

**Women and the CHST:
A Profile of Women Receiving Social Assistance in 1994**

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- the accuracy, completeness and timeliness of the information presented;
- the extent to which the analysis and recommendations are supported by the methodology used and the data collected;
- the original contribution that the report would make to existing work on this subject, and its usefulness to equality-seeking organizations, advocacy communities, government policy-makers, researchers and other target audiences.

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Preface

Status of Women Canada's Policy Research Fund was instituted in 1996 to support independent, nationally relevant policy research on gender equality issues. In order to determine the structure and priorities of the Policy Research Fund, Status of Women Canada held consultations from March to May 1996 with a range of national, regional and local women's organizations, researchers and research organizations, community, social service and professional groups, other levels of government, and individuals interested in women's equality. Consultation participants indicated their support for the Fund to address both long-term emerging policy issues as well as urgent issues, and recommended that a small, non-governmental external committee would play a key role in identifying priorities, selecting research proposals for funding, and exercising quality control over the final research papers.

As an interim measure during the fiscal year 1996-1997, consultation participants agreed that short-term research projects addressing immediate needs should be undertaken while the external committee was being established to develop longer-term priorities. In this context, policy research on issues surrounding the Canada Health and Social Transfer (CHST) and access to justice were identified as priorities.

On June 21, 1996, a call for research proposals on the impact of the CHST on women was issued. The proposals were assessed by Status of Women Canada and external reviewers. The research projects selected for funding in this area focus on women receiving social assistance, economic security for families with children, women with disabilities, the availability and affordability of child care services, women and health care, and women's human rights.

The call for research proposals on access to justice was issued on July 18, 1996. Also assessed by Status of Women Canada and external reviewers, the selected policy research projects in this area include a study of abused immigrant women, lesbians, women and civil legal aid, family mediation, and the implications for victims of sexual harassment of the Supreme Court ruling in *Béliveau-St. Jacques*.

The objective of Status of Women Canada's Policy Research Fund is to enhance public debate on gender equality issues and contribute to the ability of individuals and organizations to participate more effectively in the policy development process. We believe that good policy is based on good policy research. We thank all the authors for their contribution to this objective.

A complete listing of the research projects funded by Status of Women Canada on issues surrounding the Canada Health and Social Transfer and access to justice is provided at the end of this report.

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Abstract

The introduction of the Canada Health and Social Transfer (CHST) represents a fundamental change in the administration and funding of social programs in Canada and will have a significant impact on the lives of women who benefit from these programs. The two central concerns expressed about the introduction of the CHST are that it represents considerably lower levels of funding than the transfer arrangements it replaces and that it eliminates several important national standards for social assistance and services. This research paper presents a detailed income profile of women on social assistance – one group that will surely be affected by the introduction of the CHST – and estimates the impact of potential cuts to social assistance on the incomes of recipients. This profile, based on income statistics for 1994 – a year before the implementation of the CHST – provides important baseline data on the economic circumstances of women on social assistance. With this information, it will be possible to monitor the incomes of women over time as provincial governments introduce program changes in response – partly or wholly – to federal cutbacks and the elimination of national conditions. The authors recommend that subsequent income profiles be done every two years; the next survey would examine women's incomes in 1996, a year after the first substantial reduction in federal transfers under the CHST.

Executive Summary

The introduction of the Canada Health and Social Transfer (CHST) represents a fundamental change in the administration and funding of social programs in Canada and will have a significant impact on the lives of women who benefit from these programs. Announced in the 1995 federal budget, the CHST replaces the Canada Assistance Plan (CAP) and Established Program Financing (EPF). The two central concerns expressed about the introduction of the CHST are that it represents considerably lower levels of funding than the transfer arrangements it replaces and that it eliminates several important national conditions for social assistance and services.

Since its introduction in 1995, the CHST has resulted in a 15 per cent decrease in federal transfers intended for health, postsecondary education and social assistance and services to the provinces. The value of the total entitlement transferred to all provinces – a combination of cash and tax points – has fallen from \$29.7 billion in 1995–96 to \$25.1 billion in 1997–98. Specifically, the federal government has reduced the cash transfer by roughly \$6.3 billion over this period. The cash transfer was set to fall another \$1.4 billion by 1999–2000, but the federal government announced in April 1997 that they would freeze the cash floor at its 1997–98 level of \$12.5 billion.

This study provides a starting point or benchmark to track the impact of welfare reform on women receiving social assistance. It offers a comprehensive portrait of women on social assistance in 1994 – the year before the announcement of the CHST – including their demographic, labour market and income characteristics and taking into account differences based on age, family status, the presence of dependent children, ethnicity, immigration status, ability, housing tenure and region.

In 1994, 14 per cent of non-elderly adult women – 1,280,000 women – were members of families that received social assistance for all or part of the year. The largest group of women receiving social assistance were married or common-law women living with a male partner (43 per cent, or 544,000). Of this group, 297,000 (55 per cent) had children living at home. The second largest group of adult female social assistance recipients was lone-parent mothers (27 per cent of all women on social assistance, or 339,000). An additional 16 per cent of female social assistance recipients (202,000) were living as unattached individuals, i.e., they were living alone or with other non-relatives. Roughly 1 in 10 adult women on social assistance (121,000) were never-married adult children living with one or both parents, and 6 per cent are in other family arrangements.

There are many economically vulnerable groups of women who depend on provincial social assistance programs. Lone mothers, young women under the age of 25 and unattached older women aged 55 to 64 years have higher rates of social assistance receipt. Mothers of young children, especially lone mothers, are also at high risk for relying on social assistance.

Social assistance receipt is roughly the same across Canada, with the exception of the Prairie provinces where all women, regardless of family type, have lower rates. Women from visible minority groups do not have a higher incidence of social assistance receipt; in fact, as a group, they have lower rates than the non-visible minority population. While women's immigration status

is linked to the likelihood of being a social assistance recipient, this trend is only evident among fairly recent immigrants who face significant barriers to labour market participation. Women with disabilities are also much more likely than women without disabilities to rely on social assistance.

To most people, social assistance tends to be perceived as an all-or-nothing state. Reality is much more complicated. Forty-one per cent of women who received social assistance income in 1994 had paid employment at some point during the year, while 59 per cent did not do paid work. These statistics demonstrate that social assistance receipt is transitional. In any given year, many women receiving social assistance have a mix of income transfers and earnings.

In 1994, women living in families that reported social assistance income received an average of \$7,773. Lone-parent families received the highest average amount, while unattached women received the lowest. For some women, social assistance income makes up a very large share of their total family income: for unattached individuals, social assistance income in 1994 represented 72 per cent of total income; and for lone-parent mothers, social assistance made up 54 per cent of total family income. On the other hand, among married women with children, social assistance income in 1994 represented a significant but relatively lower (25 per cent) share of total family income. Clearly, some women live in families in which receipt of social assistance is a short-term income source. The high share of social assistance income among unattached individuals and lone-parent mothers is clearly related to family context and the problems faced by many single-earner families or households.

Poverty rates among women receiving social assistance are considerably higher than the rates among women in general. For example, while the overall rate of poverty of non-elderly adult women was 17 per cent, it was 55 per cent for those who received social assistance. The higher rates of poverty among social assistance recipients are especially pronounced among unattached women (90 per cent poverty rate) and lone-parent mothers (82 per cent).

In dollar terms, cuts to social assistance would have the biggest impact on lone parents, followed by married women with children, adult children, married women with no children and unattached women. On average, female social assistance recipients faced with a 10 per cent reduction would see their benefits decrease by an average of \$777; a 20 per cent cut would decrease their benefits by \$1,555. For lone parents, a 10 per cent cut to social assistance would translate into an average income loss of \$946 per year, and a 20 per cent cut would result in a \$1,893 reduction in annual income. Overall, a 10 per cent cut to social assistance – assuming no change in the pattern of usage – would result in an increase of 26,000 poor women on social assistance, while a cut of 20 per cent would increase the number of poor women receiving social assistance by 42,000. The biggest increase in number of poor women would be among lone parents, followed by unattached women.

