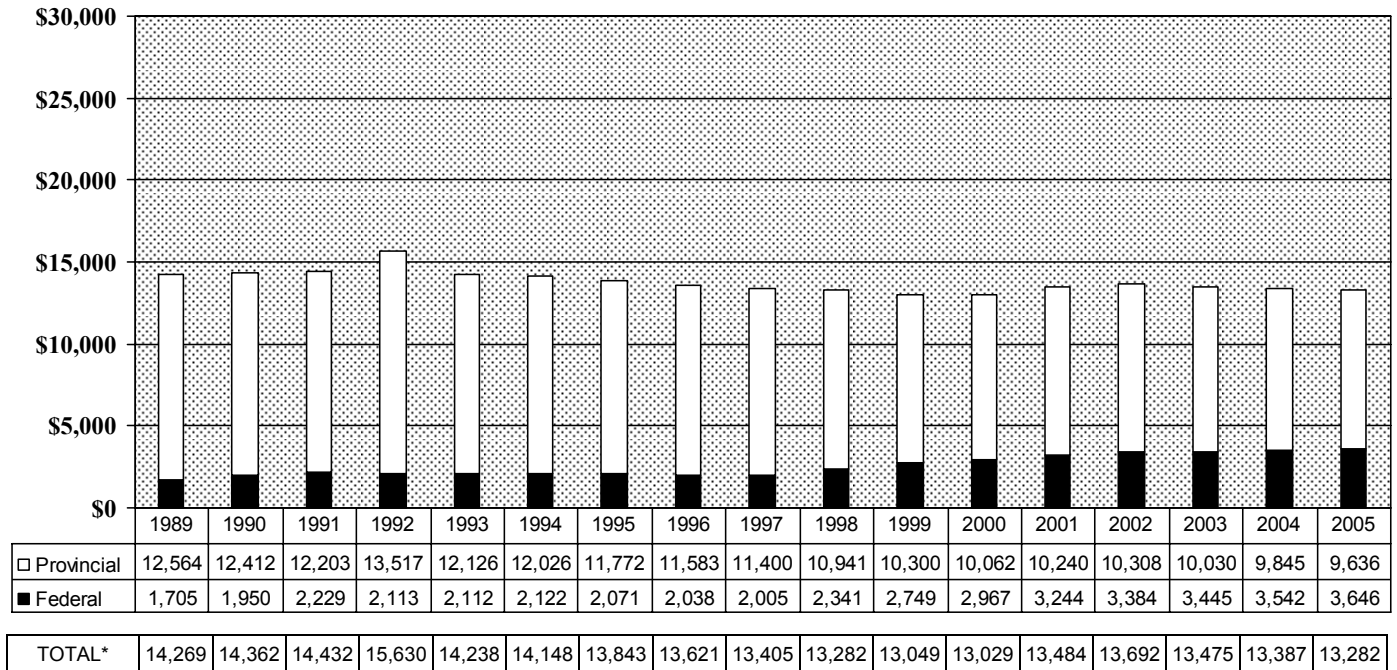


Figure 4.12: Ontario Welfare Income, Couple, Two Children (2005 dollars)

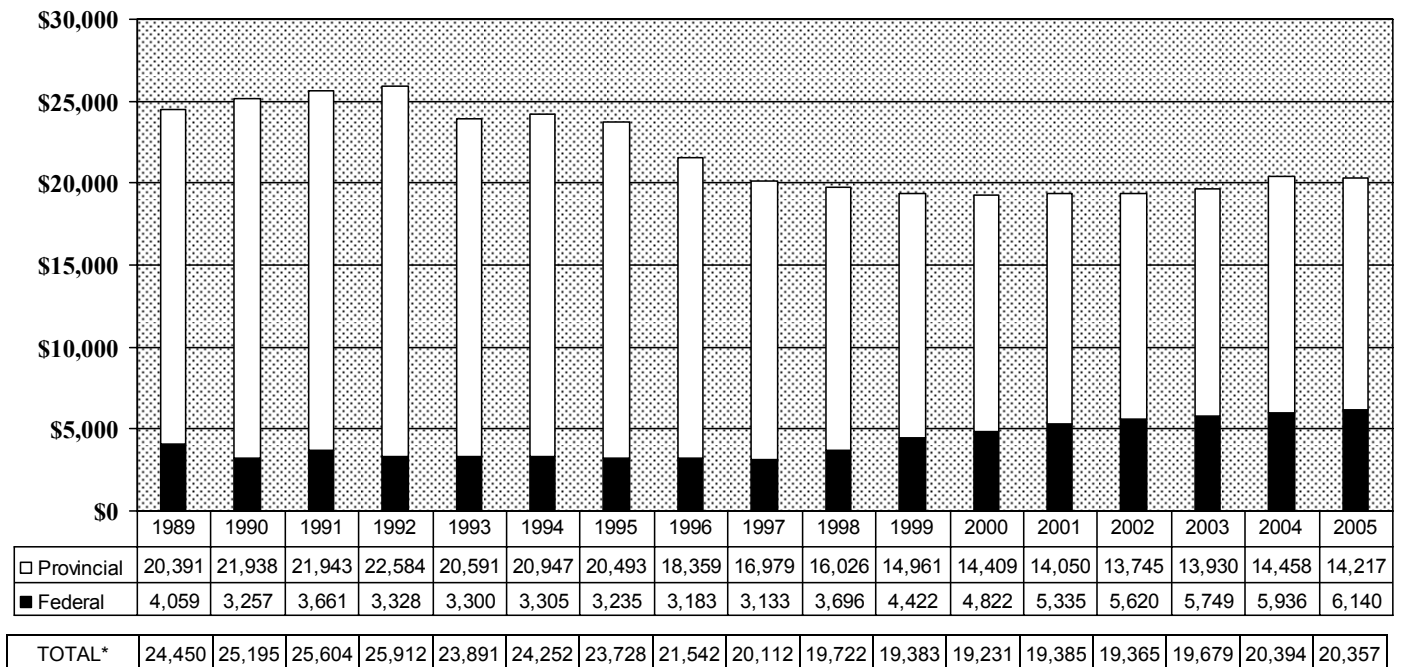


* Due to the effects of rounding, totals may not always add up.

**Figure 4.13: Manitoba Welfare Income,
Lone Parent, One Child (2005 dollars)**



**Figure 4.14: Manitoba Welfare Income,
Couple, Two Children (2005 dollars)**



* Due to the effects of rounding, totals may not always add up.

Figure 4.15: Saskatchewan Welfare Income, Lone Parent, One Child (2005 dollars)

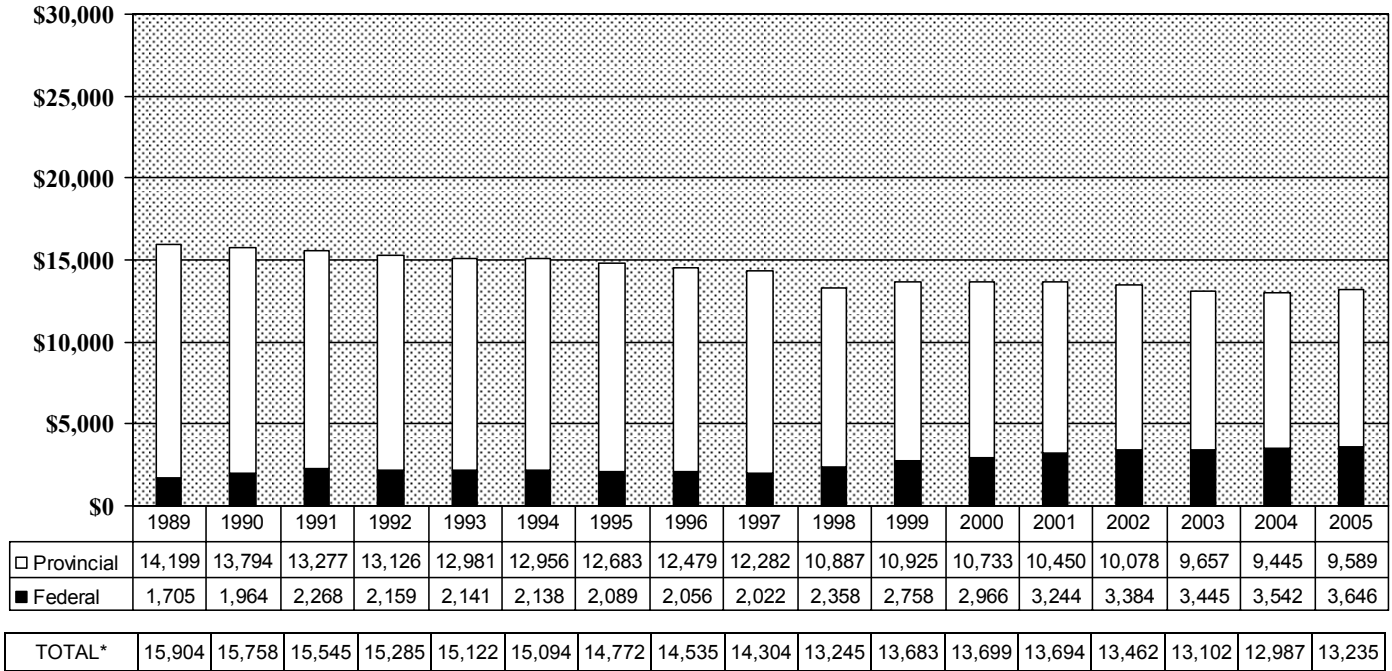
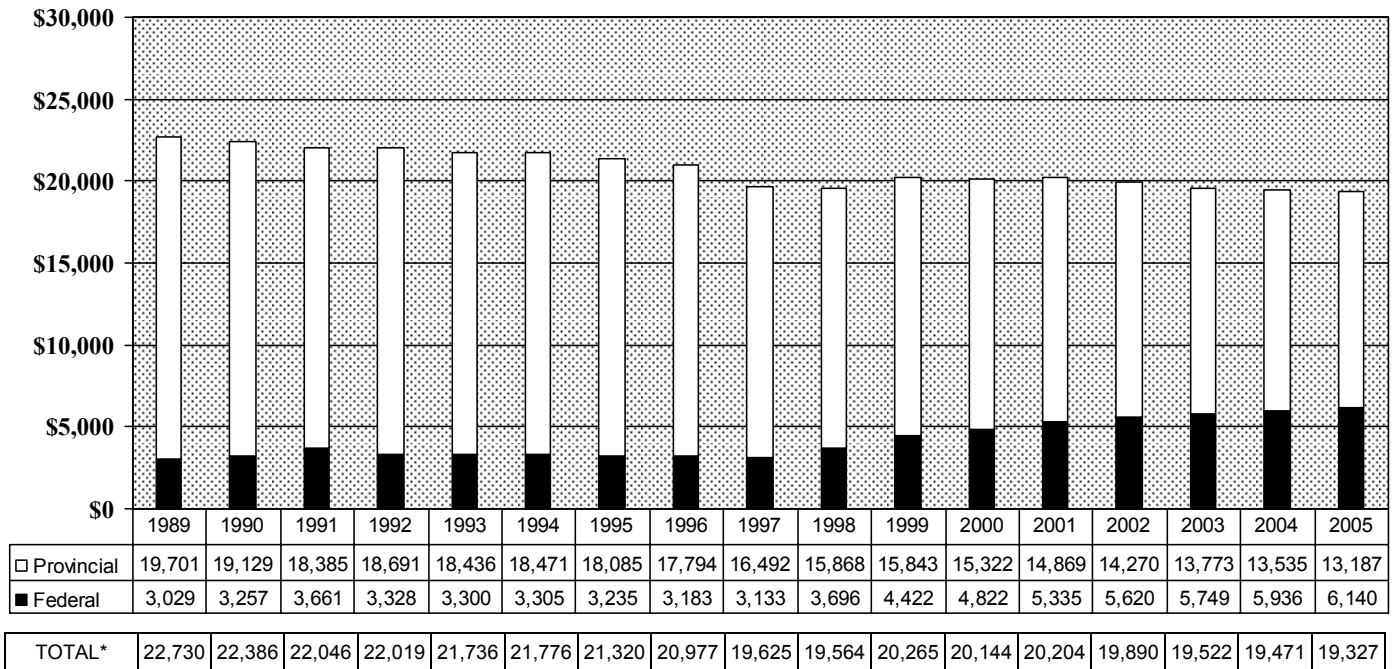


Figure 4.16: Saskatchewan Welfare Income, Couple, Two Children (2005 dollars)



*** Due to the effects of rounding, totals may not always add up.**

Figure 4.17: Alberta Welfare Income, Lone Parent, One Child (2005 dollars)

