



Welfare Incomes 2009 – update as of March 2011

Part 1: Market Basket Measure (MBM) affecting Lone Parents:

New information has been provided to the National Council of Welfare on the method for calculating the MBM thresholds for family sizes different than the Reference family of four.

The revised MBM thresholds for lone parents with one child are higher than those published in December 2010, by an amount under \$2,000. As a consequence, ratios of welfare incomes for this family type compared to MBM are now lower by 6% to 9%. The new rates using MBM range from 70% in Nova Scotia to 91% in Newfoundland and Labrador. Revised calculations show that the inadequacy of some welfare incomes is an even greater concern.

Note that rates using LICOs as the poverty measure have not changed.

Market Basket Measure and CPI

The issue of deriving the MBM thresholds from 2008 to 2009 using the urban center CPIs has also been raised. Given that the CPI is based on a broader basket of goods and services than the MBM, estimated MBM using the CPI may not be exactly the same as the actual ones. In the past, they have been shown to be close. However, in the absence of an alternative to producing new *Welfare Incomes* information in a timely manner, we will continue using the CPI.

Chapter 4

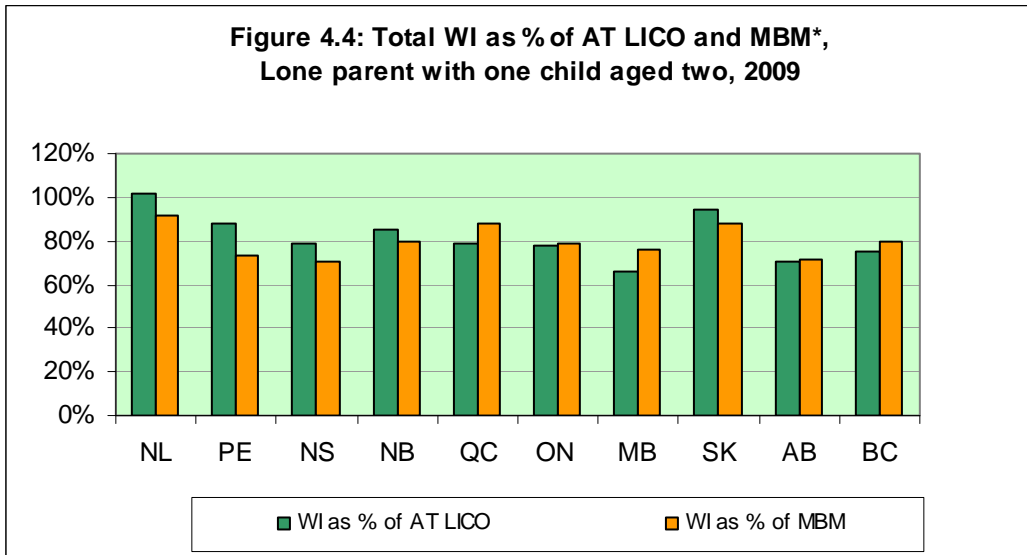
Page 4-4, left column, second paragraph, the last sentence should read: The welfare incomes of lone parents with one child in Newfoundland and Labrador missed the MBM by \$1,871. The largest gap was in Nova Scotia at \$6,284 below the MBM.

Page 4-4, right column, second bullet should read: Only Quebec and Saskatchewan reached 80% or more of the MBM in the case of the two families. Four other provinces reached 80% or more of the MBM in only one household.

Page 4-5, the fourth column of Table 4.3 should read:

| Table 4.3: MEASURING THE ADEQUACY OF WELFARE INCOMES LONE PARENT WITH ONE CHILD AGED TWO | |
|---|-------------|
| | MBM* |
| NL | \$21,168 |
| PE | \$22,418 |
| NS | \$21,275 |
| NB | \$20,326 |
| QC | \$20,022 |
| ON | \$22,109 |
| MB | \$19,509 |
| SK | \$20,320 |
| AB | \$21,907 |
| BC | \$21,259 |