Changes to provincial social assistance will clearly affect the economic security of women who currently rely on the program and of many others who may be in need of income support in the future. In the face of a labour market that is increasingly characterized by the growth of “good” jobs and “bad” jobs, women remain economically vulnerable. What this profile of social assistance recipients reveals is that women who are not able to combine incomes with other family members are at very high risk of living in poverty. Lone-parent mothers are especially vulnerable to this unstable environment of low-wage employment and impoverished public income security programs.

Introduction

The introduction of the Canada Health and Social Transfer (CHST) represents a fundamental change in the administration and funding of social programs in Canada and will have a significant impact on the lives of women who benefit from social programs. Announced in the 1995 federal budget, the CHST replaces the Canada Assistance Plan (CAP) and Established Program Financing (EPF). The two central concerns expressed about the introduction of the CHST are that it represents considerably lower levels of funding than the transfer arrangements it replaces and that it eliminated several important national conditions for social assistance and services.

Since its introduction in 1995, the CHST has resulted in a 15 per cent decrease in federal transfers intended for health, postsecondary education and social assistance and services to the provinces. The value of the total entitlement transferred to all provinces – a combination of cash and tax points – has fallen from \$29.7 billion in 1995–96 to \$25.1 billion in 1997–98. Specifically, the federal government has reduced the cash transfer by roughly one-third – i.e., \$6.3 billion – over this period. The cash transfer was set to fall another \$1.4 billion by 1999–2000, but the federal government announced in April 1997 that they would freeze the cash floor at its 1997–98 level of \$12.5 billion.

Along with the reduction in the size of the transfer, the CHST offers the provinces greater flexibility in the way these dollars are spent. The health field remains bound by the provisions of the Canada Health Act, but the elimination of all but one national condition for social assistance and services has allowed provinces to make substantial changes that will affect many Canadians in need. For example, many provinces have already taken steps to restructure social assistance, the program directly charged with providing income support to Canada's poorest citizens. The introduction of the CHST in the absence of a broader commitment to the economic well-being of all Canadians may well open the door to the deepening of economic inequality in this country.

It is important to develop ways to monitor the impact on Canadians of new programs and funding arrangements such as the CHST. Of special concern are low-income women, who make up the majority of recipients of social assistance and other services previously cost-shared under the CAP. A variety of factors contribute to the over-representation of women on social assistance. These include the sexual division of labour within the family, the over-representation of women in non-standard and part-time employment, the difficulty of finding adequate and affordable child care and the economic insecurity experienced by women after marriage breakdown.

In response to concerns raised through its 1996 consultations with women's organizations and researchers, Status of Women Canada is funding research on the potential impact of the CHST on women. This paper presents a detailed income profile of women on social assistance – a group that will surely be affected by the introduction of the CHST – and estimates the impact of potential cuts to social assistance on the incomes of recipients. This profile, based on income statistics for 1994 – a year before the implementation of the CHST, provides important baseline data on the economic circumstances of women on social assistance. With this information, the

incomes of women over time will be able to be tracked as provincial governments introduce program changes in response to federal cutbacks and the elimination of national standards. It is recommended that subsequent income profiles be done every two years; the next survey would examine women's incomes in 1996, a year after the first substantial reduction in federal transfers under the CHST. This quantitative research, is intended to complement the efforts of community groups who are interested in monitoring the impact of the CHST and related cuts in social programs on women in their communities.

Project Outline

The next section of this report provides a short review of the Canadian welfare state and women's historic over-representation in income-tested programs such as social assistance. The importance of the CAP, introduced in 1966, is established, and the impetus for reform in the 1990s is described. The CHST and its potential implications for women are also described to set the context for the profile of women on social assistance that follows. This benchmark profile is important in charting how welfare state restructuring in the form of social assistance reform will affect the lives of this economically vulnerable group of women.

After outlining the innovative methodology developed for this project, demographic, labour force and income profiles of women on social assistance are presented.¹ There is also some comparative analysis of female and male social assistance recipients to highlight the gendered character of social assistance. Income profiles based on indicators of diversity (Aboriginal identity, visible minority status, immigrant status, disability status) are limited by the type and availability of data.

It is expected that provincial governments will reduce program funding in areas such as social assistance in response to reductions in federal assistance through the CHST. Therefore, in the last section of this report presents an estimate of the impact of 10 per cent, 15 per cent and 20 per cent cuts of social assistance benefits on the total incomes of recipients. Most women receiving social assistance are already below the poverty line (as measured by Statistics Canada's Low Income Cut-Offs); this exercise estimates the degree to which welfare reductions will affect the depth of their poverty.

Welfare reform is already under way in many provinces. Most provinces are attempting to restructure their programs to encourage greater labour market reliance, to reduce costs and to ease the transition to the labour market through the provision of supports to the working poor. This analysis illustrates the complexity of the linkages between social assistance and the labour market, especially for women, who carry the bulk of domestic and caring responsibilities and face unique barriers in the labour market. Access to additional incomes from other family members is the critical factor in economic security among women. Further research is necessary to chart the course of welfare changes for women who currently rely on social assistance – indeed, for all poor women – to determine whether they have profited from or been harmed by welfare restructuring.

Women, the CAP and the CHST

Canada's Welfare State

The Canadian welfare state has been characterized as a liberal welfare state regime. This type of regime relies heavily on income-tested and needs-tested programs such as social assistance, wherein entitlement regulations are strict, benefits are typically modest and short-term, and recipients are stigmatized.² Social insurance and other universal income security programs play a much smaller role in Canada than they do in many European welfare states. In effect, the liberal welfare state fosters the primacy of the market by guaranteeing only minimum benefits to those most in need (thereby presenting labour market participation as a more attractive option than a life of deprivation on public assistance) and by subsidizing private welfare schemes such as registered retirement savings plans. With the notable exceptions of health care and public education, the Canadian welfare state has historically provided only marginal protection for citizens who do not participate – or fully participate – in the labour market.³

The Canadian welfare state draws a line between the social rights available to people in regular employment and those available to people on the margins of the economy; it also offers unequal benefits to men and women. Modern welfare states were institutionalized during the post-war period, when the dominant view of work and family life dictated a strict division of labour between the sexes. Men were supposed to earn the market wage to provide for dependants; women were confined to the private domestic sphere, taking care of the personal needs of the family. As numerous scholars have noted, this model of social reproduction never captured the lives of working class or non-white families. But it had a profound impact on the formation of policy, promoted aggressively by public institutions and social reformers alike, and thus on the development of modern welfare states.

Women have tended to be treated either as mothers or as wives in the eyes of the state.⁴ The early mothers' allowance program was a clear example of how women were identified with the social function of mothering rather than in their individual capacity as citizens or paid workers. The notion of the family wage also structured women's access to benefits. Adequate wages in the form of a "family wage" for male industrial workers was recognized as critical to the viability of the social security system. Women were covered under provisions aimed at the "heads of households" and other subsidiary unemployment and pension benefits. Today, although women's and men's roles, especially in the labour market, are undergoing a major shift, income security programs in many respects continue to treat women as though the realities of the 1940s still exist.