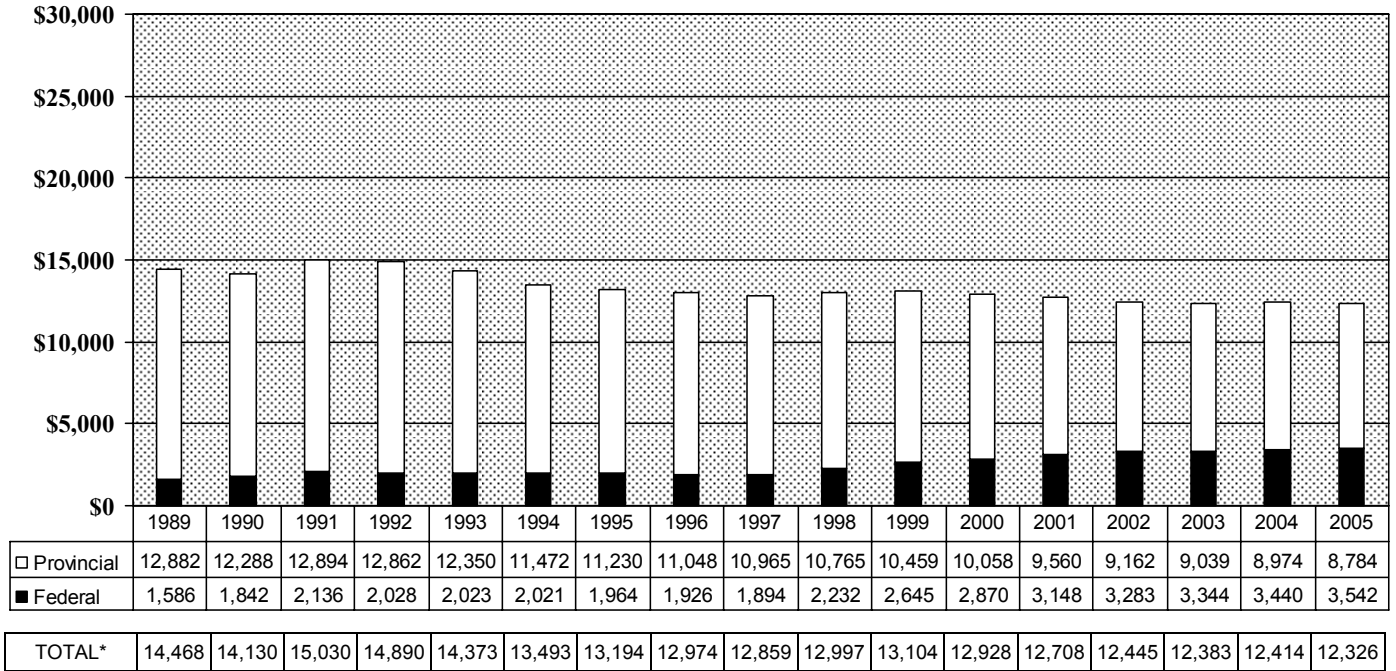
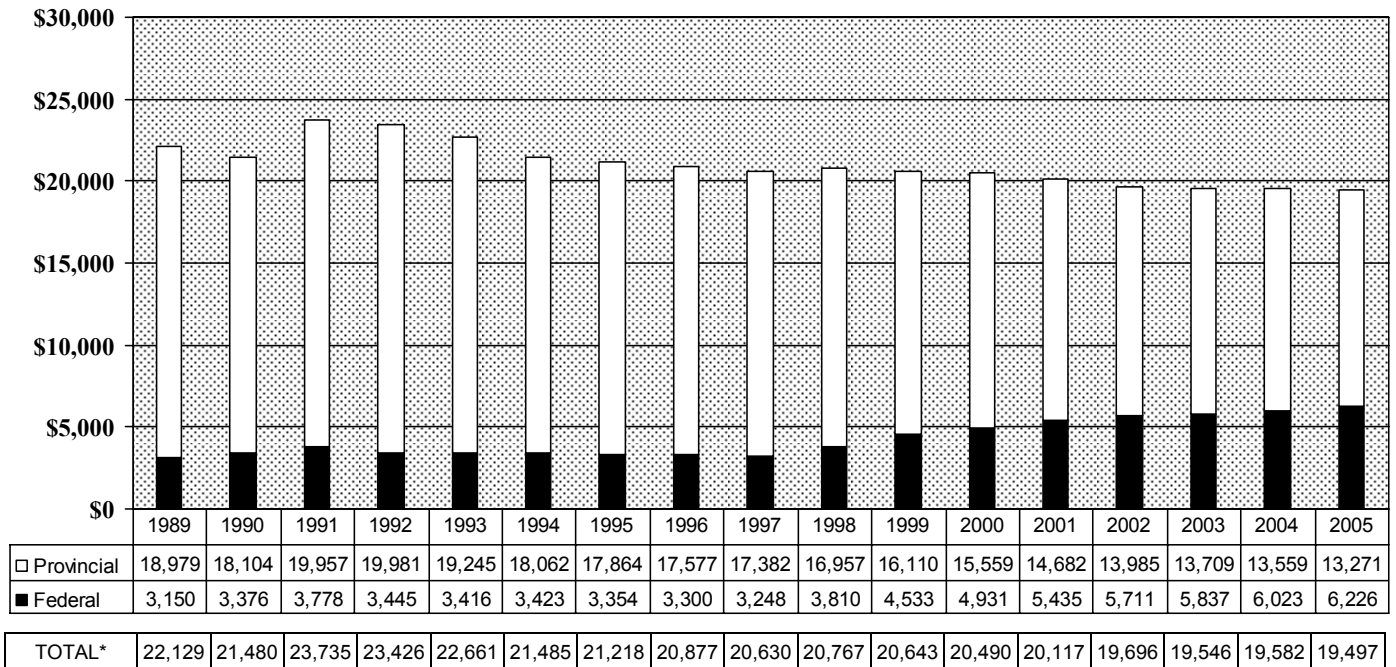


Figure 4.18: Alberta Welfare Income, Couple, Two Children (2005 dollars)



* Due to the effects of rounding, totals may not always add up.

Figure 4.19: British Columbia Welfare Income, Lone Parent, One Child (2005 dollars)

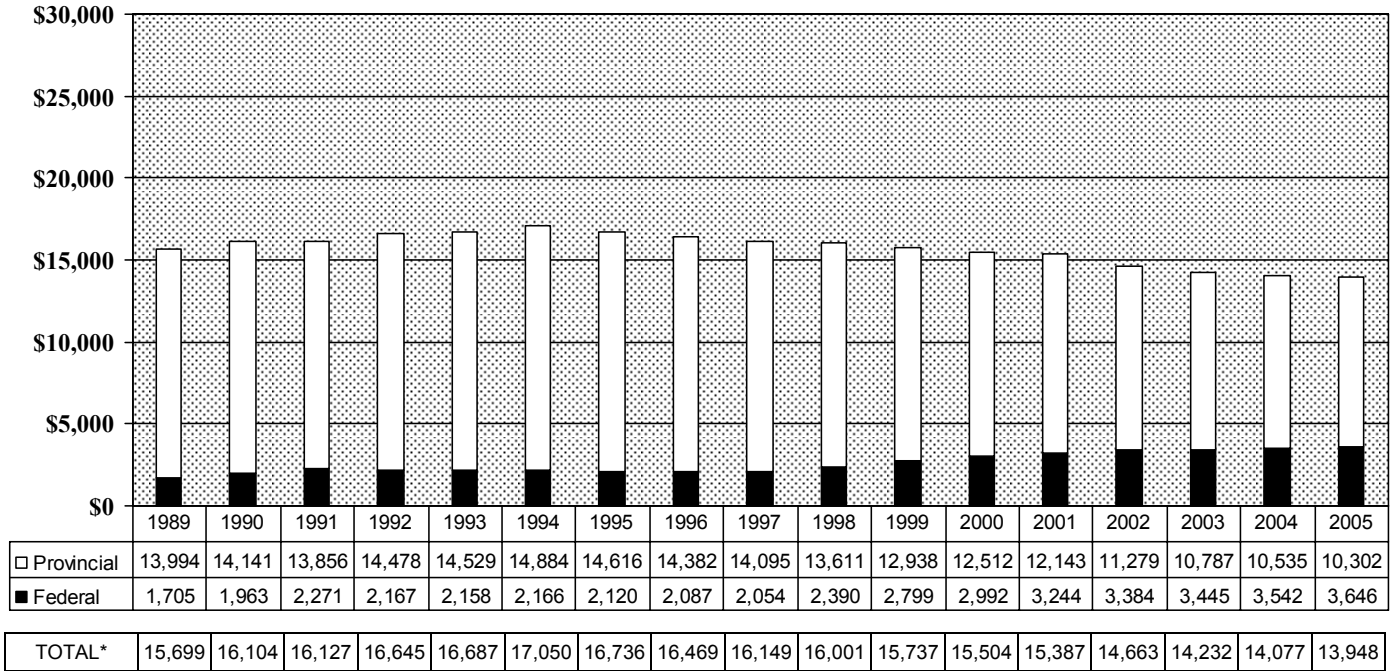
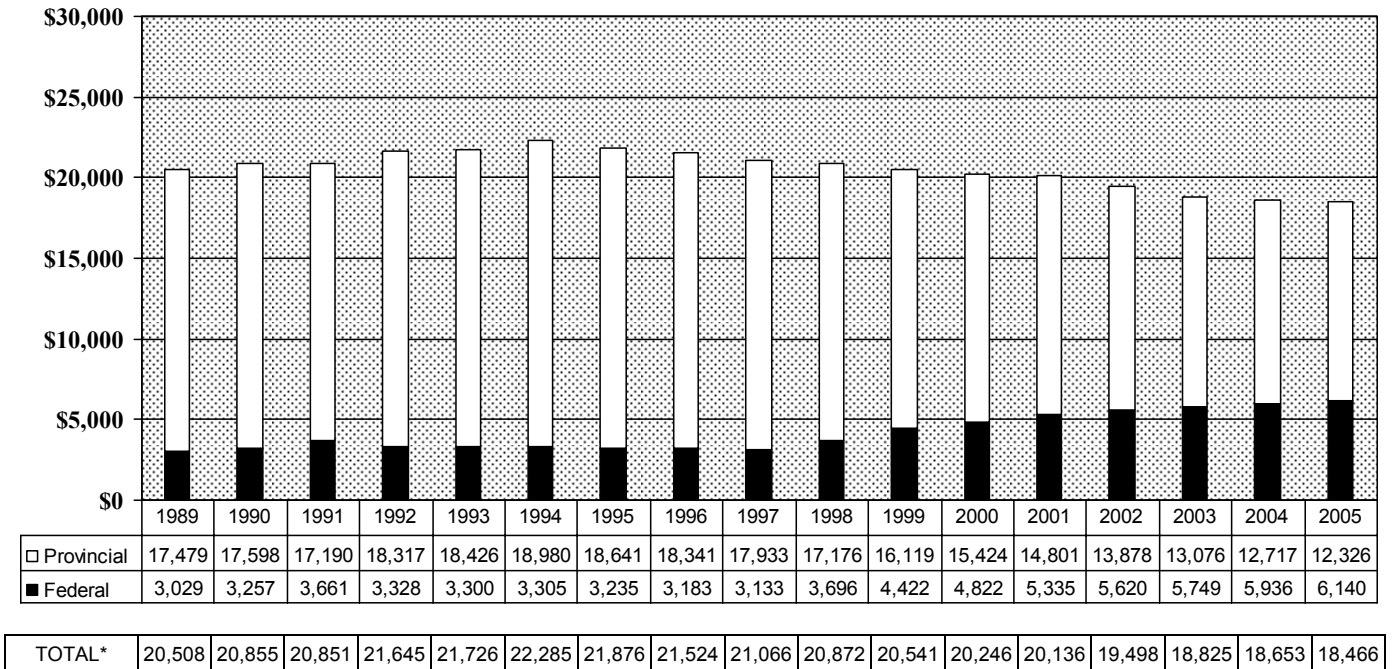


Figure 4.20: British Columbia Welfare Income, Couple, Two Children (2005 dollars)



* Due to the effects of rounding, totals may not always add up.

Figure 4.21: Yukon Welfare Income, Lone Parent, One Child (2005 dollars)

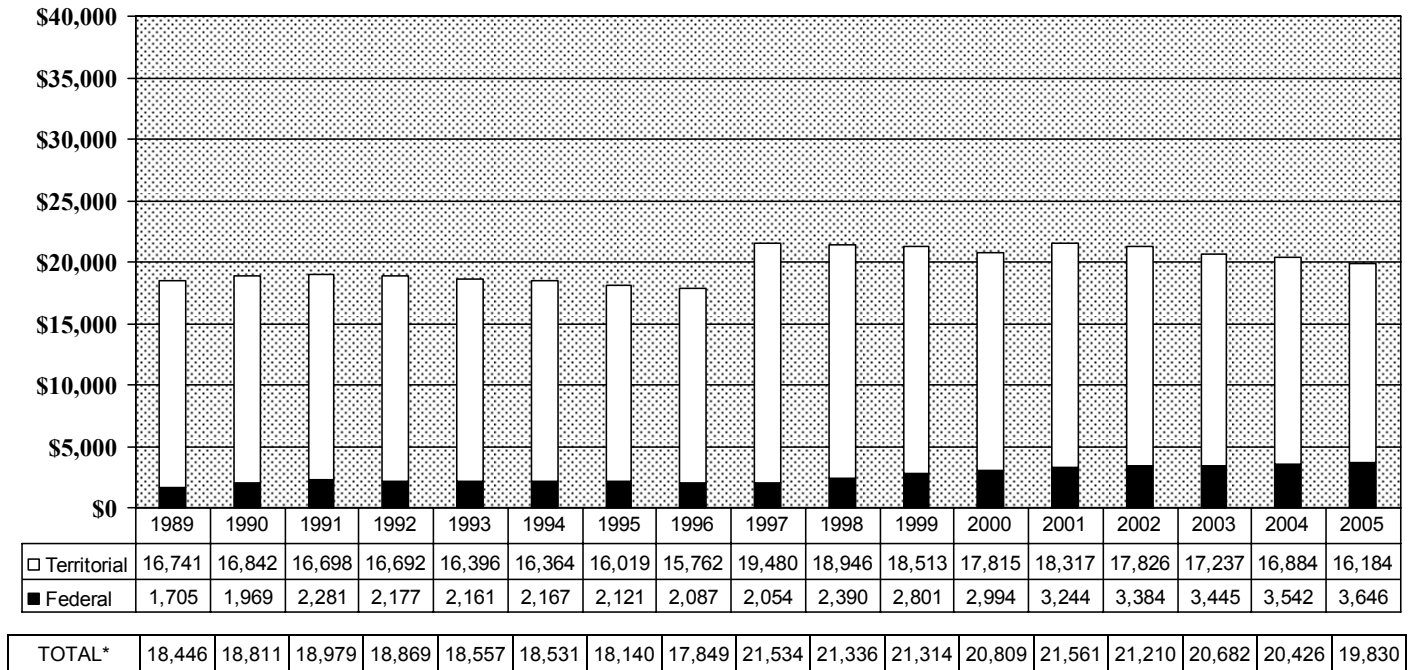
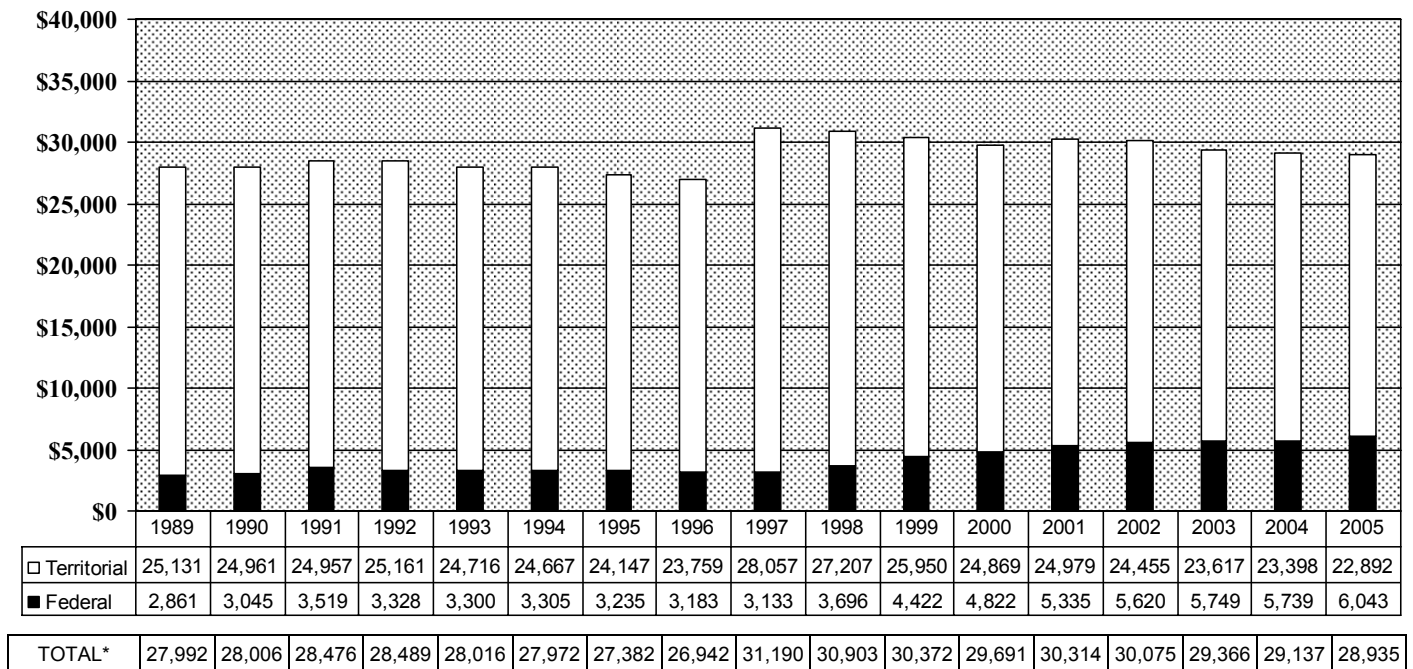