- *Estimated for all lone parents with one child*



*Estimated

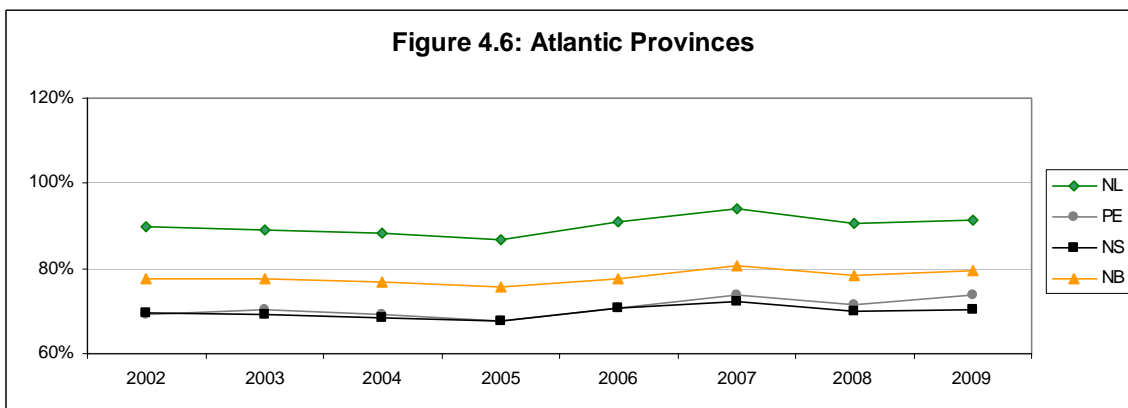
Page 4-6

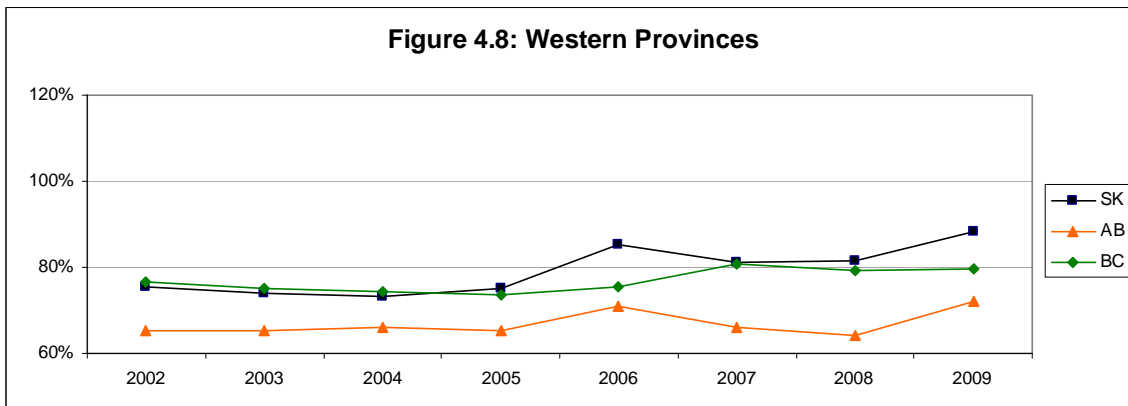
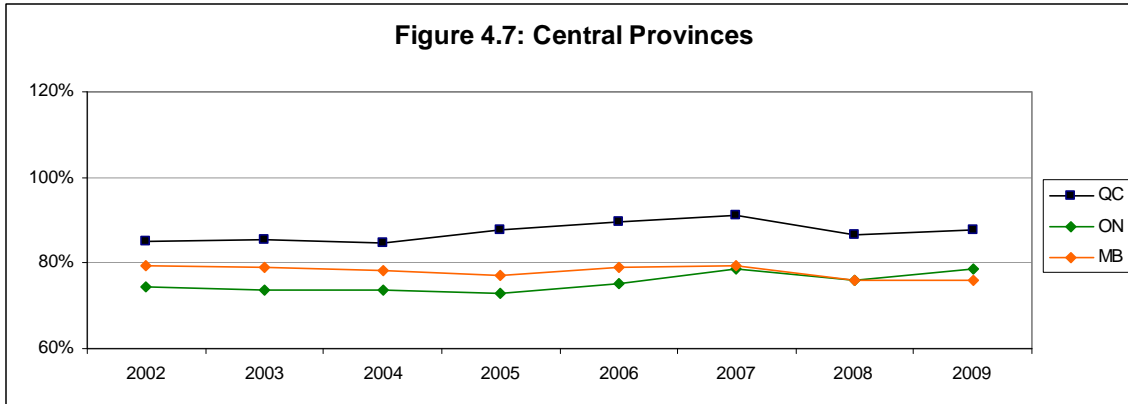
WELFARE INCOMES COMPARED TO MBM, 2002-2009

3rd sentence of first paragraph should now read: In Alberta the ratio increased by 8%, moving Alberta from a 10th place ranking to 9th.