The disparity between women's and men's roles can be seen in the disproportionate numbers of women on provincial social assistance compared to the numbers in the unemployment insurance program, where men are the principal beneficiaries. In 1994, women were the majority of adult social assistance recipients: 54 per cent of adult social assistance recipients aged 18 to 64 years were women, while 46 per cent were men. Overall, 14 per cent (1.3 million) of all women in this age group received social assistance in 1994, compared to 12 per cent (1.1 million) of men in the

same age group. By contrast, only 34 per cent of total unemployment insurance regular benefits were paid to 1.1 million unemployed women, representing 42 per cent of all regular claimants.⁵

A similar pattern exists among programs for seniors. Women rely principally on public benefits (old age security, guaranteed income supplement, spouse's allowance and the Canada/Quebec pension plan) for retirement income. For example, in 1992, 44 per cent of the total income of women aged 75 and over came from OAS, GIS and SPA; the comparable figure for men was 29 per cent. By contrast, men are much more likely to rely on public and private pension income: men in this age group derive 18 per cent of their total income from C/QPP and 23 per cent of income from registered retirement savings plans and private pension plans. Despite increased labour force participation among women, in 1992, C/QPP made up 13 per cent of total income and only 12 per cent of pension income.⁶

As women have joined the labour force in larger numbers, their access to upper-tier income security programs and private benefits has improved. In 1961, roughly one-third of women over the age of 15 years (30 per cent) were active in the labour market. By 1994, the labour force participation rate of women had risen to 58 per cent, an increase of almost 100 per cent.⁷ The significant increase of women in the paid labour market coupled with the proportional decline of male workers has changed the gender balance of the labour force. Of the total labour force in 1961, 27 per cent were women and 73 per cent were men. In 1994, the percentage of women in the labour force had increased by 18 percentage points to 45 per cent.⁸

Table 1: Female Labour Force Participation

Year	Female participation rate (%)	Female share of labour force (%)
1941	21	19
1951	24	22
1961	30	27
1971	40	35
1981	52	41
1991	60	45
1994	58	45

Source: Pat Armstrong, Hugh Armstrong, *The Double Ghetto*, McClelland & Stewart, 1994.

Paradoxically, women's entry into the labour force occurred during a period of economic restructuring and growing insecurity. As a consequence, participation in the paid labour force has not been a complete success for women. As Isabella Bakker remarks, "Women as a group have more work but it is often poorly paid, unprotected and part-time, because restructuring has brought fewer 'good jobs' in its wake."⁹ In effect, economic restructuring is exacerbating existing cleavages in the labour market, in this case gender cleavages, leading to greater economic insecurity among workers trapped at the bottom of the labour market. As the economy generates more "women's work", many women find themselves locked into traditional industrial and occupation ghettos.

Nor have new labour market opportunities offset the threat of poverty and economic insecurity posed by factors such as divorce, separation and women's roles as mothers and caregivers. In

fact, this threat is arguably larger today as the number of lone-parent families has grown over the past 30 years. In 1961, 11 per cent of families with children were headed by one parent; by 1991, the figure had increased to 20 per cent of families with children, and the overwhelming majority of lone-parent families are headed by women. The persistently high rate of poverty among lone-parent families with dependent children – 57 per cent in 1995 – speaks to how these factors limit the economic opportunities of women. Against this backdrop, social assistance remains a critical – albeit seriously flawed – support for economically vulnerable women, including lone parents, women with low levels of education, women with disabilities and displaced workers.

The Canada Assistance Plan

Taken together, women's social and economic circumstances, their responsibility for the care of children and their historic over-representation in income-tested and means-tested programs highlight both the importance of the Canada Assistance Plan (CAP) and the threat of greater poverty attendant with the introduction of the CHST.

The CAP was introduced in 1966 as a part of Prime Minister Lester Pearson's "War on Poverty". Under the CAP, all previous income security programs were merged and funding was extended to programs that had been financed exclusively by the provinces. Before the introduction of the CAP, the federal role in financing provincial and municipal relief programs was limited. Responsibility for relief had been strictly provincial until the Depression, when municipalities and provincial governments were clearly unable to financially support the great numbers in need. The federal government then stepped in with funding for different groups of the poor such as the blind or unemployed workers; funding was not provided, however, for programs that were designed specifically to support impoverished women: provincial mothers' allowance programs.

With the passage of the CAP – a 50/50, open-ended federal-provincial cost-sharing arrangement – most of the provinces took the opportunity to create a single social assistance program for all individuals and families in need. Federal cost-sharing was tied to the criterion of financial need, a significant advance for Canada's poor.¹⁰ While provinces retained a great deal of latitude in designing their social assistance programs and setting benefit levels, they were prohibited from attaching punitive conditions to the receipt of social assistance. Federal conditions and funding under the CAP ensured access to a minimum level of assistance across the country. Moreover, CAP funding spurred the development of services that would lessen, remove or prevent the causes of poverty, child neglect and dependence on social assistance. As a result, provinces were able to develop service systems such as child care and legal aid that have greatly assisted women and their families over the past 30 years.¹¹ While the CAP certainly had flaws, it established a basic *right* to welfare in all parts of Canada.¹²

Rising caseloads and welfare costs in the face of a declining economy and increasing unemployment triggered the first steps to reform federal-provincial funding arrangements for welfare. The 1989 Expenditure Control Plan limited the growth of CAP transfers to Ontario, Alberta and British Columbia to no more than five per cent annually based on the 1989–90 expenditures. Original government estimates stated that the expected savings over five years

would be \$2.1 billion. The recession of the early 1990s, however, drove welfare costs up exponentially, especially in Ontario. By the 1992–93 fiscal year, the federal government’s share of CAP transfers had fallen to 28 per cent in Ontario and 36 per cent in British Columbia. (Alberta did not experience the same decline in transfers because it simultaneously lowered benefits and restricted access to the program.) After four years, it is estimated that the “cap on CAP” cost the three provinces a total of \$5.8 billion in lost transfers; Ontario alone accounted for \$5 billion of this amount.¹³ The move to unilaterally reduce transfers to the “have” provinces signalled the federal government’s intent to radically reform funding arrangements for Canada’s poor.

The Canada Health and Social Transfer

Federal social security reform was a high political priority when the Liberals took power in 1993. In early 1994, the Minister of Human Resources Development established a social security review that would, among other things, conduct a comprehensive study of the CAP. The government’s intent, outlined in an early draft of the *Social Security Discussion Paper*, was to reform the CAP “to reduce rather than perpetuate welfare dependency, to enable more effective preventative measures, and to establish more predictable and sustainable funding arrangements.”¹⁴ In a supplementary paper, the government returned to these themes as it proposed three options to replace federal-provincial cost-sharing: new variable cost-sharing agreements; a block fund; and a hybrid of the two.¹⁵ The reform process was summarily concluded when the Minister of Finance announced the creation of the Canada Health and Social Transfer in the February 1995 budget.¹⁶

It was clear from the outset that the overriding government concern was to limit federal expenditures and bring down the federal deficit. By March 1993, nearly three million individuals – that is about 1 in 10 Canadians – were receiving social assistance at a total cost of roughly \$13.5 billion a year. Including services, the total welfare bill in 1992–93 exceeded \$16 billion, of which the federal government paid \$7.4 billion, up from \$3.1 billion in 1983.¹⁷

The explicit purpose of the CHST, as stated in the Federal-Provincial Fiscal Arrangements Act, is “to finance social programs in a manner that will increase provincial flexibility”. However, in its efforts to facilitate greater provincial flexibility in social policy, the federal government has also achieved its goal of limiting its fiscal exposure to costly social programs. Originally, federal transfers for welfare, health and postsecondary education was to fall in value from \$29.7 billion in 1995–96 to \$25.1 billion in the fiscal year 1999–2000. The cash portion would decline from \$18.5 billion in 1995–96 to a cash floor of \$11.1 billion by 1997–1998 and then remain at that level until 2002–03. However, in April 1997, the federal government announced a change in plan. The cash floor was frozen at the 1997–98 level of \$12.5 billion. The new cash floor represents a cut in cash of 34 per cent instead of the previously announced 40 per cent cut.