Figure 4.22: Yukon Welfare Income, Couple, Two Children (2005 dollars)



* Due to the effects of rounding, totals may not always add up.

Figure 4.23: Northwest Territories Welfare Income, Lone Parent, One Child (2005 dollars)

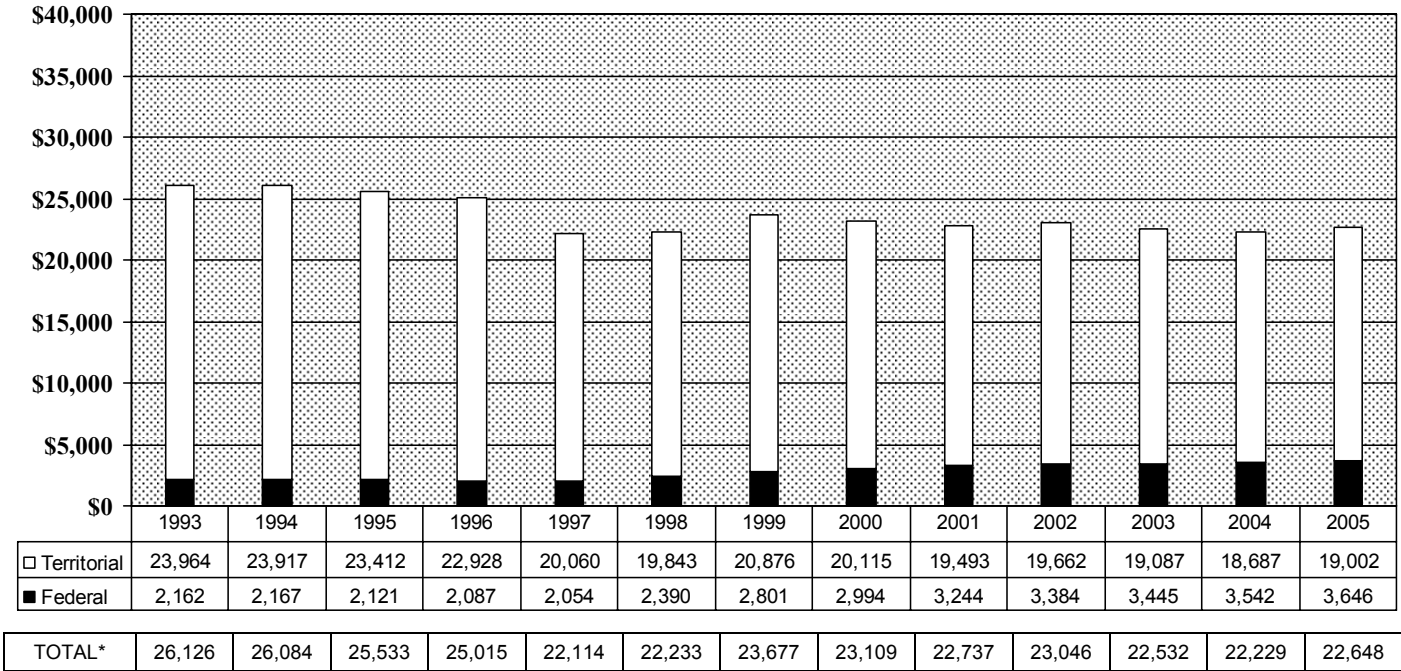
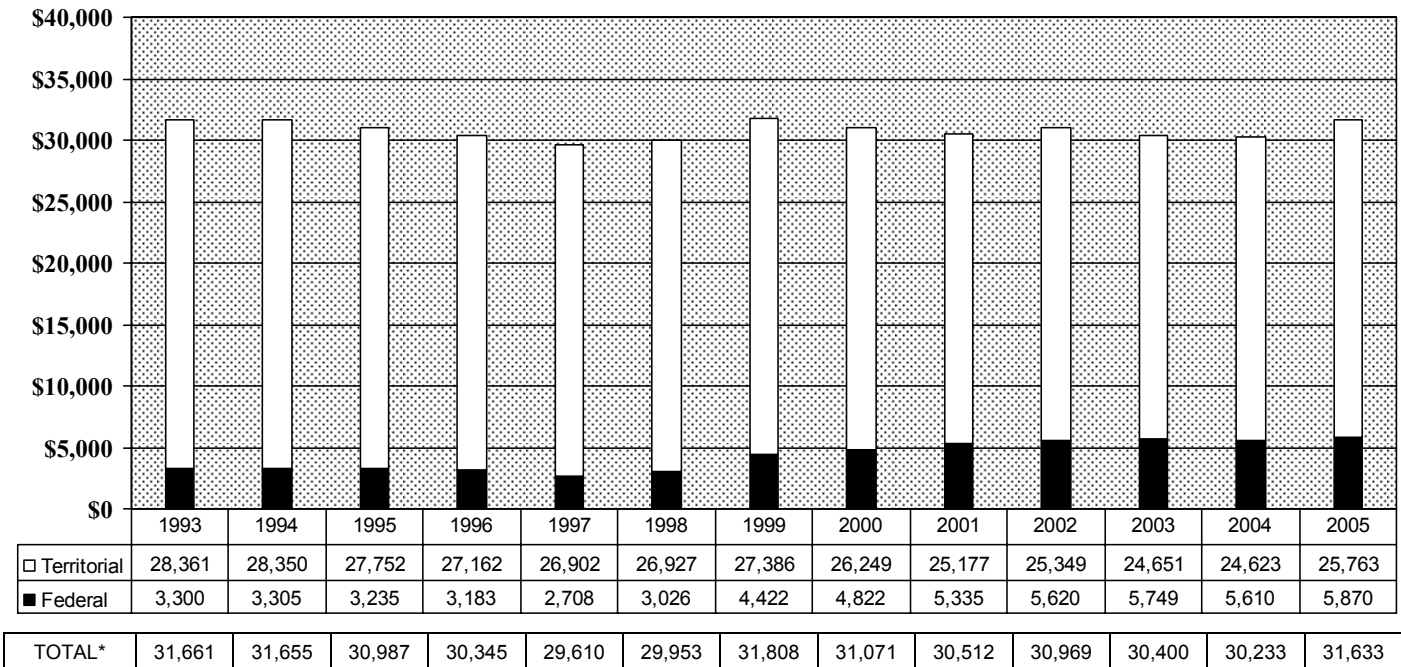
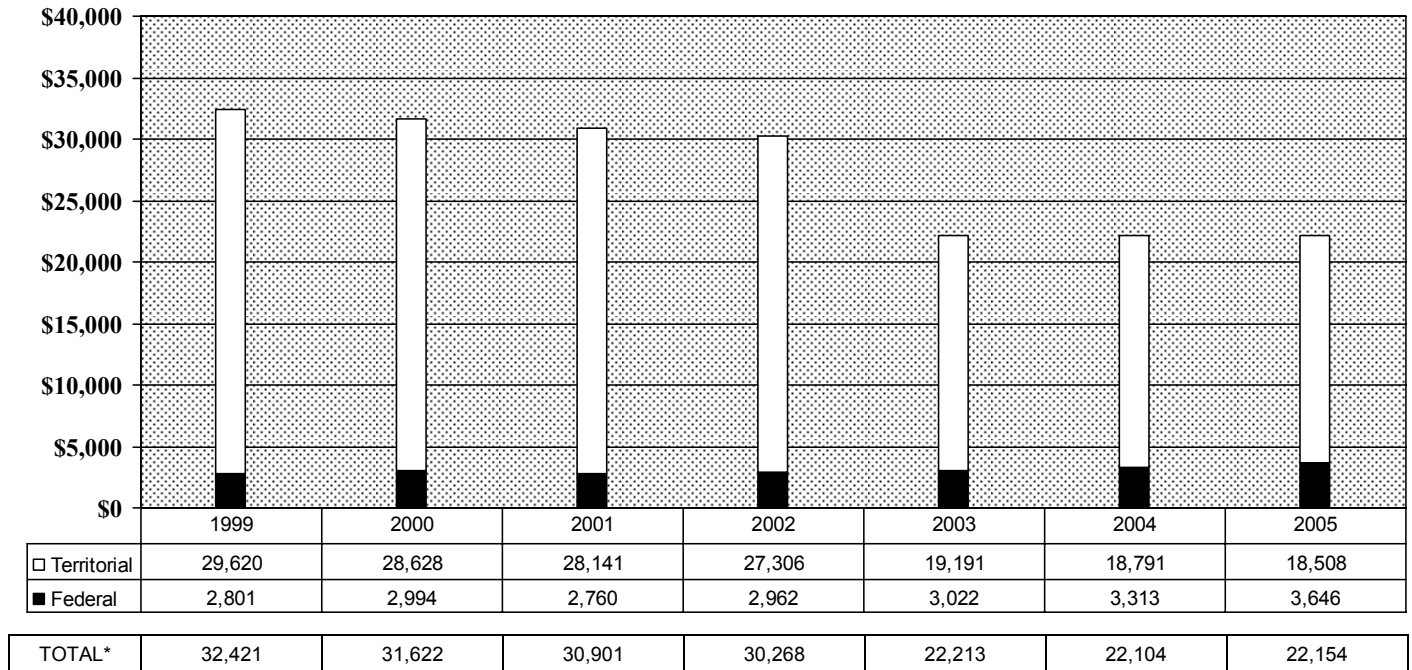


Figure 4.24: Northwest Territories Welfare Income, Couple, Two Children (2005 dollars)

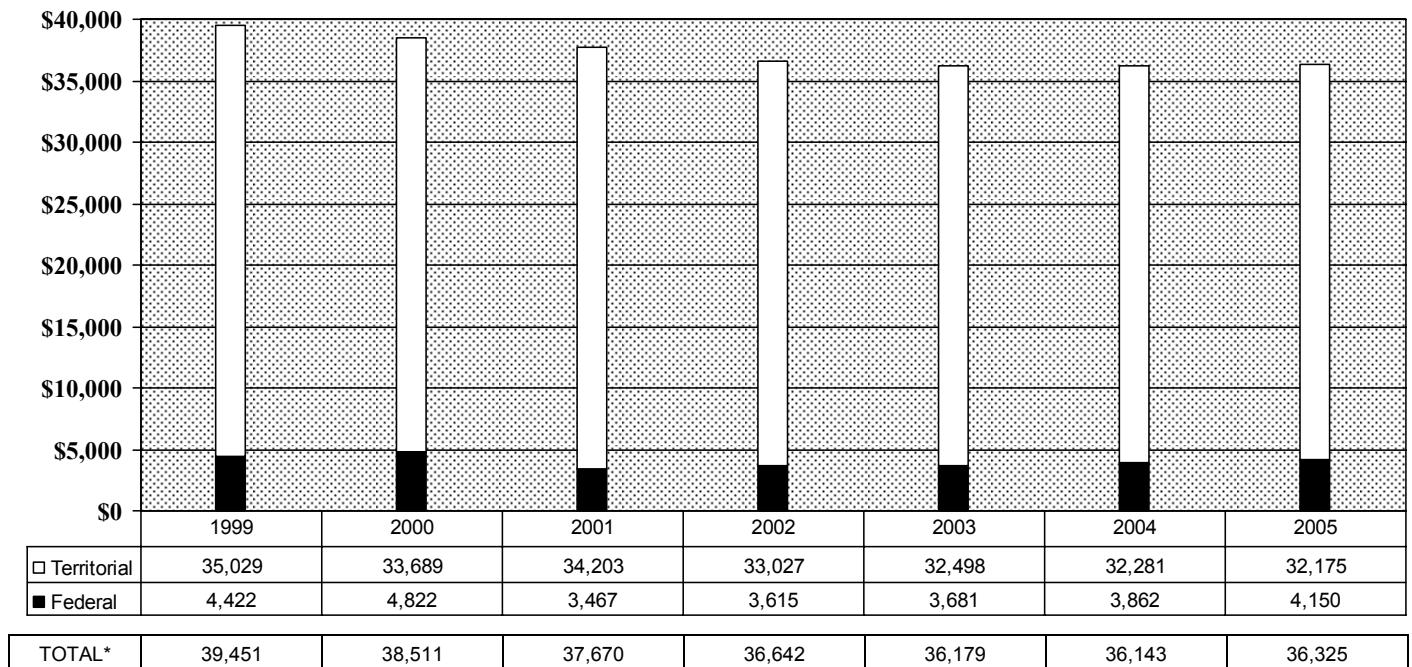


*** Due to the effects of rounding, totals may not always add up.**

**Figure 4.25: Nunavut Welfare Income,
Lone Parent, One Child (2005 dollars)**



**Figure 4.26: Nunavut Welfare Income,
Couple, Two Children (2005 dollars)**



*** Due to the effects of rounding, totals may not always add up.**

V. TOTAL WELFARE INCOMES AND POVERTY OVER TIME

This chapter looks at the adequacy of welfare incomes over time. Table 5.1 shows total welfare incomes as a percentage of the poverty line, from 1986 to 2005. Total welfare incomes include basic social assistance and additional benefits from provincial and territorial governments, federal and provincial child benefits, GST and HST credits and provincial tax credits. The territories are not included in the table because they are excluded from the Statistics Canada survey that is used to generate the low income cut-offs. We use Statistics Canada's low income cut-offs, before tax, as the poverty line.