Page 4-7 should be replaced by these 3 graphs:

WI of a Lone parent with one child aged two as a percentage of MBM*





*Estimated

On pages A-15 and A-16, information on the Lone parent, one child appearing in Table 5 should be replaced by this:

| TABLE 5: COMPARISON OF 2009 WELFARE INCOMES WITH MARKET BASKET MEASURE (MBM) | | | | |
|---|----------------------------|------------------|--------------------|--|
| - | 2009 Welfare Income | 2009 MBM* | Poverty Gap | 2009 Welfare Income as % of 2009 MBM* |
| Lone Parent, One Child | | | | |
| NEWFOUNDLAND & LABRADOR | \$19,297 | \$21,168 | \$1,871 | 91% |
| PRINCE EDWARD ISLAND | \$16,531 | \$22,418 | \$5,887 | 74% |
| NOVA SCOTIA | \$14,992 | \$21,275 | \$6,284 | 70% |
| NEW BRUNSWICK | \$16,171 | \$20,326 | \$4,156 | 80% |
| QUEBEC | \$17,583 | \$20,022 | \$2,439 | 88% |
| ONTARIO | \$17,372 | \$22,109 | \$4,737 | 79% |
| MANITOBA | \$14,829 | \$19,509 | \$4,680 | 76% |
| SASKATCHEWAN | \$17,923 | \$20,320 | \$2,397 | 88% |
| ALBERTA | \$15,749 | \$21,907 | \$6,158 | 72% |
| BRITISH COLUMBIA | \$16,899 | \$21,259 | \$4,359 | 79% |

*Estimated

On pages A-50 and A-51, information on Lone Parent, One Child in Table 14 should be replaced by this:

| Table 14: WELFARE INCOMES AS A PERCENTAGE OF THE MBM*, 2000 TO 2009 | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| LONE PARENT ONE CHILD | | | | | | | | | | |
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| NL | 90% | 90% | 90% | 89% | 88% | 87% | 91% | 94% | 90% | 91% |
| PE | 68% | 68% | 69% | 70% | 69% | 68% | 71% | 74% | 72% | 74% |
| NS | 75% | 70% | 69% | 69% | 69% | 68% | 71% | 72% | 70% | 70% |
| NB | 79% | 78% | 78% | 78% | 77% | 76% | 77% | 81% | 78% | 80% |
| QC | 85% | 83% | 85% | 86% | 85% | 88% | 90% | 91% | 87% | 88% |
| ON | 78% | 76% | 74% | 73% | 74% | 73% | 75% | 79% | 76% | 79% |
| MB | 77% | 78% | 80% | 79% | 78% | 77% | 79% | 79% | 76% | 76% |
| SK | 78% | 76% | 76% | 74% | 73% | 75% | 85% | 81% | 82% | 88% |
| AB | 69% | 67% | 65% | 65% | 66% | 65% | 71% | 66% | 64% | 72% |
| BC | 81% | 80% | 77% | 75% | 74% | 74% | 75% | 81% | 79% | 79% |

On page A-53, information for Single Adult + 1 child in Table 16 (last column) should be replaced by this:

| Table 16: 2008 MBM THRESHOLDS BY TYPE OF FAMILY | |
|--|-------------------------------|
| | Single Adult + 1 child |
| St. John's CMA | \$21,039 |
| Charlottetown CA | \$22,379 |
| Halifax CMA | \$21,257 |
| Saint John CMA | \$20,237 |
| Montreal | \$19,863 |
| Toronto CMA | \$22,012 |
| Winnipeg CMA | \$19,406 |
| Saskatoon CMA | \$20,131 |
| Calgary CMA | \$21,925 |
| Vancouver CMA | \$21,240 |

Part 2: The Government of Alberta has provided the National Council of Welfare with new information to correct that which was previously provided.

On page 7-3, Table 7.1, as well as on page A-11, Table 3:

under Single Person Considered Employable and Lone Parent, One Child, it should read:

Applicants: no exemption;

Recipients: \$230 of net income plus 25% of the remaining net income;

under Couple, Two Children, it should read

Applicants: no exemption;

Recipients: \$115 of net income plus 25% of the remaining net income;

In text on page 7-3, in reference to employment earnings, Alberta should be removed from "In Newfoundland and Labrador, Prince Edward Island, Quebec, Alberta, the Northwest Territories and Nunavut, earnings exemption provisions are the same for applicants and recipients." In Alberta, an earnings exemption is not provided on employment income at the time of application. Only after initial eligibility has been established do recipients receive the earnings exemption as reported.