With the CHST, the federal government has returned to the pre-1956 levels of federal funding for the poor, returning the main responsibility for programs that support the poor to the provinces.¹⁸

Of the national conditions set out in the CAP, only one continues to apply to provincial receipt of federal moneys: the prohibition of a minimum residency period for social assistance eligibility. The

conditions on benefit adequacy, the requirement that provinces provide assistance to individuals based on need and the provision for an appeal mechanism were abandoned. It is notable that the government did not choose to eliminate conditions on federal health funding. Federal transfers under the CHST will continue to be tied to provincial respect for the conditions set out in the Canada Health Act.¹⁹

At the time of the announcement of the CHST, the federal government promised to negotiate with the provinces to establish a set of shared principles and objectives for social programs.²⁰ Three years later, no such set of principles and objectives has been established. In effect, this discussion has been overtaken in the public arena by provincial efforts to reconfigure social policy responsibilities in Canada. The December 1995 report of the Ministerial Council on Social Policy Reform and Renewal proposed a new structure of income supports: a national income support program for children and another for persons with disabilities, and provincial income support programs for adults of working age (rolling social assistance together with the unemployment insurance program).²¹ A number of subcommittees were subsequently struck to work up proposals in different areas. The group studying children's benefits – which includes federal government representatives – has struck a political agreement on a possible design for a national child benefit system. The federal government has announced a new Canada Child Tax Benefit in the 1997 budget as the first step toward a national system of supports for families with children. A subcommittee of the Ministerial Council is examining national principles and standards; however, the federal government is not yet involved in these discussions. None of the work of this subcommittee has been made public.

While the announcement of a cash floor of \$12.5 billion for the CHST is welcome, it is by no means adequate. It is important to remember that the very significant cut in federal funding for health, welfare and postsecondary education introduced with the CHST follows years of steady decline. In the 1980s, the federal government partly de-indexed and then froze Established Program Financing and, as noted above, placed a ceiling on CAP payments to the “have” provinces. The CHST follows the same model: the issues of indexation and population growth have not been addressed. Predictably, the value of the \$12.5 billion floor will decline each year.²²

And the question of Ottawa's ability to maintain the semblance of a national system of income supports and health services remains. In spite of the remaining federal contribution, provinces may decide to introduce user fees for selected health services. Provinces may also radically redesign their welfare programs; there is already evidence that provinces are imposing a variety of performance or behavioural conditions on receipt of welfare (e.g., workfare). In all likelihood, the provinces will translate the significant reductions in federal funding into reductions in the level of support to the poor. Without matching federal contributions, the incentive for the provinces to maintain, much less develop, social supports for the needy is much reduced. In the absence of national conditions and a national floor below which provincial social assistance cannot fall, we face real danger of a race to the bottom. The consequences for economically vulnerable women who rely on social assistance – and for the whole of Canadian society – will be significant.

The Value of a Benchmark Profile

This study provides a benchmark by which the impact of welfare reform on women receiving social assistance can be tracked in the years to come. A comprehensive portrait is developed of women on social assistance in 1994 – the year before the announcement of the CHST. It includes their demographic, labour market and income characteristics, and takes into account differences based on age, family status, the presence of dependent children, ethnicity, immigration status, ability, housing tenure and region.

This project serves a number of purposes. The world is in a period of profound change. We read daily that the Canadian economy is being altered by the globalization of production, the liberalization of trade and the deregulation of financial and labour markets. Governments are rethinking what they do and what they should do. Individuals and families are responding to and shaping these trends in a variety of ways. For instance, women are choosing to have fewer children, families are moving around the country in search of employment, and voters are demanding greater accountability from their public institutions. How, then, to measure change? Who are the winners? Who are the losers?

There is no better way to assess the well-being of a society than to measure the well-being of its most vulnerable citizens. Clearly, women receiving social assistance are an economically vulnerable population, not only by virtue of their presence on social assistance but also because of their historically low levels of welfare benefits. Looking at the impact of welfare state restructuring on this group enables us to assess their economic security in the face of societal change. And we can only evaluate change by establishing a benchmark against which to measure steps forward or backward.

In the short term, a profile of women receiving social assistance allows us to pinpoint which groups of women will be most affected (positively or negatively) by changes to welfare programs. In the long term, this research can be built on to better understand the dimensions of women's economic security as measured by stability of income, adequacy of income and equality of income distribution – not only between men and women, but also among women. It will then be easier to evaluate how welfare state programs such as social assistance and block-funding mechanisms such as the CHST interact with labour markets and families to enhance or circumscribe women's well-being and equality.

Methodology

Feminist scholars have argued for many years that women experience the world in very different ways than men do and, consequently, that gender-sensitive research methodologies are needed to explore the condition and place of women and men in society. There are two notable problems with traditional “gender-neutral” methodologies in social science. The first is that they are not neutral at all. These methodologies imply that the study of men, just like the usage of “he” as an impersonal pronoun, reveals the experience of both women and men. The second flaw in traditional methodologies is that when women are studied, they tend to be exclusively identified in their roles as mothers within the family unit, not as individuals. Thus, women are either rendered invisible or are visible only as mothers and caregivers in the private sphere. By contrast, gender-sensitive analysis challenges the assumption that everyone is affected by or responds to social and economic life in the same way and focuses on the diverse social realities, life expectations and economic circumstances among and between women and men.²³

Studies of income and poverty among women tend to suffer from these same shortcomings. One of the most significant barriers in understanding the economic position of women as a group is that the primary sources of data are organized around the family unit. Individuals within the family are identified by their relationship to the head, defined in most instances as the male breadwinner. Unless women are identified as the head of the household – that is, as unattached or as having no spouse present – it is difficult to conclusively conduct a gender-specific analysis. In income studies, for example, surveys assume that all members of a household pool their income and, in turn, have equal access to family economic resources. This assumption systematically hides the distribution of income within families. Thus, while the average income of female-headed lone-parent households can readily be determined, it is much more difficult to draw definitive conclusions about the average income of women in couple households. As a result, it is hard to determine with accuracy the average income of all women as a group.

The gender bias in income surveys is compounded in the study of social assistance because social assistance is a family-based, income-tested benefit. Individuals who request assistance are subjected to a needs test, which includes an evaluation of liquid and fixed assets and an assessment of total household need. This is determined by calculating the amount necessary for food, clothing, shelter and other essential items based on criteria set out by each province, and then subtracting this amount from total household income. Applicants are eligible for benefits if the household’s needs exceed its resources. Benefit rates are also calculated according to regulations set in each province. Generally, the rates vary according to number of family members, presence of children, type of family and designation as employable or non-employable. Basic rates, including shelter, may be topped up if the province determines that the applicant has special needs.

Because social assistance is a family-based benefit, there are again difficulties in assessing the income of women in these families, particularly women who live in couple households. Similar problems arise when trying to calculate the incomes of other adults living in the household such as an adult child, an aunt or even a friend.

With these challenges in mind, an innovative methodology was designed for this paper to capture a cross-sectional snapshot of women in social assistance families by using Statistics Canada's Survey of Consumer Finances (SCF) 1995 (which shows 1994 income).²⁴ The breadth of this data source allows valuable comparisons to be made between the social assistance population and the general population. In addition, the 1991 Health and Activity Limitations Survey, the 1991 Aboriginal Peoples Survey and the 1991 Census have been used – all of which collected income data for 1990 – to examine the incidence of social assistance among women with disabilities, Aboriginal women, women who have recently immigrated to Canada and women of different racial and ethnic backgrounds. (See appendix 1 for a discussion of the data sources.)

The SCF was the primary data source. Because it is important to identify women as individuals, the analysis is based on the individual microdata file and linked to the economic family file. In this way, individual women are readily identified, as well as the in-depth family income information necessary to an analysis of social assistance.

The population under examination in this study is all women between the ages of 18 and 64 years, plus 16- and 17-year-olds if they were living on their own as the head or spouse of a household unit (and thus eligible for social assistance in their own right.) Throughout the report, this population is referred to as non-elderly adult women. Non-elderly adult women are divided into population subgroups based on their age, type of family and relationship with other members of the family. Women over the age of 65 are not included in the study.²⁵

The specific focus is on female social assistance recipients. A woman is identified as a social assistance recipient if she received *any* social assistance income in 1994, either *directly* in her name, or *indirectly* as a member of a family that received social assistance income. All individuals are categorized as social assistance recipients if they lived in a family where at least one member had welfare income during the year. This approach is distinctive from other analyses that count only the individuals who directly reported social assistance income. As a result, the numbers of social assistance recipients in this analysis may appear to be larger than the numbers in other estimates. These numbers are a much closer reflection of actual reliance on social assistance and its importance in the lives of Canadians.