Between 2004 and 2005, welfare incomes as a percentage of the poverty line decreased in 17 of our 40 scenarios, remained the same in 18, and increased in 5. The increases were notable in Quebec, where it went up by three percentage points for the lone parent with one child and five percentage points for the couple with two children, as well as in British Columbia, where it went up by three percentage points for the single person with a disability.

Welfare incomes as a percentage of the poverty line have been falling in most provinces. In all provinces except Newfoundland and Labrador, Nova Scotia and New Brunswick, welfare incomes as a percentage of the poverty line peaked in 1994 or earlier for all household types. Even at their peak, they were still grossly inadequate, with most at two-thirds of the poverty line or less.

Welfare incomes were never high, but the declines that have occurred demonstrate that governments are not interested in providing help to people who need it the most. In Ontario, welfare incomes as a percentage of the poverty line have fallen a staggering 17 to 25 percentage points for all four household types since the early 1990s. Since 1989, Prince Edward Island has seen decreases of over 30 percentage points for both the single employable person and the person with a disability. A single person's welfare income as a percentage of the poverty line has always been the lowest. But none of the provinces have welfare incomes that even come close to the poverty line for any of the four household types.

TABLE 5.1: WELFARE INCOMES AS A

| | 1986 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|----------------------------------|------|------|------|------|------|------|------|------|
| NEWFOUNDLAND AND LABRADOR | | | | | | | | |
| Single Employable | 33% | 32% | 32% | 33% | 32% | 32% | 32% | 31% |
| Person with a Disability | | 64% | 63% | 63% | 60% | 60% | 60% | 58% |
| Lone Parent, One Child | 68% | 66% | 67% | 69% | 74% | 73% | 73% | 71% |
| Couple, Two Children | 58% | 56% | 56% | 56% | 56% | 56% | 56% | 55% |
| PRINCE EDWARD ISLAND | | | | | | | | |
| Single Employable | 62% | 66% | 60% | 62% | 58% | 58% | 52% | 40% |
| Person with a Disability | | 77% | 70% | 70% | 66% | 65% | 65% | 62% |
| Lone Parent, One Child | 71% | 75% | 69% | 71% | 73% | 72% | 71% | 68% |
| Couple, Two Children | 74% | 78% | 71% | 73% | 73% | 72% | 71% | 68% |
| NOVA SCOTIA | | | | | | | | |
| Single Employable | 44% | 50% | 48% | 47% | 43% | 43% | 43% | 42% |
| Person with a Disability | | 66% | 66% | 66% | 61% | 60% | 61% | 60% |
| Lone Parent, One Child | 64% | 66% | 66% | 67% | 69% | 68% | 69% | 67% |
| Couple, Two Children | 57% | 60% | 58% | 58% | 58% | 57% | 57% | 56% |
| NEW BRUNSWICK | | | | | | | | |
| Single Employable | 22% | 24% | 24% | 25% | 23% | 23% | 23% | 22% |
| Person with a Disability | | 63% | 62% | 62% | 58% | 58% | 46% | 45% |
| Lone Parent, One Child | 56% | 55% | 55% | 55% | 57% | 57% | 59% | 61% |
| Couple, Two Children | 46% | 44% | 44% | 45% | 46% | 46% | 47% | 49% |
| QUEBEC | | | | | | | | |
| Single Employable | 20% | 31% | 48% | 41% | 38% | 38% | 37% | 36% |
| Person with a Disability | | 47% | 49% | 53% | 49% | 49% | 50% | 49% |
| Lone Parent, One Child | 57% | 54% | 58% | 54% | 60% | 62% | 63% | 62% |
| Couple, Two Children | 54% | 54% | 59% | 52% | 51% | 53% | 52% | 51% |
| ONTARIO | | | | | | | | |
| Single Employable | 43% | 47% | 52% | 54% | 51% | 51% | 51% | 48% |
| Person with a Disability | | 68% | 72% | 75% | 71% | 71% | 71% | 69% |
| Lone Parent, One Child | 64% | 68% | 76% | 79% | 81% | 81% | 81% | 76% |
| Couple, Two Children | 58% | 61% | 70% | 72% | 73% | 72% | 72% | 67% |
| MANITOBA | | | | | | | | |
| Single Employable | 43% | 40% | 46% | 46% | 43% | 43% | 40% | 39% |
| Person with a Disability | | 43% | 49% | 49% | 55% | 50% | 49% | 48% |
| Lone Parent, One Child | 56% | 50% | 54% | 55% | 60% | 55% | 55% | 54% |
| Couple, Two Children | 60% | 60% | 65% | 67% | 67% | 62% | 63% | 61% |

PERCENTAGE OF THE POVERTY LINE, 1986-2005

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|------|------|------|------|------|------|------|------|------|------|
| 18% | 9% | 9% | 9% | 12% | 20% | 49% | 47% | 47% | 46% |
| 59% | 62% | 61% | 61% | 60% | 59% | 58% | 56% | 55% | 54% |
| 72% | 73% | 75% | 76% | 76% | 76% | 75% | 74% | 73% | 73% |
| 55% | 56% | 58% | 59% | 59% | 60% | 60% | 59% | 59% | 59% |
| 37% | 37% | 36% | 36% | 37% | 36% | 36% | 36% | 36% | 35% |
| 57% | 56% | 56% | 55% | 55% | 54% | 54% | 47% | 47% | 45% |
| 65% | 62% | 62% | 61% | 62% | 62% | 63% | 63% | 63% | 62% |
| 64% | 64% | 63% | 62% | 64% | 64% | 65% | 65% | 65% | 64% |
| 41% | 31% | 30% | 29% | 29% | 29% | 31% | 30% | 30% | 30% |
| 59% | 58% | 58% | 57% | 55% | 51% | 53% | 51% | 50% | 50% |
| 66% | 65% | 65% | 65% | 64% | 60% | 59% | 58% | 58% | 58% |
| 59% | 59% | 59% | 58% | 58% | 61% | 58% | 57% | 57% | 57% |
| 22% | 22% | 22% | 22% | 21% | 21% | 20% | 20% | 19% | 19% |
| 45% | 45% | 45% | 44% | 45% | 45% | 46% | 46% | 45% | 45% |
| 61% | 61% | 63% | 64% | 63% | 63% | 63% | 62% | 61% | 61% |
| 48% | 49% | 51% | 53% | 53% | 53% | 53% | 53% | 53% | 53% |
| 36% | 35% | 34% | 35% | 34% | 34% | 34% | 34% | 34% | 33% |
| 49% | 49% | 50% | 50% | 49% | 49% | 49% | 49% | 49% | 48% |
| 60% | 58% | 58% | 58% | 56% | 56% | 57% | 57% | 57% | 60% |
| 50% | 48% | 48% | 48% | 47% | 48% | 49% | 49% | 49% | 54% |
| 39% | 39% | 38% | 38% | 37% | 36% | 35% | 34% | 34% | 34% |
| 68% | 67% | 66% | 65% | 63% | 62% | 61% | 59% | 59% | 58% |
| 64% | 63% | 62% | 61% | 60% | 58% | 57% | 56% | 56% | 56% |
| 56% | 55% | 55% | 54% | 53% | 52% | 51% | 50% | 50% | 50% |
| 36% | 32% | 31% | 31% | 30% | 29% | 29% | 28% | 28% | 28% |
| 48% | 47% | 46% | 46% | 45% | 44% | 43% | 42% | 42% | 41% |
| 53% | 52% | 51% | 50% | 50% | 52% | 53% | 52% | 52% | 51% |
| 56% | 52% | 51% | 50% | 50% | 50% | 50% | 51% | 53% | 53% |

TABLE 5.1: WELFARE INCOMES AS A

| | 1986 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|--------------------------|------|------|------|------|------|------|------|------|
| SASKATCHEWAN | | | | | | | | |
| Single Employable | 41% | 42% | 41% | 41% | 40% | 42% | 42% | 37% |
| Person with a Disability | | 67% | 65% | 65% | 60% | 59% | 59% | 58% |
| Lone Parent, One Child | 70% | 69% | 68% | 68% | 69% | 68% | 68% | 66% |
| Couple, Two Children | 70% | 68% | 66% | 65% | 66% | 65% | 65% | 64% |
| ALBERTA | | | | | | | | |
| Single Employable | 51% | 36% | 35% | 39% | 36% | 34% | 30% | 29% |
| Person with a Disability | | 44% | 43% | 60% | 42% | 41% | 41% | 40% |
| Lone Parent, One Child | 61% | 55% | 53% | 57% | 58% | 56% | 52% | 51% |
| Couple, Two Children | 66% | 58% | 56% | 62% | 61% | 59% | 56% | 55% |
| BRITISH COLUMBIA | | | | | | | | |
| Single Employable | 37% | 41% | 42% | 40% | 40% | 40% | 41% | 40% |
| Person with a Disability | | 56% | 58% | 58% | 56% | 56% | 57% | 56% |
| Lone Parent, One Child | 55% | 60% | 61% | 62% | 64% | 65% | 66% | 65% |
| Couple, Two Children | 54% | 53% | 54% | 54% | 56% | 56% | 58% | 57% |

A FURTHER LOOK AT FAMILY TYPE

Figures 5.1 through 5.10 on the following pages show total welfare incomes as a percentage of the poverty line in graphic format. The numbers are taken from Table 5.1 and cover the period 1989 to 2005.

In all provinces, single employable persons were consistently the most impoverished. Single persons with a disability followed in most provinces. Lone parents and couples with children tended to do better, but none of the welfare incomes in any of the figures could be considered adequate or reasonable.

The figures for single employable persons have always been the least adequate of the four household types. Most have declined over the period and currently sit at about one-third of the poverty line or less—embarrassingly low levels. New Brunswick's welfare income for a single person has never exceeded 25 percent of the poverty line since the National Council of Welfare started tracking these numbers in 1986. In the 17 years of income data in the following charts, the highest income for a single employable person was 66 percent of the poverty line in Prince Edward Island in 1989. The lowest was nine percent in Newfoundland and Labrador from 1997 to 1999, when the room and board rate was the norm for single employable persons.

The welfare income of the single person with a disability as a percent of the poverty line has varied considerably between provinces over the past 17 years. It currently hovers around 50 percent of the poverty line in most provinces. It was highest at 77 percent of the poverty

| PERCENTAGE OF THE POVERTY LINE, 1986-2005 | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|
| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| 40% | 36% | 36% | 37% | 37% | 37% | 36% | 36% | 36% | 37% |
| 59% | 53% | 53% | 54% | 54% | 53% | 52% | 52% | 52% | 50% |
| 65% | 64% | 59% | 61% | 62% | 61% | 60% | 59% | 58% | 59% |
| 63% | 59% | 59% | 61% | 61% | 61% | 60% | 59% | 59% | 58% |
| 29% | 28% | 28% | 28% | 27% | 26% | 26% | 25% | 25% | 24% |
| 39% | 39% | 39% | 39% | 41% | 40% | 39% | 39% | 39% | 38% |
| 50% | 50% | 50% | 51% | 50% | 49% | 48% | 48% | 48% | 48% |
| 54% | 53% | 54% | 53% | 53% | 52% | 51% | 51% | 51% | 50% |
| 37% | 36% | 36% | 35% | 34% | 34% | 33% | 32% | 32% | 31% |
| 55% | 55% | 54% | 53% | 52% | 51% | 50% | 49% | 48% | 51% |
| 64% | 62% | 62% | 61% | 60% | 59% | 57% | 55% | 54% | 54% |
| 56% | 55% | 54% | 53% | 52% | 52% | 50% | 49% | 48% | 48% |

line, again in Prince Edward Island in 1989. The lowest level was 38 percent of the poverty line in Alberta in 2005, followed by Manitoba at 41 percent, also in 2005. Most people with severe and permanent disabilities in Alberta received assistance through the Assured Income for the Severely Handicapped program, which provided a higher rate than welfare. The sharpest decline occurred in Prince Edward Island, where welfare income as a percent of the poverty line dropped 32 percentage points, from 77 percent in 1989 to 45 percent in 2005.

As of 2005, the welfare incomes of most lone parents stand between 50 and 60 percent of the poverty line. Since 1989, the highest welfare income for a lone parent was 81 percent of the poverty line in Ontario in 1992, 1993 and 1994. Since then, it has dropped a full 25 percentage points and currently stands at 56 percent. The lowest was 48 percent in Alberta in 2002, 2003, 2004 and 2005. Newfoundland and Labrador has consistently had the highest ratio over the 17 years, ranging from a low of 66 percent to a high of 76 percent of the poverty line.

In 2005, the welfare income of a couple with two children also averaged about 55 percent of the poverty line. The highest welfare income for a couple with two children was 78 percent of the poverty line in Prince Edward Island in 1989, and the lowest was 44 percent in New Brunswick in 1989 and 1990. Since 1989, Ontario has again shown the steepest decline, dropping 23 percentage points from 73 percent in 1992 to 50 percent in 2005.

Figure 5.1: Welfare Incomes over Time as % of Poverty Line, Four Household Types in Newfoundland and Labrador

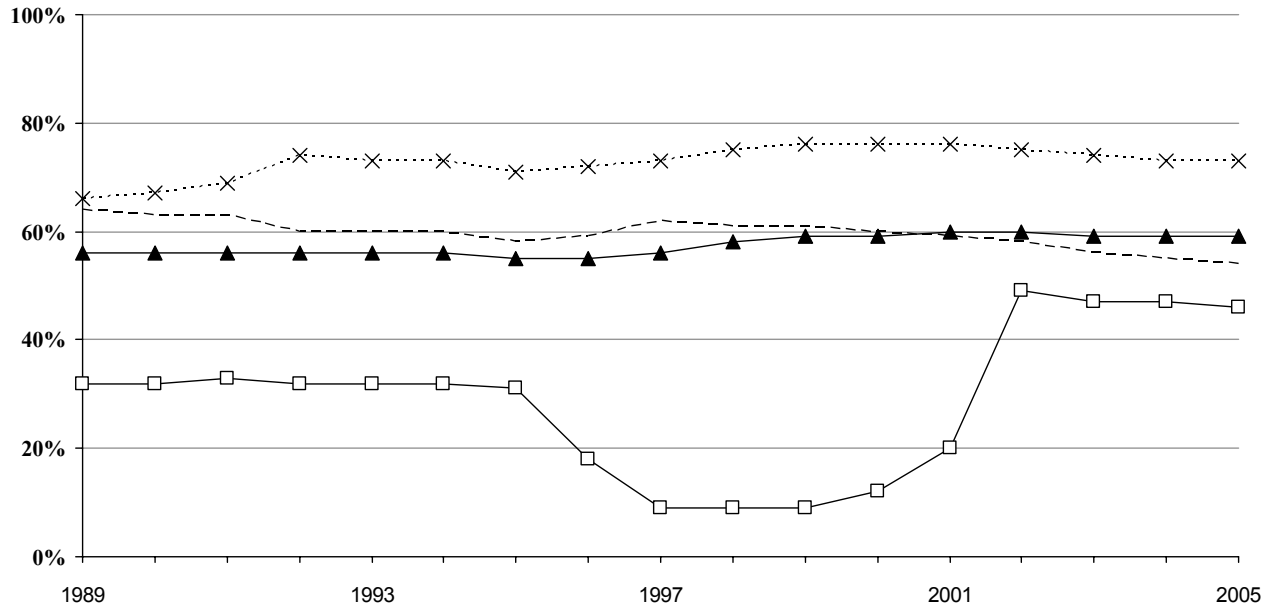
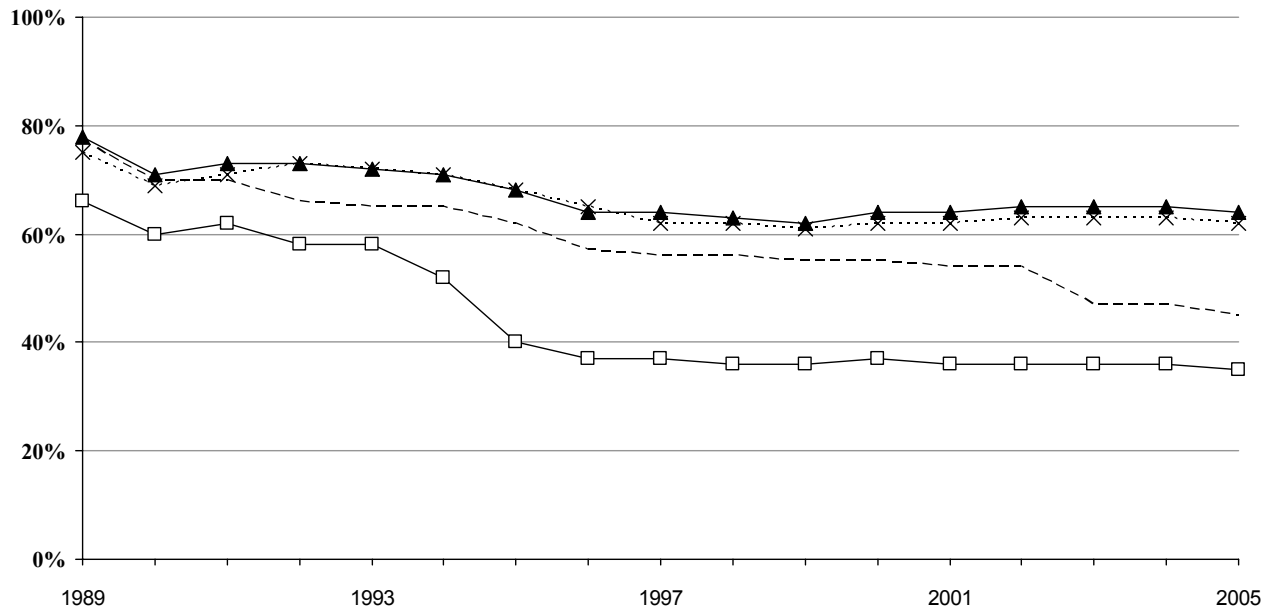


Figure 5.2: Welfare Incomes over Time as % of Poverty Line, Four Household Types in Prince Edward Island



| | |
|------------------------------|-------------------------------|
| —□— Single Employable Person | ---- Person with a Disability |
| - × - Lone Parent, One Child | —▲— Couple, Two Children |

Figure 5.3: Welfare Incomes over Time as % of Poverty Line, Four Household Types in Nova Scotia

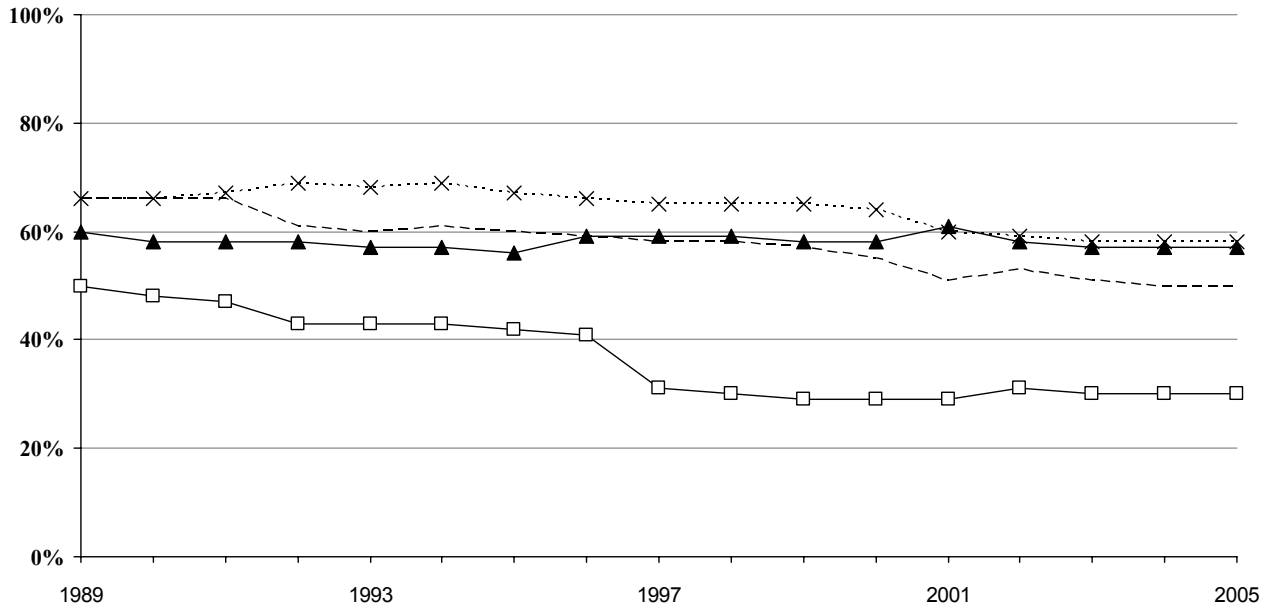
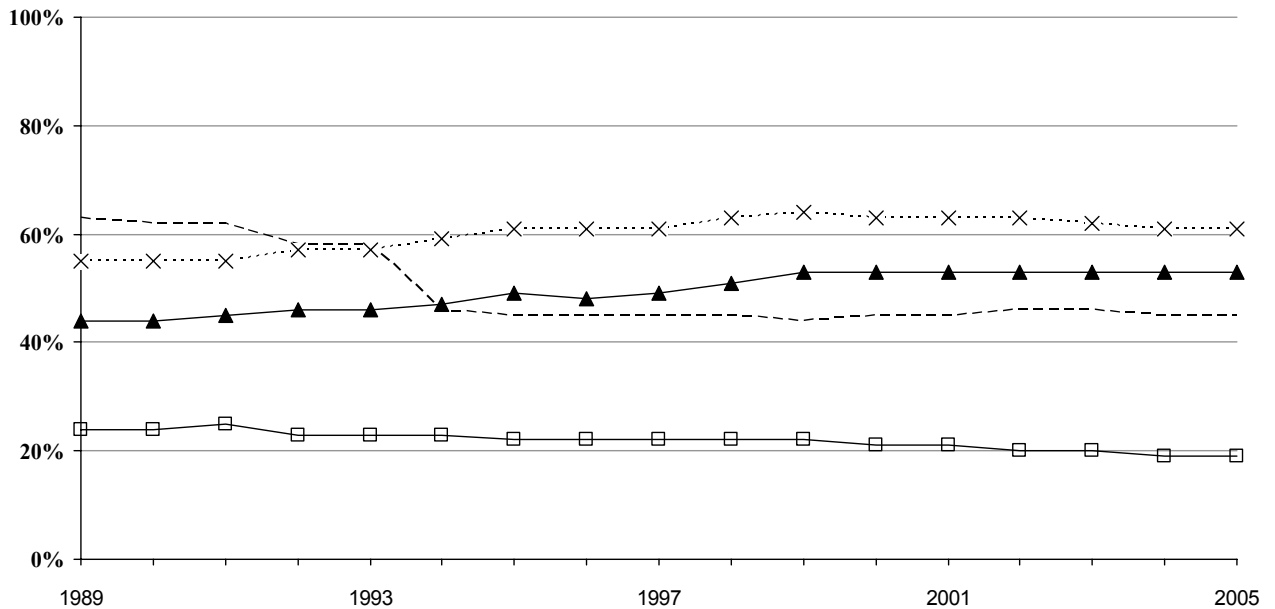


Figure 5.4: Welfare Incomes over Time as % of Poverty Line, Four Household Types in New Brunswick



| | |
|------------------------------|-------------------------------|
| —□— Single Employable Person | ---- Person with a Disability |
| - × - Lone Parent, One Child | —▲— Couple, Two Children |

Figure 5.5: Welfare Incomes over Time as % of Poverty Line, Four Household Types in Quebec

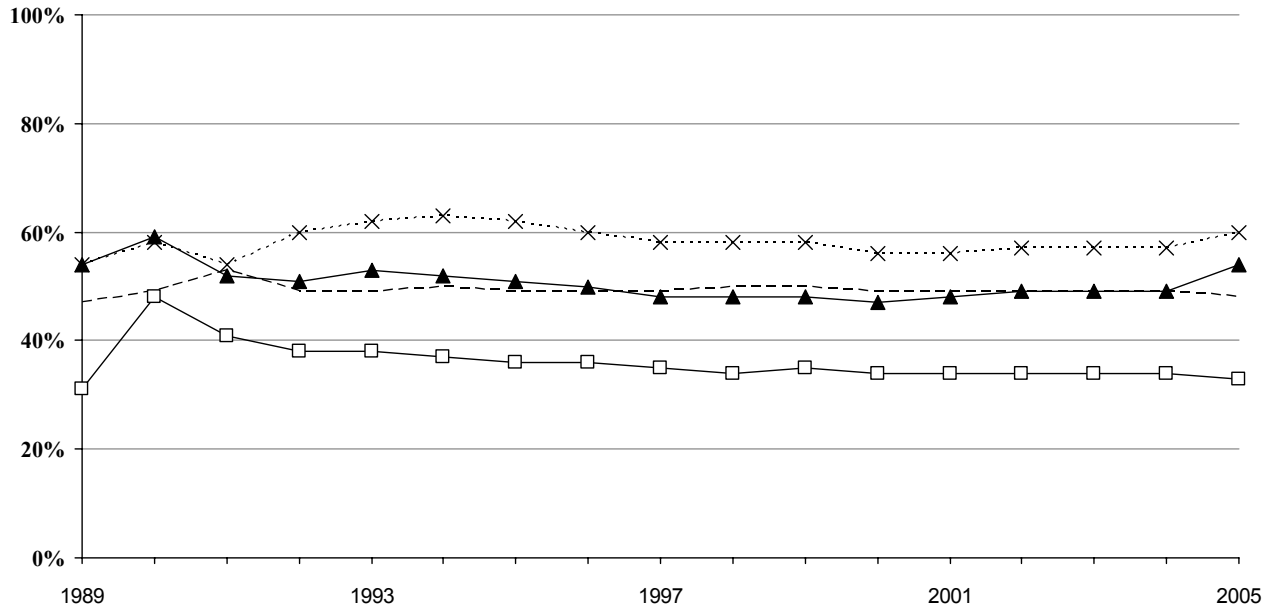
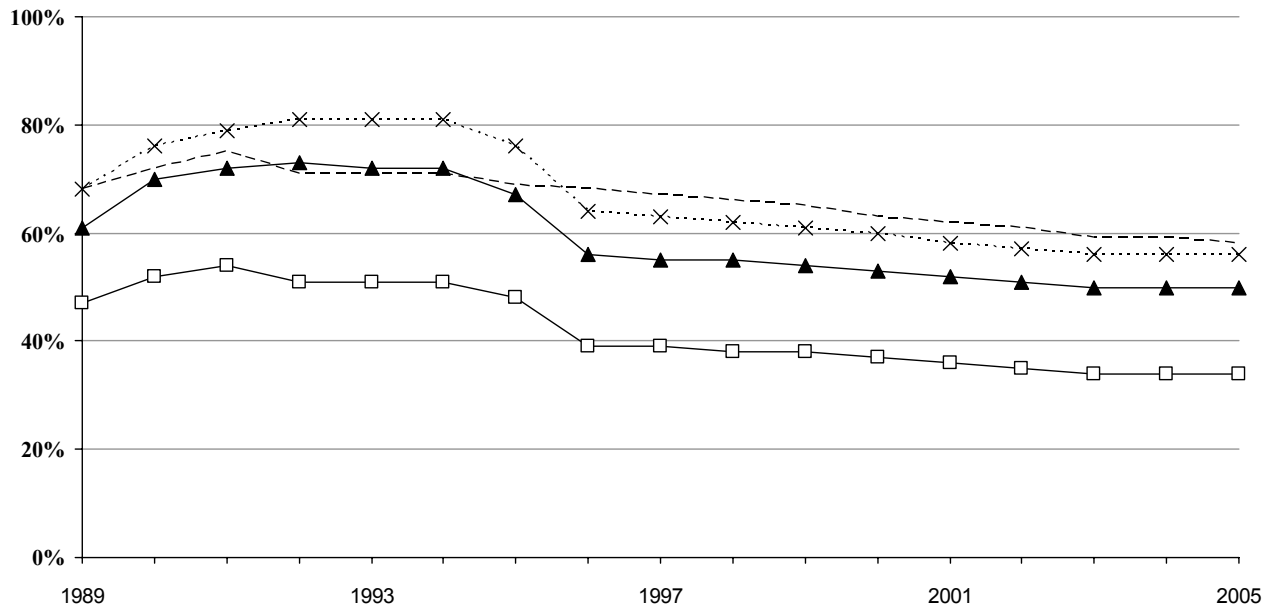