It should be noted that the broader definition of social assistance recipient could not be used in analyzing the Aboriginal Peoples Survey, the 1991 Census and the Health and Activity Limitation Survey. The data on social assistance receipt among Aboriginal women, women belonging to a visible minority and women with disabilities refer to direct recipients only.

The family typology, outlined in table 2, looks at the family status of women in social assistance families. (For further definitions, see the glossary.)

- Unattached women – those who do not live with other family members – are treated as their own family unit.
- Husband-and-wife families are referred to as married/common-law families. Married/common-law women are divided into two groups: (1) those living in nuclear families, that is, in census families; (2) those living in extended families with other relatives

present in the household. The first group contains women with children and those without children. Because of sample size, the group of women living in extended families is not broken down by the presence of children.

- The third family grouping includes lone parents with never-married children at home. Lone parents are also divided into those living in nuclear families with never-married children at home and those living in extended families.
- The fourth group of non-elderly women is made up of never-married adult children 18 years or older living with other family members in the same household.
- The “other” category is residual, taking in, for example, previously married adult children or a grandmother under the age of 65 years living with her family.

This family typology is particularly useful in understanding the complexities of income and earnings of women who rely on social assistance as a source of income.

Table 2: Family Typology

•	Unattached
•	Married/common-law family
	In nuclear families
	with no child(ren) of any age
	with child(ren) of any age
	In extended families
•	Lone parent
	In nuclear families with child(ren) of any age
	In extended families with child(ren) of any age
•	Never-married adult child(ren)
•	Other

All of the following benchmark profiles are organized by the gender and family type of the social assistance recipients. Some family categories are collapsed where the number of unweighted cases is too small to report.

Demographic Profile: Women on Social Assistance

This section analyses the demographic characteristics of the women who rely on social assistance and will potentially be affected by the introduction of the CHST, including the number of women and their incidence of social assistance use. It also looks at the distribution of social assistance recipients by their family type, their age, the presence and age of dependent children in the household, their region of residence, their Aboriginal status, their visible minority status, their immigration status and their housing tenure. The family typology is used throughout the report to examine all demographic, income and labour market variables.

This demographic overview provides the broad context for a more detailed analysis of the income and labour market participation of female social assistance recipients. It highlights the groups of women who will be most significantly affected by welfare reform, influenced in no small part by new federal-provincial cost-sharing arrangements.

Composition of Female Social Assistance Recipients

In 1994, 14 per cent of non-elderly adult women – that is, 1,280,000 women – were members of families that received social assistance for all or part of the year. In the same year, 1,091,000 non-elderly adult men were on social assistance; the incidence of social assistance among men was 12 per cent. Fifteen per cent of dependent children under the age of 18 years (1,034,000) lived in families with social assistance income.²⁶ Therefore, adult women made up the largest group of people collecting social assistance (38 per cent of all recipients), followed by adult men (32 per cent) and children (30 per cent). Women made up 54 per cent of all adults living in social assistance families.

In total, 3.4 million people lived in families that received social assistance income. This figure takes in both direct recipients of social assistance – an estimated 1,442,000 adults – and other family members living in social assistance families. It includes roughly one million children under 18 years of age and 928,000 other adults such as spouses or adult children. Stated another way, direct recipients make up 42 per cent of all individuals who live in social assistance families and 61 per cent of all non-elderly adults who live in these families. These figures are similar to other estimates derived from administrative data.²⁷ (See appendix 5 for an income profile of direct recipients.)

Women make up just over half of all *direct* recipients of social assistance. Among all women who rely on social assistance – the definition of a social assistance recipient used here – 58 per cent are direct recipients. The comparable figure for men is 65 per cent. This suggests that women are more likely to be dependants in social assistance families than are men, despite the fact that the overwhelming number of lone parents on social assistance are women.

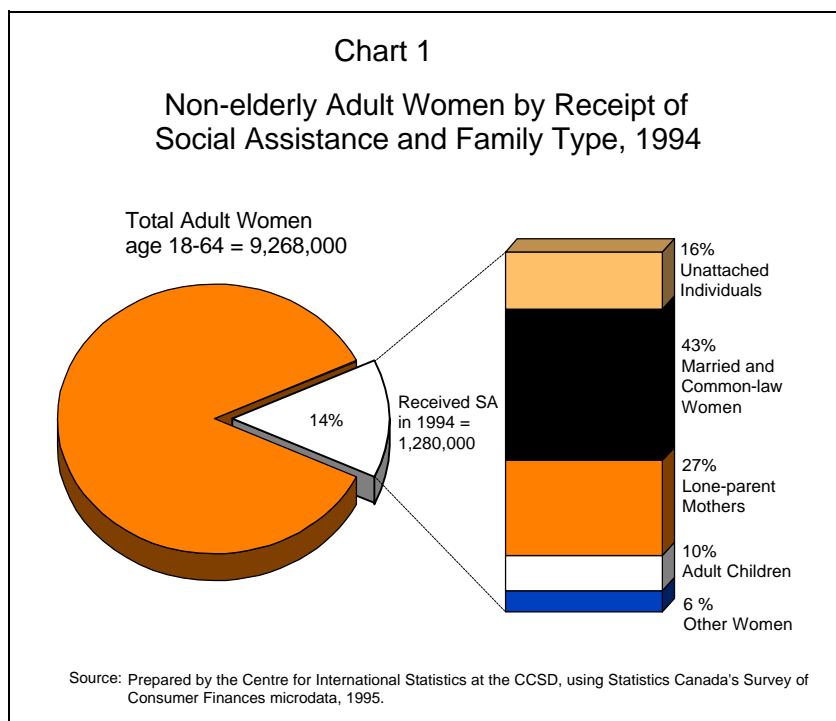


Chart 1 shows a breakdown of female social assistance recipients according to their family status.²⁸ The largest group of women receiving social assistance is of married or common-law women currently living with a male partner (43 per cent, a total of 544,000). Of this group living in couple households, 297,000 (55 per cent) have children living at home, 144,000 (26 per cent) have no children, and 103,000 (19 per cent) are married/common-law women living within a larger extended family, for example, living with parents or other relatives.

The second largest group of adult female social assistance recipients is of lone-parent mothers (27 per cent of all women on social assistance, or 339,000 women). Most of these lone mothers (88 per cent) are in nuclear (census) families, living only with their children. Twelve per cent of lone mothers live in extended families.

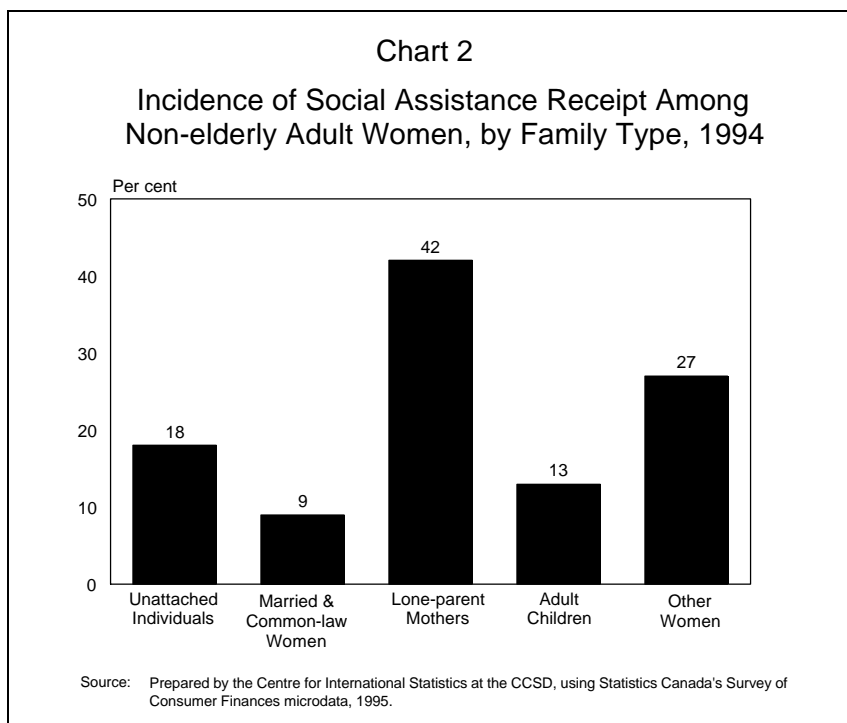
An additional 16 per cent of female social assistance recipients (202,000) are living as unattached individuals, that is, they are living alone or with other non-relatives. About 1 in 10 adult women on social assistance (121,000) are never-married adult children, living with one or both parents. Finally, 6 per cent (74,000) fall into the “other” category: women living with a sister, brother or elderly aunt, for example.