Figure 5.6: Welfare Incomes over Time as % of Poverty Line, Four Household Types in Ontario



| | |
|------------------------------|-------------------------------|
| —□— Single Employable Person | ---- Person with a Disability |
| - x - Lone Parent, One Child | —▲— Couple, Two Children |

Figure 5.7: Welfare Incomes over Time as % of Poverty Line, Four Household Types in Manitoba

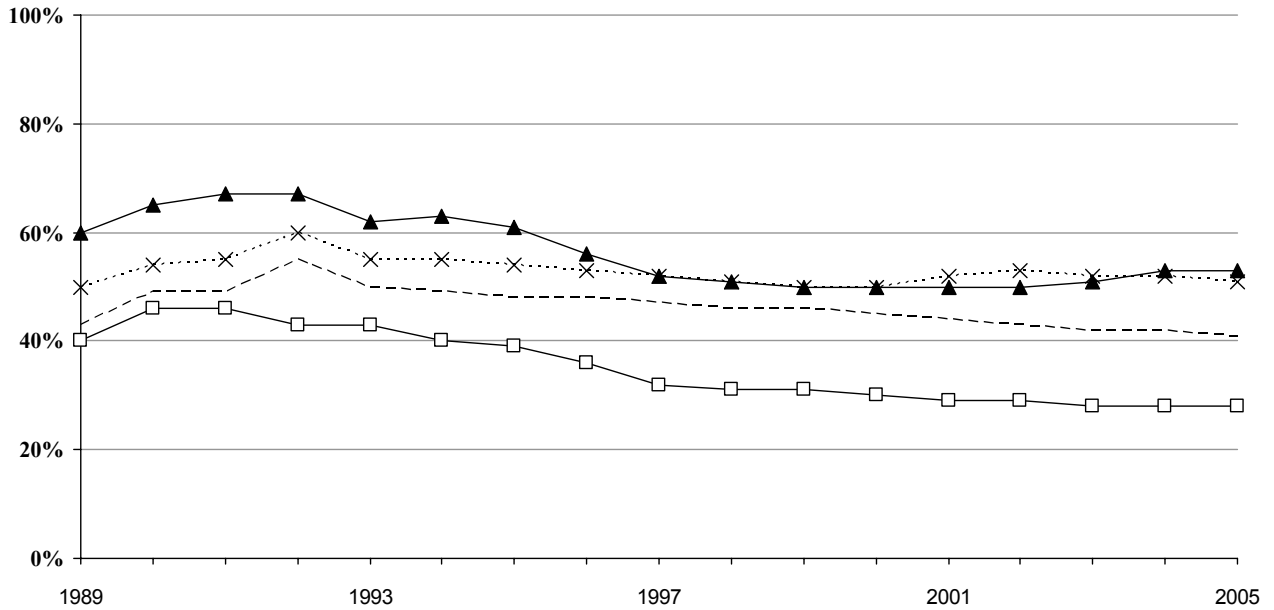
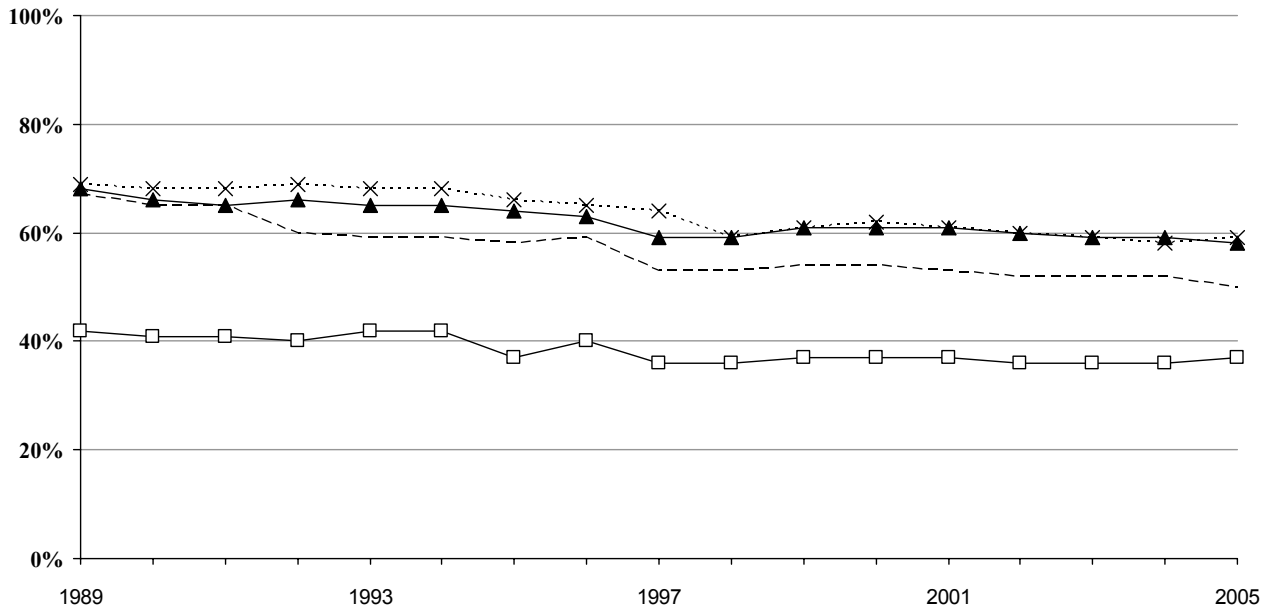


Figure 5.8: Welfare Incomes over Time as % of Poverty Line, Four Household Types in Saskatchewan



| | |
|------------------------------|-------------------------------|
| —□— Single Employable Person | ---- Person with a Disability |
| - × - Lone Parent, One Child | —▲— Couple, Two Children |

Figure 5.9: Welfare Incomes over Time as % of Poverty Line, Four Household Types in Alberta

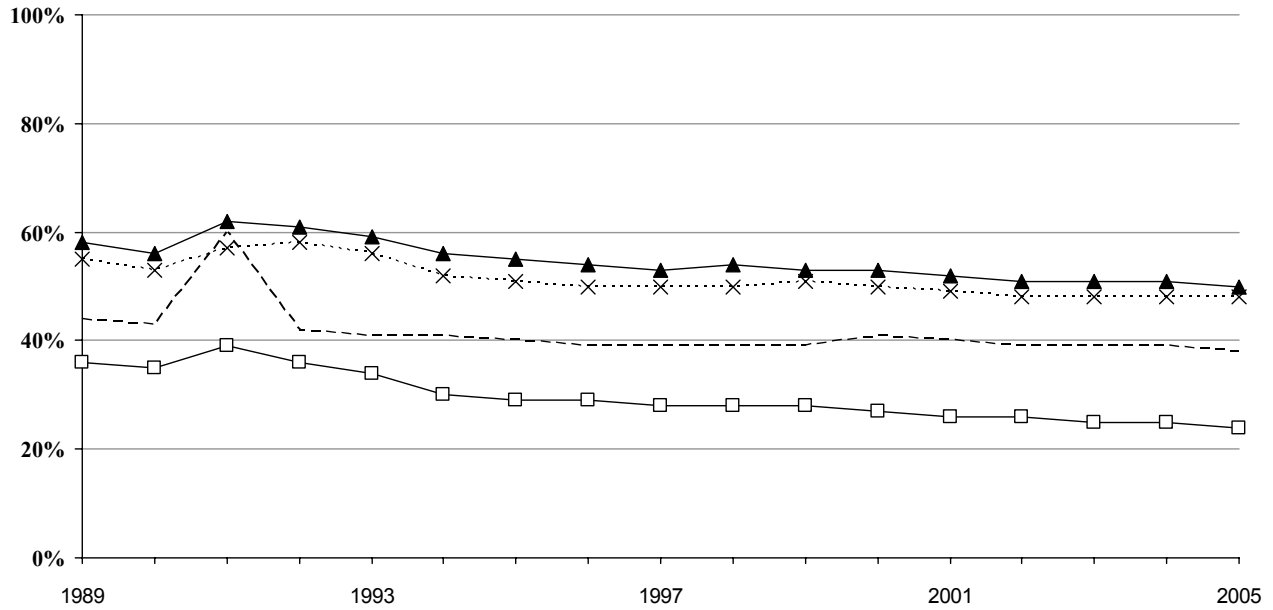
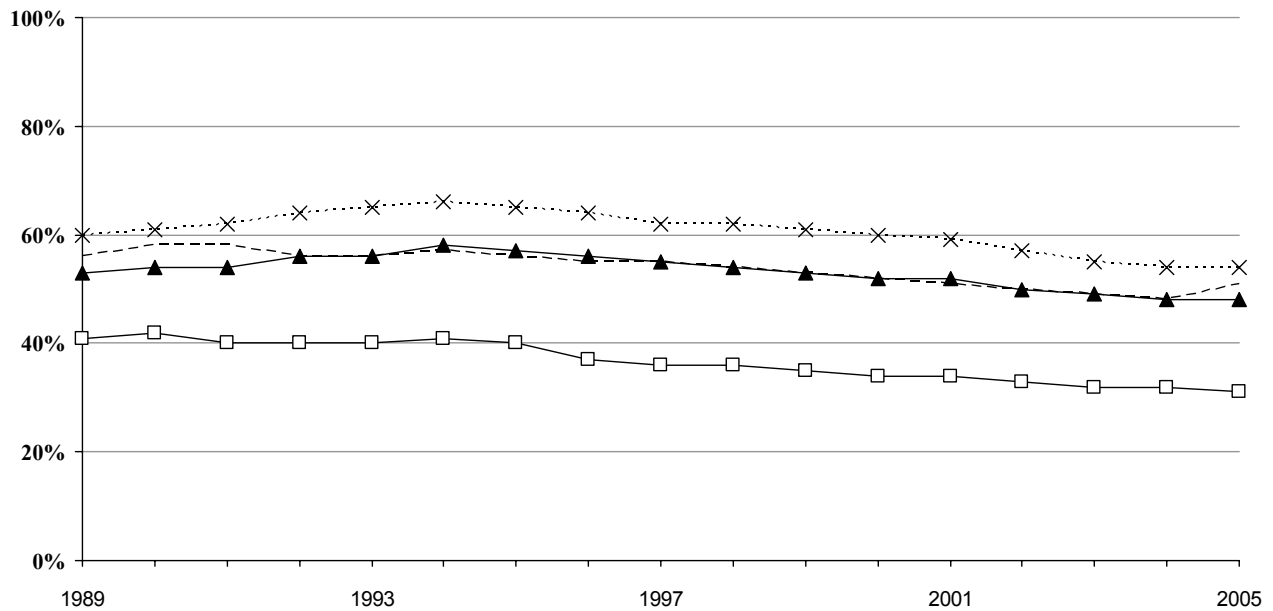


Figure 5.10: Welfare Incomes over Time as % of Poverty Line, Four Household Types in British Columbia



| | |
|------------------------------|-------------------------------|
| —□— Single Employable Person | ---- Person with a Disability |
| - × - Lone Parent, One Child | —▲— Couple, Two Children |

CONCLUSION

Welfare Incomes has never been a good news report. Sadly, *Welfare Incomes 2005* continues in that vein. Many welfare incomes are lower now than they were 1986, when the National Council of Welfare started reporting on them.

In July 2006, in *Poverty Profile, 2002 and 2003*, the National Council of Welfare strongly recommended that the federal government work to develop a national, comprehensive anti-poverty strategy—a pan-Canadian version of strategies adopted by the governments of Quebec and Newfoundland and Labrador. Nowhere is the need for overhaul and redesign of income security more glaring than in the social assistance systems across Canada. What makes matters worse is how rapid the descent into welfare can be when the market, Employment Insurance and other parts of our social security system are restricting access and casting many Canadians adrift.

Welfare incomes have never been close to adequate anywhere in Canada. But the 1.7 million people—half a million of whom are children—who are forced to rely on welfare are being left farther and farther behind. We looked at total welfare incomes for four household types in each province and territory, for a total of 52 scenarios. In 2005, incomes in 20 scenarios were the lowest they have been since we started tracking them. Ontario, Manitoba, Saskatchewan, Alberta and British Columbia hold the dubious distinction of recording the lowest welfare incomes between 2000 and 2005 for all four household types.

Many people have little sympathy for those on welfare; they are seen as lazy and undeserving. Since the mid 1990s, many government welfare reforms have reinforced these perceptions and they have become engrained in the thinking of a large segment of society. But people don't turn to welfare because they want to; they turn to it because they have no other options. Who would choose to live on such a meagre income? People are on welfare because they have lost their jobs, are widowed, are separated or divorced and are raising their children alone, are fleeing abusive relationships, or have a disability that prevents them from holding a job. Increasing numbers of people on welfare have multiple barriers to employment. They face additional challenges due to any combination of low job skills, lack of access to child care, long-term unemployment or substance abuse problems, to name a few. So why should people care? Because, in a Canada with an increasing number of non-standard and insecure jobs—most of them low-paid with few or no benefits—and limited access to Employment Insurance, many are a step away from having to turn to welfare themselves. And all Canadians are paying the price through higher health and justice costs, lost human potential, and the diminished productive capacity of those living in poverty.

The National Council of Welfare has consistently called for major improvements in welfare and related programs. Provincial and territorial governments need to commit to adequate levels of income support. There needs to be an enhanced federal financial arrangement for welfare. The clawback of federal child benefits needs to end immediately.

In June 2006, the United Nations Committee on Economic, Social and Cultural Rights criticized the federal, provincial and territorial governments for failing to live up to their commitments under the *International Covenant on Economic, Social and Cultural Rights*. Article 2 of the Covenant refers to state parties “achieving progressively the full realization of the rights recognized in the present Covenant”. In this context, Canada has failed miserably in ensuring Canadians’ rights to an adequate standard of living and the right to social security. The continuing decline of welfare incomes for most households represents a failure on the part of federal, provincial and territorial governments to respect their commitments.

The May 2006 federal budget offered little hope for people living in poverty. It introduced many income tax changes and their impact on low-income earners in different situations is not clear. But what is clear is that higher income earners benefit most. Persons who do not pay incomes taxes will not benefit at all.

The new Universal Child Care Benefit (UCCB), which provides \$100 per child per month to families with children 6 or under, started in July 2006. As a taxable benefit in the hands of the lowest earner in a family, it triggers inequities between one- and two-earner families with the same annual income, and between one-earner families with two parents and employed lone parents who struggle as their family’s sole or primary earner and caregiver. While it may provide some welcome financial support to families, those who will benefit the most are those who already have options. This new choice in child care is really no choice for parents or children living in poverty. It is not a child care benefit – it is a child benefit. It does nothing to increase the number of subsidized child care spaces or to offer developmental opportunities to children in disadvantaged situations. Low-income parents genuinely need more direct financial assistance, but they also require access to quality and affordable daycare to escape poverty.

Families who must resort to welfare will be better off as long as welfare benefits are maintained and the UCCB is not clawed back. The National Council of Welfare commends all provinces and territories in their decision not to claw back the benefit from welfare.

The reality for all low-income families is that the new UCCB will not really be \$1,200 per child per year, but considerably less. The supplement for young children, part of the Canada Child Tax Benefit, was slated to reach \$249 per child this year. However, it has been eliminated and rolled into the new UCCB, bringing the true value of the UCCB down to \$951. And low-income parents in the paid labour market will owe part of their benefit back in taxes at the end of the year because the new allowance is taxable.

The National Council of Welfare proposes a long-term, comprehensive anti-poverty strategy to address the causes of poverty, explore innovative solutions and engage Canadians living in poverty in the process. The evidence presented in *Welfare Incomes 2005* argues compellingly that we must embark on this process without delay to give hope and real options to people living in poverty.

APPENDICES

Seven appendices are presented in this edition of *Welfare Incomes*.

APPENDIX A reports the estimated number of people on welfare by province and territory as of March of each year. All figures are estimates based on the most recent data available.

APPENDIX B presents Statistics Canada's before-tax low income cut-offs (LICOs) for 2005.

APPENDIX C shows the maximum Canada Child Tax Benefit amounts, including the National Child Benefit Supplement, from July 1998 to July 2005.

APPENDIX D shows the maximum Canada Child Tax Benefit payments from 1998 to 2005 for a lone parent with a 2-year-old child and a couple with two children aged 10 and 15.

APPENDIX E shows estimates of families receiving social assistance whose National Child Benefit Supplement was clawed back in March 2005.

APPENDIX F shows estimates of children in families receiving social assistance whose National Child Benefit Supplement was clawed back in March 2005.

APPENDIX G provides additional resources for information on provincial and territorial welfare programs.

SOURCE OF DATA FOR APPENDICES E AND F

Data on families and children entitled to NCBS were obtained through the Statistics Division at the Canada Revenue Agency.

Data on the estimated numbers of families and children receiving social assistance in March 2005 were provided by the Social Program Analysis Division of the Social Policy Branch at Human Resources and Social Development Canada. Some figures may differ from published provincial or territorial information due to different reporting systems.

Totals for Canada may not add up due to rounding.

APPENDIX A: ESTIMATED NUMBER OF PEOPLE

| | March 31, 1995 | March 31, 1996 | March 31, 1997 | March 31, 1998 | March 31, 1999 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| NEWFOUNDLAND AND LABRADOR | 71,300 | 72,000 | 71,900 | 64,600 | 59,900 |
| PRINCE EDWARD ISLAND | 12,400 | 11,700 | 11,100 | 10,900 | 9,800 |
| NOVA SCOTIA | 104,000 | 103,100 | 93,700 | 85,500 | 80,900 |
| NEW BRUNSWICK | 67,400 | 67,100 | 70,600 | 67,100 | 61,800 |
| QUEBEC | 802,200 | 813,200 | 793,300 | 725,700 | 661,300 |
| ONTARIO | 1,344,600 | 1,214,600 | 1,149,600 | 1,091,300 | 910,100 |
| MANITOBA | 85,200 | 85,800 | 79,100 | 72,700 | 68,700 |
| SASKATCHEWAN | 82,200 | 80,600 | 79,700 | 72,500 | 66,500 |
| ALBERTA | 113,200 | 105,600 | 89,800 | 77,000 | 71,900 |
| BRITISH COLUMBIA | 374,300 | 369,900 | 321,300 | 297,400 | 275,200 |
| YUKON | 2,100 | 1,700 | 2,000 | 2,100 | 1,700 |
| NORTHWEST TERRITORIES | 12,000 | 11,800 | 12,800 | 10,700 | 11,300 |
| NUNAVUT | | | | | |
| CANADA | 3,070,900 | 2,937,100 | 2,774,900 | 2,577,500 | 2,279,100 |

Source: Social Program Analysis Division, Social Policy Branch,

† Revised

^R The 2004 data for Manitoba have been amended to include both municipal

* Due to changes in reporting, the number of

Note: All figures are estimates based on the most recent data available.

| ON WELFARE BY PROVINCE AND TERRITORY | | | | | | |
|--------------------------------------|-------------------|-------------------|------------------------------|------------------------------|-------------------|--------------------------|
| March 31, 2000 | March 31, 2001 | March 31, 2002 | March 31, 2003 | March 31, 2004 | March 31, 2005 | % Change 2004-2005 |
| 59,400 | 54,400 | 52,100 | 51,200 | 49,800 | 48,500 | -2.6% |
| 8,400 | 7,900 | 7,500 | 7,000 | 7,100 ^r | 6,900 | -2.8% |
| 73,700 | 66,800 | 61,500 | 58,300 | 56,300 | 52,300 | -7.1% |
| 56,300 | 52,900 | 50,700 | 49,300 | 47,100 ^r | 45,300 | -3.8% |
| 618,900 | 576,600 | 560,800 | 544,200 | 532,200 | 518,200 | -2.6% |
| 802,000 | 709,200 | 687,600 | 673,900 | 672,000 | 676,500 | 0.7% |
| 63,300 | 60,500 | 60,100 | 59,900 | 60,800 ^R | 60,900 | 0.2% ^R |
| 63,800 | 60,900 | 56,100 | 53,200 | 51,800 | 48,700 | -6.0% |
| 64,800 | 58,000 | 53,800 | 57,800 | 59,900 ^r | 56,400 | -5.8% |
| 262,400 | 252,900 | 241,200 | 180,700 | 165,000 | 149,300 | -9.5% |
| 1,400 | 1,300 | 1,000 | 1,100 | 1,300 | 1,100 | -15.4% |
| 3,400 | 2,200 | 2,100 | 1,900 | 2,000 ^r | 1,900 | -5.0% |
| 7,300 | 7,300 | 8,100 | 7,100 | 8,600 ^r | 13,800* | 60.5% |
| 2,085,100 | 1,910,900 | 1,842,600 | 1,745,800^r | 1,713,900^R | 1,679,800 | -2.0%^R |

Human Resources and Social Development Canada.

and provincial caseload data in order to ensure consistency with the data for 2005.

recipients in Nunavut has increased significantly.

Excludes an estimated 150,000 First Nations people on reserve.

APPENDIX B: POVERTY LINES, 2005
STATISTICS CANADA'S BEFORE-TAX LOW INCOME CUT-OFFS (1992 BASE)

| Family Size | Community Size | | | | Rural Areas |
|-------------|--------------------|-----------------|---------------|------------------|-------------|
| | Cities of 500,000+ | 100,000-499,999 | 30,000-99,999 | Less than 30,000 | |
| 1 | \$20,778 | \$17,895 | \$17,784 | \$16,273 | \$14,303 |
| 2 | \$25,867 | \$22,276 | \$22,139 | \$20,257 | \$17,807 |
| 3 | \$31,801 | \$27,386 | \$27,217 | \$24,904 | \$21,891 |
| 4 | \$38,610 | \$33,251 | \$33,046 | \$30,238 | \$26,579 |
| 5 | \$43,791 | \$37,711 | \$37,480 | \$34,295 | \$30,145 |
| 6 | \$49,389 | \$42,533 | \$42,271 | \$38,679 | \$33,999 |
| 7 + | \$54,987 | \$47,354 | \$47,063 | \$43,063 | \$37,853 |

| APPENDIX C: MAXIMUM AMOUNTS FOR THE CANADA CHILD TAX BENEFIT, 1998-2005 | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| | July 1998 | July 1999 | July 2000 | July 2001 | July 2002 | July 2003 | July 2004 | July 2005 | |
| Canada Child Tax Benefit – Basic Benefit | \$1,020 | \$1,020 | \$1,104 | \$1,117 | \$1,151 | \$1,169 | \$1,208 | \$1,228 | |
| Canada Child Tax Benefit Threshold | \$25,921 | \$25,921 | \$30,004 | \$32,000 | \$32,960 | \$33,487 | \$35,000 | \$35,595 | |
| Additional Payment for a Child Under 7 | \$213 | \$213 | \$219 | \$221 | \$228 | \$232 | \$239 | \$243 | |
| National Child Benefit Supplement for the 1 st Child in a Family | \$605 | \$785 | \$977 | \$1,255 | \$1,293 | \$1,463 | \$1,511 | \$1,722 | |
| National Child Benefit Supplement for the 2 nd Child in a Family | \$405 | \$585 | \$771 | \$1,055 | \$1,087 | \$1,254 | \$1,295 | \$1,502 | |
| National Child Benefit Supplement Threshold | \$20,921 | \$20,921 | \$21,214 | \$21,744 | \$22,397 | \$21,529 | \$22,615 | \$21,480 | |

This table shows the payments by the federal government to families with children since the Canada Child Tax Benefit (CCTB) was introduced in July 1998. The Canada Child Tax Benefit consists of two parts: the CCTB Basic Benefit and the National Child Benefit Supplement or NCBS. Families with children under seven get an additional payment. Each year, the rates increase on July 1

and are in effect until June 30 of the following year. The CCTB Basic Benefit and NCBS are paid monthly by the federal government in one cheque to each qualifying family.

The first row called Canada Child Tax Benefit – Basic Benefit shows the annual basic benefit. The second row called Canada Child Tax Benefit Threshold shows the highest net income a family could have and still be eligible for the full CCTB Basic Benefit. Once a family's income exceeded this amount, the federal government reduced the Basic Benefit. As of July 2005, the Basic Benefit was completely phased out once the net income of a family with one or two children exceeded \$96,995. Families with three or more children did not receive the basic federal benefit after a net income of \$129,845. The third row shows the annual basic supplement paid for each child under seven.

The federal government paid a CCTB Basic Benefit of \$1,228 for the period beginning July 1, 2005, for each child under age 18 if the family's income was under \$35,595. The amounts were the same for all provinces and territories except Alberta, which asked the federal government to vary these amounts. The federal government also made an additional payment of \$243 for each child under age 7 for the period beginning July 2005.

The fourth and fifth rows show the National Child Benefit Supplement as of July 1 each year. For the first child in a family, the supplement was \$1,722 on July 1, 2005, and \$1,502 for the second child.

The final row called National Child Benefit Supplement Threshold shows the highest income a family could have and still get the full supplement. The column for July 2005 shows that the federal government provided all families with incomes under \$21,480 with the full National Child Benefit Supplement. Families with three or fewer children and a net family income between \$21,480 and \$35,595 received partial NCBS.

| APPENDIX D: MAXIMUM CANADA CHILD TAX BENEFIT PAYMENTS BY CALENDAR YEAR, 1998-2005 | | |
|---|-----------------------------------|--|
| January 1 to December 31 | Lone Parent with One Child, Age 2 | Couple with Two Children, Ages 10 and 15 |
| 1998 | \$1,535 | \$2,545 |
| 1999 | \$1,928 | \$3,230 |
| 2000 | \$2,159 | \$3,683 |
| 2001 | \$2,447 | \$4,250 |
| 2002 | \$2,633 | \$4,613 |
| 2003 | \$2,768 | \$4,869 |
| 2004 | \$2,911 | \$5,139 |
| 2005 | \$3,076 | \$5,451 |

This table shows the maximum Canada Child Tax Benefit payments from 1998 to 2005 for a lone parent with a 2-year-old and a couple with children aged 10 and 15. Each row includes the total payments each family received between January 1 and December 31 each year. The calculations are based on six months of payments at the previous year's rate for January to June and six months of payments at the current year's rate for July to December.