The largest group of men receiving social assistance is also of those who are married or common-law men living with a female partner (46 per cent, a total of 506,000). Of this group, 283,000 (56 per cent) have children at home, 125,000 (25 per cent) have no children, and 98,000 (19 per cent) are married/common-law men living within an extended family.

The second largest group of adult male social assistance recipients, however, is of unattached men (24 per cent of all men on social assistance, or 264,000), roughly 10 percentage points greater than the parallel group of female recipients. Similarly, the number of male never-married adult children living with one or both parents (206,000) is larger as well. Only 3 per cent of male social assistance recipients (33,000) are lone parents in contrast to one in four women on social assistance. Finally, 8 per cent (82,000) of men on social assistance fall into the “other” category (see appendix 3).

Incidence of Social Assistance Receipt

How likely is it that women will be social assistance recipients? The answer to this question varies enormously according to family type (chart 2).



As other studies have shown, female lone parents are much more likely than any other group of women to receive social assistance. Four in 10 (42 per cent) lone-parent mothers received social assistance income at some time during 1994, compared to 9 per cent of all married or common-law women. The rate is even lower among married/ common-law women who are childless: 7 per cent. The next highest incidence was among “other” women (27 per cent) – the group of women who live with family members but are not a household head, spouse or never-married child.

A comparison of the incidence of social assistance with the composition of the female social assistance population reveals interesting differences. For example, while the incidence of social assistance receipt is relatively low among married or common-law women, these women make up the largest share of adult female social assistance recipients (544,000). This disparity indicates the significance of examining both dimensions. In terms of sheer numbers, the impacts of changes to social assistance will arguably have the greatest impact on women living with a partner; in terms of proportion, the greatest impacts will be on lone parents (339,000), whose rate of usage is very high.

The incidence of social assistance receipt among men was lower among singles, spouses and lone parents than among women in these family types (16 per cent, 9 per cent and 22 per cent respectively). The difference was the most pronounced between lone parents; 4 of 10 female lone parents rely on social assistance compared to 1 of 5 male lone parents. The incidence was greater among male adult children (16 per cent) and “other” men (27 per cent) when compared to their female counterparts.

Profile by Age

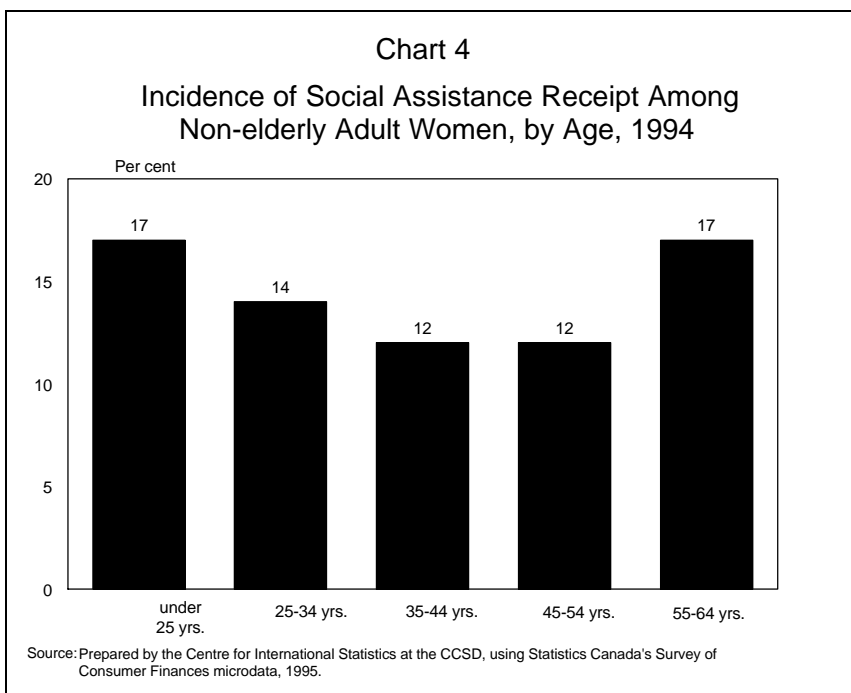
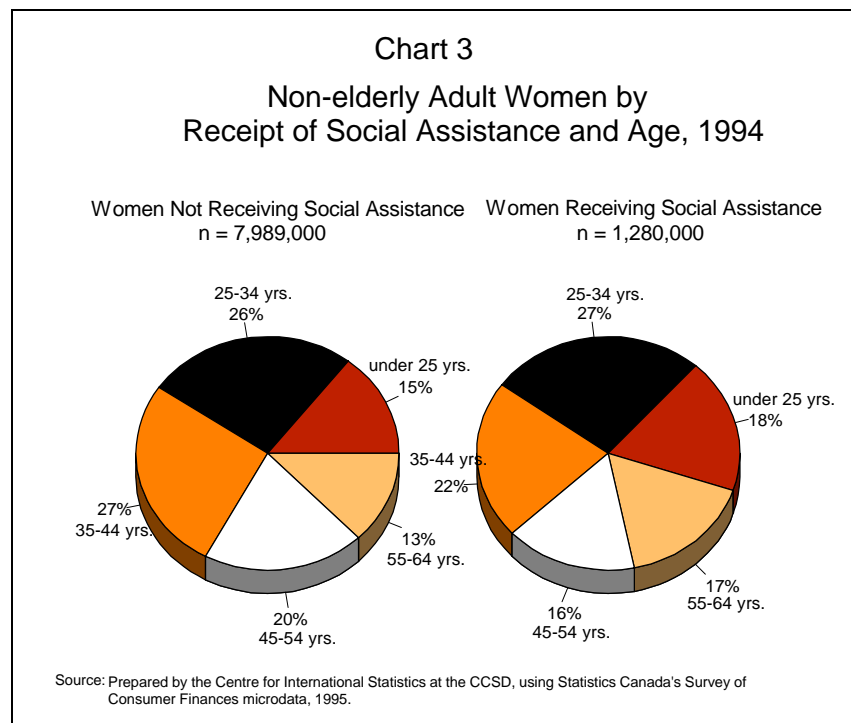
Chart 3 depicts a comparison of the age profile of non-elderly adult women who received social assistance with those who did not. By age, the distribution of women who receive social assistance and those who do not is roughly the same, although the social assistance population has

a slightly greater proportion of younger women (under 25 years) and a slightly greater proportion of older women (aged 55 to 64 years) than the non-social assistance group.

Nevertheless, the data show that female social assistance recipients include women of all ages, spanning the life course.

The male social assistance population also contains a higher proportion of younger men compared with the non-social assistance population. However, the proportion of male social assistance recipients in the 25-to-34-year age group is again higher than men in the non-social assistance group. The reverse is true for men aged 35 to 44 years and those aged 45 to 54 years (see appendix 3).