The middle column shows the total annual payment to the lone-parent family. The payment includes the CCTB Basic Benefit and the additional payment for a child under seven, combined with the National Child Benefit Supplement. In the last column, the annual amounts include the CCTB Basic Benefit and the National Child Benefit Supplement payments for a couple with children aged 10 and 15.

APPENDIX E: WELFARE FAMILIES AND THE CLAWBACK IN 2005

The table that follows highlights the number of welfare families with children who had all or part of the National Child Benefit Supplement clawed back by provincial or territorial governments as of early 2005. Appendix F gives similar data using the number of children, rather than the number of families, subject to the clawback.

The first two columns show the number of lone-parent families and two-parent families who were entitled to receive the NCB Supplement in 2005. The information came from the Statistics Division of the Canada Revenue Agency.

The third and fourth columns show the number of families receiving welfare in early 2005, as compiled by the Social Program Analysis Division of the Social Policy Branch, Human Resources and Social Development Canada.

The last four columns highlight provinces and territories which clawed back all or part of the NCB Supplement from their welfare recipients. The numbers shown in the fifth and seventh columns are the same as the numbers in the welfare columns, and the percentages in the sixth and eighth columns compare the welfare families clawed back with all families eligible for the NCB Supplement. Where there are no clawbacks, all four columns are blank.

The subtotals and grand totals at the bottom of the table show the overall impact of the clawback in provinces and territories where it still existed as of March 2005. In those jurisdictions, 134,850 lone-parent families or 16.9 percent of all lone-parent families eligible for the supplement had all or part of it clawed back. The comparable figures for two-parent families were 39,400 families or 6.6 percent of all two-parent families eligible for the NCBs.

The grand total for Canada was 174,250 welfare families who still had their welfare or child benefits reduced by the all or part of the NCBs in March 2005. That figure is 61 percent of all welfare families with children in Canada, but only 12.5 percent of the nearly 1.4 million families who received the NCB Supplement.

| APPENDIX E: ESTIMATES OF FAMILIES RECEIVING SOCIAL ASSISTANCE (SA) AND WHOSE NATIONAL CHILD BENEFIT SUPPLEMENT (NCBS) WAS CLAWED BACK IN MARCH 2005 | | | | | | | |
|---|---|-------------------|--|-------------------|--|--------------|-------------------|
| | TOTAL FAMILIES ENTITLED TO NCBS IN MARCH 2005 | | TOTAL FAMILIES RECEIVING SA IN MARCH 2005 ¹ | | FAMILIES WHOSE SUPPLEMENT IS CLAWED BACK IN MARCH 2005 | | |
| | Lone-Parent Family | Two-Parent Family | Lone-Parent Family | Two-Parent Family | Lone-Parent Family | | Two-Parent Family |
| | | | | | Number | % | |
| NEWFOUNDLAND AND LABRADOR | 16,183 | 12,513 | 6,500 | 2,550 | | | |
| PRINCE EDWARD ISLAND | 4,350 | 2,427 | 900 | 300 | 900 | 20.7% | 300 |
| NOVA SCOTIA ² | 31,645 | 15,365 | 8,300 | 1,000 | | | |
| NEW BRUNSWICK | 25,086 | 14,238 | 7,500 | 2,150 | | | |
| QUEBEC | 195,257 | 141,026 | 50,200 | 22,700 | | | |
| ONTARIO | 276,340 | 222,433 | 97,400 | 32,500 | 97,400 | 35.2% | 32,500 |
| MANITOBA | 35,734 | 26,727 | 10,100 | 1,750 | | | |
| SASKATCHEWAN ³ | 33,887 | 21,593 | 7,200 | 1,400 | 7,200 | 21.2% | 1,400 |
| ALBERTA | 76,957 | 53,543 | 10,400 | 2,100 | 10,400 | 13.5% | 2,100 |
| BRITISH COLUMBIA ³ | 99,798 | 86,123 | 18,200 | 2,900 | 18,200 | 18.2% | 2,900 |
| YUKON | 942 | 350 | 200 | 50 | 200 | 21.2% | 50 |
| NORTHWEST TERRITORIES | 1,427 | 641 | 300 | 50 | 300 | 21.0% | 50 |
| NUNAVUT ⁴ | 1,236 | 1,390 | 250 | 100 | 250 | 20.2% | 100 |
| CANADA⁵ | 798,842 | 598,369 | 217,450 | 69,550 | 134,850 | 16.9% | 39,400 |
| | | | | | | | 6.6% |

| APPENDIX E: ESTIMATES OF FAMILIES RECEIVING SOCIAL ASSISTANCE (SA) AND WHOSE NATIONAL CHILD BENEFIT SUPPLEMENT (NCBS) WAS CLAWED BACK IN MARCH 2005 | | | | |
|---|---|--|--|--------------|
| | TOTAL FAMILIES ENTITLED TO NCBS IN MARCH 2005 | TOTAL FAMILIES RECEIVING S.A. IN MARCH 2005 ¹ | FAMILIES WHOSE SUPPLEMENT IS CLAWED BACK IN MARCH 2005 | |
| | | | Number | % |
| NON-CLAWBACK JURISDICTIONS | | | | |
| Lone-Parent Families | 303,905 | 82,600 | | |
| Two-Parent Families | 209,869 | 30,150 | | |
| SUB-TOTALS | 513,774 | 112,750 | | |
| CLAWBACK JURISDICTIONS | | | | |
| Lone-Parent Families | 494,937 | 134,850 | 134,850 | 16.9% |
| Two-Parent Families | 388,500 | 39,400 | 39,400 | 6.6% |
| SUB-TOTALS | 883,437 | 174,250 | | |
| GRAND TOTAL | 1,397,211 | 287,000 | 174,250 | 12.5% |

¹ Some figures may differ from published provincial or territorial information due to different reporting systems.

² Nova Scotia's social assistance data include a small number of families receiving Transitional Pharmacare benefits only.

³ All families have their child benefit reduced by the NCBS, not just welfare families.

⁴ Social assistance data for Nunavut were not available. Figures shown are estimates based on the percentage of NWT households, by family type, that received the NCBS and also received welfare in March 2005.

⁵ Canada totals for families in receipt of the NCBS exclude a small number of families living outside Canada.

APPENDIX F: CHILDREN IN WELFARE FAMILIES AND THE CLAWBACK IN 2005

The table that follows highlights the number of children in welfare who had all or part of the National Child Benefit Supplement clawed back by provincial or territorial governments as of early 2005. Appendix E gives similar data using the number of families, rather than the number of children in families, subject to the clawback.

The first two columns show the number of children in lone-parent families and two-parent families who were entitled to receive the NCB Supplement in 2005. The information came from the Statistics Division of the Canada Revenue Agency.

The third and fourth columns show the number of children in families receiving welfare in early 2005, as compiled by the Social Program Analysis Division of the Social Policy Branch, Human Resources and Social Development Canada.

The last four columns highlight provinces and territories which clawed back all or part of the NCB Supplement from their welfare recipients. The numbers shown in the fifth and seventh columns are the same as the numbers in the welfare columns, and the percentages in the sixth and eighth columns compare the children in welfare families clawed back with all children eligible for the NCB Supplement. Where there are no clawbacks, all four columns are blank.

The subtotals and grand totals at the bottom of the table show the overall impact of the clawback in provinces and territories where it still existed as of March 2005. In those jurisdictions, 206,150 children in lone-parent families or 16 percent of all children in lone-parent families eligible for the supplement had all or part of it clawed back. The comparable figures for two-parent families were 74,750 children or 6.3 percent of all children in two-parent families eligible for the supplement.

The grand total for Canada was 280,900 children in welfare families who still had their welfare or child benefits reduced by all or part of the NCB in March 2005. That figure is 59 percent of all 476,500 children in welfare families in Canada, but only 11.4 percent of the more than 2.4 million children in families who received the NCB Supplement in March 2005.

| APPENDIX F: ESTIMATES OF CHILDREN IN FAMILIES RECEIVING SOCIAL ASSISTANCE (SA) AND WHOSE NATIONAL CHILD BENEFIT SUPPLEMENT (NCBS) WAS CLAWED BACK IN MARCH 2005 | | | | | | |
|---|---|-------------------|--|-------------------|--|-----------------------------|
| | TOTAL NUMBER OF CHILDREN ENTITLED TO NCBS IN MARCH 2005 | | TOTAL NUMBER OF CHILDREN IN FAMILIES RECEIVING SA IN MARCH 2005 ¹ | | CHILDREN IN FAMILIES WHOSE SUPPLEMENT IS CLAWED BACK IN MARCH 2005 | |
| | Lone-Parent Family | Two-Parent Family | Lone-Parent Family | Two-Parent Family | Lone-Parent Family Number | Two-Parent Family Number |
| | | | | | % | % |
| NEWFOUNDLAND AND LABRADOR | 23,783 | 21,154 | 9,800 | 4,600 | 1,600 | 700 |
| PRINCE EDWARD ISLAND | 6,752 | 4,746 | 1,600 | 700 | | |
| NOVA SCOTIA ² | 49,961 | 29,075 | 13,700 | 3,800 | 23.7% | 700 |
| NEW BRUNSWICK | 37,622 | 25,921 | 10,800 | 4,100 | | |
| QUEBEC | 299,719 | 273,090 | 77,900 | 45,500 | | |
| ONTARIO | 449,539 | 430,654 | 139,500 | 58,800 | 31.0% | 58,800 |
| MANITOBA | 63,230 | 62,985 | 20,700 | 4,700 | | |
| SASKATCHEWAN ³ | 62,453 | 49,706 | 14,800 | 3,500 | 23.7% | 3,500 |
| ALBERTA | 128,009 | 116,492 | 19,600 | 5,100 | 15.3% | 5,100 |
| BRITISH COLUMBIA ³ | 158,437 | 159,345 | 29,400 | 5,800 | 18.6% | 5,800 |
| YUKON | 1,505 | 671 | 300 | 100 | 19.9% | 100 |
| NORTHWEST TERRITORIES | 2,437 | 1,368 | 500 | 200 | 20.5% | 200 |
| NUNAVUT ⁴ | 2,158 | 3,609 | 450 | 550 | 20.9% | 550 |
| CANADA⁵ | 1,285,605 | 1,178,816 | 339,050 | 137,450 | 206,150 | 74,750 |
| | | | | | 16.0% | 6.3% |

| APPENDIX F: ESTIMATES OF CHILDREN IN FAMILIES RECEIVING SOCIAL ASSISTANCE (SA) AND WHOSE NATIONAL CHILD BENEFIT SUPPLEMENT (NCBS) WAS CLAWED BACK IN MARCH 2005 | | | | |
|---|---|--|--|--------------|
| | TOTAL NUMBER OF CHILDREN ENTITLED TO NCBS IN MARCH 2005 | TOTAL NUMBER OF CHILDREN IN FAMILIES RECEIVING SA IN MARCH 2005 ¹ | CHILDREN IN FAMILIES WHOSE SUPPLEMENT IS CLAWED BACK IN MARCH 2005 | |
| | | | Number | % |
| NON-CLAWBACK JURISDICTIONS | | | | |
| Children in Lone-Parent Families | 474,315 | 132,900 | | |
| Children in Two-Parent Families | 412,225 | 62,700 | | |
| SUB-TOTALS | 886,540 | 195,600 | | |
| CLAWBACK JURISDICTIONS | | | | |
| Children in Lone-Parent Families | 811,290 | 206,150 | 206,150 | 16.0% |
| Children in Two-Parent Families | 766,591 | 74,750 | 74,750 | 6.3% |
| SUB-TOTALS | 1,577,881 | 280,900 | | |
| GRAND TOTAL | 2,464,421 | 476,500 | 280,900 | 11.4% |

¹ Some figures may differ from published provincial or territorial information due to different reporting systems.

² Nova Scotia's social assistance data include a small number of children in families receiving Transitional Pharmacare benefits only.

³ Children in all families have their child benefit reduced by the NCBS, not just children in welfare families.

⁴ Social assistance data for Nunavut were not available. Figures shown are estimates based on the percentage of children in NWT households, by family type, that received the NCBS and also received welfare in March 2005.

⁵ Canada totals for children in receipt of the NCBS exclude a small number of children living outside Canada.

APPENDIX G: ADDITIONAL RESOURCES

Additional information on provincial and territorial welfare programs is available from a number of online sources. Those without Internet access may call their provincial or territorial government's general information line or local organizations for assistance.

- Each provincial and territorial government's main website contains links to the department responsible for welfare.
- There are social research and non-governmental organizations—e.g., social planning councils, citizen advocacy groups—in all jurisdictions that provide information on welfare programs and services for welfare clients. If you search “welfare, [name of province]”, you will find links to both government and non-governmental websites with relevant information.
- The *Canadian Social Research Links* website contains a page of links to key provincial and territorial welfare program information, including legislation, policy, program descriptions, benefit levels and program statistics. You can access this page of links at: <http://www.canadiansocialresearch.net/welfare.htm>

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The National Council of Welfare was established by the *Government Organization Act* in 1969, as a citizens' advisory body to the federal government. It advises the Minister of Human Resources and Social Development on matters of concern to low-income Canadians.

The Council consists of members drawn from across Canada and appointed by the Governor-in-Council. All are private citizens and serve in their personal capacities rather than as representatives of organizations or agencies. The membership of the Council has included welfare recipients, public housing tenants and other low-income people, as well as educators, social workers and people involved in voluntary or charitable organizations.

Reports by the National Council of Welfare deal with a wide range of issues on poverty and social policy in Canada, including income security programs, welfare reform, medicare, poverty lines and poverty statistics, the retirement income system, taxation, labour market issues, social services and legal aid.

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