Not surprisingly, the greater proportions of young and old among the female social assistance population is due to the higher incidence of social assistance within these cohorts. Chart 4 shows incidence of social assistance by age group. Young women under 25 years and older women aged 55 to 64 years are the most likely to receive



social assistance. The data also reveal that women are much more likely to be social assistance recipients than men regardless of age.

Profile by Age and Family Type²⁹

Adult women living as unattached individuals

About 12 per cent of non-elderly adult women live as unattached individuals. The likelihood of living as an unattached individual changes with age, reflecting dominant patterns in the life course of women as revealed by the data in table 3.

Table 3: Non-elderly Adult Women Living as Unattached Individuals, by Age, 1994

Age	Percentage of unattached women
Under 25 years	15
25–34 years	12
35–44 years	8
45–54 years	10
55–64 year	19

Source: Survey of Consumer Finances, 1994 income, microdata file.

The data in table 3 indicate that about one in seven younger women (15 per cent) are unattached individuals; this proportion declines as women form long-term relationships and start families. Among women between the ages of 35 and 44, about 1 in 12 are living as unattached individuals.³⁰ Among older women, the likelihood of living as an unattached individual again increases to one in five women. These patterns are important precisely because the incidence of social assistance receipt is higher both among younger women and older women.

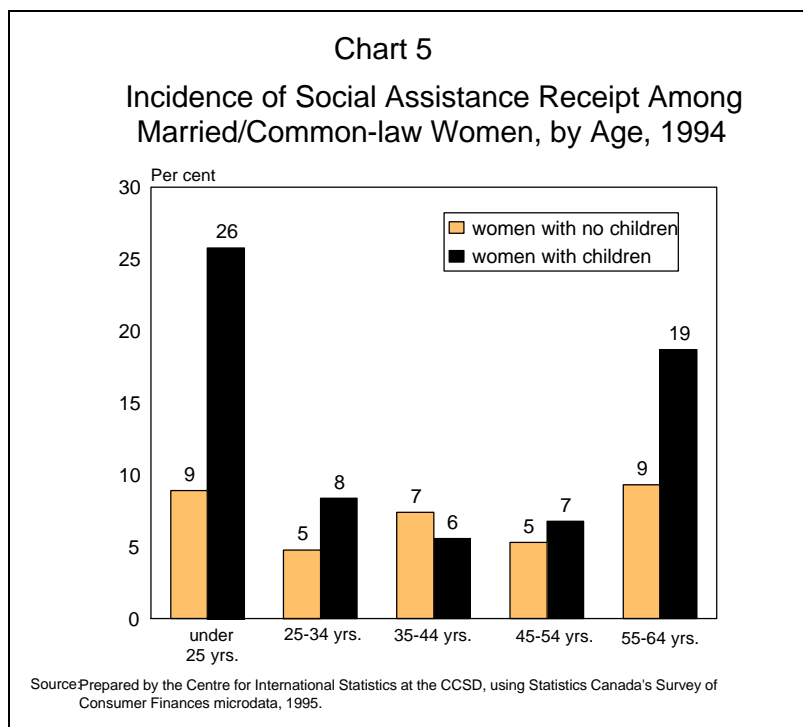
Does this age factor, then, apply to unattached women on social assistance? The data illustrate a definite link. Young women under age 25 and older women living as unattached individuals have relatively high rates of social assistance receipt. The rate is highest, however, among unattached 55- to 64-year-old women. Keep in mind that one in five women aged 55 to 64 years are unattached; of this group, 26 per cent received social assistance at some point in 1994. In other words, of all women in this cohort, 1 in 20 (5 per cent) are social assistance recipients living alone or with non-relatives. To put these data in a broader context, 17 per cent of *all* women aged 55 to 64 were social assistance recipients in 1994, a total of 216,000 women (chart 4). A very large proportion of these older social assistance recipients are women living alone or with non-relatives (28 per cent).

Married and common-law women

According to the Survey of Consumer Finances, 6.1 million women under 65 years of age were married or living common-law in 1994. These married women have been divided into three groups: (1) those living with their male partner only; (2) those living with their partner and who have children living at home; and (3) those living with their partner as well as other relatives in an

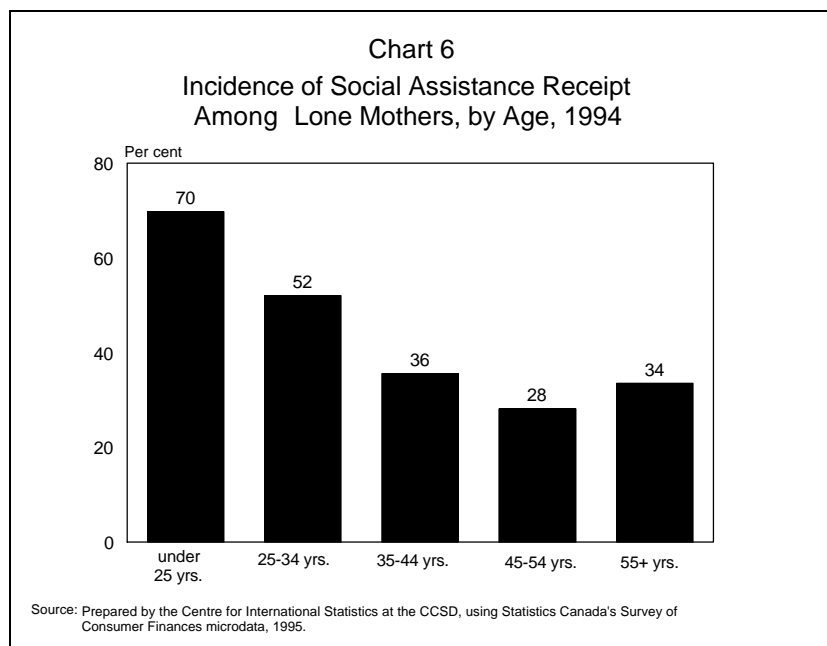
extended family household (these women may or may not have children). The vast majority of these women (94 per cent) fall into the first two categories.

The incidence of receipt of social assistance among married/common-law women in extended families is considerably higher than that of married/common-law women in nuclear families. For example, among married/common-law women with no children, the rate is 7 per cent; among those with children of any age at home, the rate is only slightly higher at 8 per cent. However, among married/common-law women in extended families, the rate jumps dramatically to 27 per cent. These women may be living within extended families (for example, with parents) precisely because of the economic insecurity and poverty of being on their own.³¹



Despite the overall low incidence of social assistance receipt among women in couple households, there are some interesting age-group differences among these women, in particular among married/common-law women with children. The data in Chart 5 show not only that younger and older women are more likely to have received social assistance in the profile year, but that this age effect is much more pronounced among mothers. The data show that 26 per cent of young women (under age 25) with children received social assistance in 1994, compared to 9 per cent of young women with no children.

Again, it is important to distinguish groups of women who have a high probability of receiving social assistance from groups of women who make up the majority of social assistance recipients. For example, while young married/common-law women with children have a very high incidence (26 per cent), they made up only 2 per cent of all female social assistance recipients in 1994. On the other hand, married/common-law women aged 25 to 34 years and 35 to 44 years with children have a much lower incidence (8 per cent and 6 per cent respectively), yet these two groups of women together make up 14 per cent of all female social assistance recipients, that is, nearly one in seven. This distinction is important, because there is a tendency to associate the “problem” of social assistance with the people who are at high risk, even though low-risk populations often form the greatest proportion of recipients.



Lone mothers

The rate of social assistance receipt is very high among lone mothers: 42 per cent received social assistance at some time during 1994. Younger lone mothers are even more likely to have received social assistance (chart 6). In 1994, more than half of all lone mothers under the age of 35 (172,000) received social assistance. Predictably, the next largest group of lone mothers on social assistance was of those between the ages of 35 and 44 years (97,000).

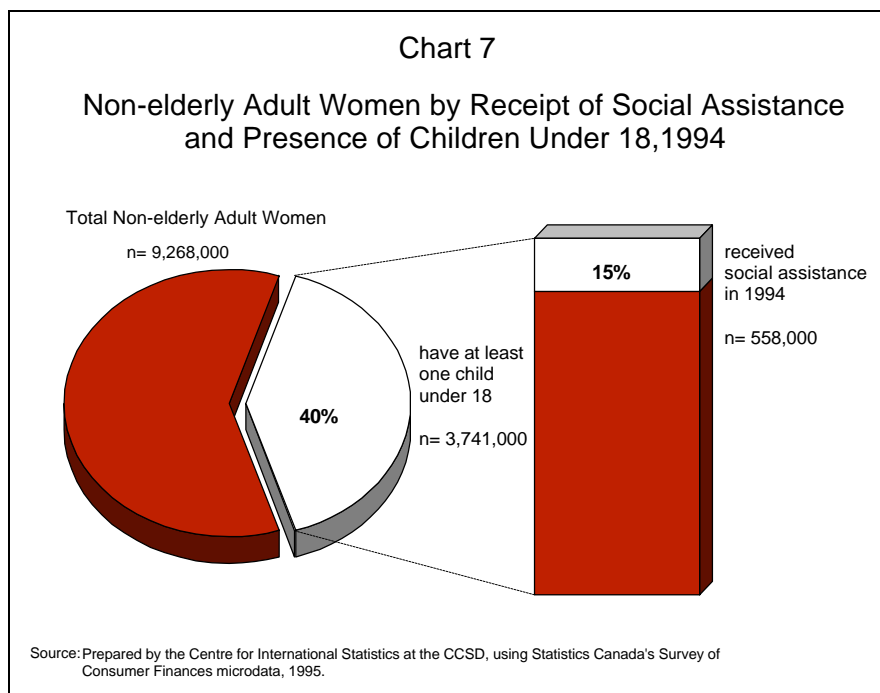
Never-married female adult children

Never-married adult children (age 18 or older) living with one or both parents are referred to here as "adult children". In 1994, 914,000 female adult children were living with their families; most of these women (77 per cent) were under the age of 25. Almost all of these adult children (94 per cent) were under the age of 35. That same year, 13 per cent of female adult children (121,000) were social assistance recipients, representing 10 per cent of all non-elderly adult female social assistance recipients (chart 1).

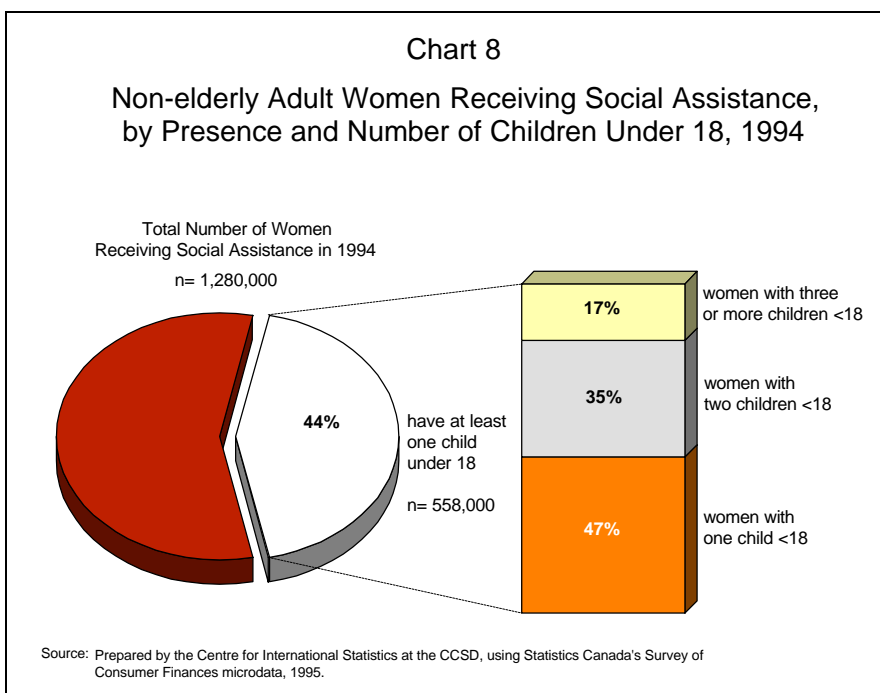
Unlike the incidence for women in other family and household situations, the incidence of social assistance receipt among adult children is lowest among adult children in the youngest age group – 18 to 24 years – and the rate rises among women aged 25 to 34 years and women 35 years and over. It may be that older adult children are taking care of elderly parents, for instance, or are themselves disabled and still living at home. This question is addressed in the income and labour market profile of adult children.

Profile by Presence of Dependent Children

What proportion of adult women have children under 18 years of age, and how many of these women receive social assistance? Of the 9.3 million non-elderly adult women in 1994, about four in 10 had at least one child under 18 years of age living at home (chart 7). Of this group of mothers, 15 per cent (or 558,000 women) received social assistance at some time during the year. The rate of social assistance receipt was lower among women without dependent children (13 per cent).³²



What percentage of all female social assistance recipients have children under age 18? Of the 1,280,000 women who received social assistance in 1994, 44 per cent had at least one child under the age of 18 (chart 8). Most of the mothers who received social assistance had only one child under 18 (47 per cent), while 35 per cent had two children, and 17 per cent had three or more children.

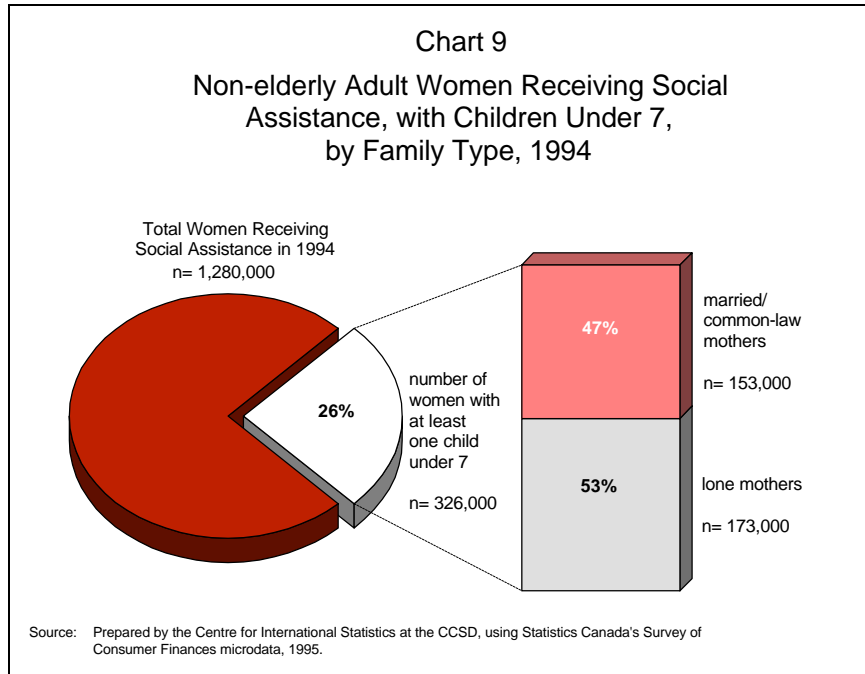


Are women with dependent children more likely to receive social assistance than women without children? For married or common-law women, the answer is no; 9 per cent of married/common-law women with children under 18 years of age received social assistance, the same rate as for married/common-law women who did not have dependent children (including those without children at all and those with adult children at home).

The story is somewhat different for lone mothers. Among those with no children under 18 years – that is, those with children aged 18 and over – 27 per cent received social assistance. Among those with dependent children, the rate was 46 per cent.

Similarly, the number of children does not appear to affect rate of usage for married or common-law mothers, but it does somewhat for lone mothers. Forty-three per cent of lone mothers with only one child under 18 received social assistance in 1994, whereas 50 per cent of lone mothers

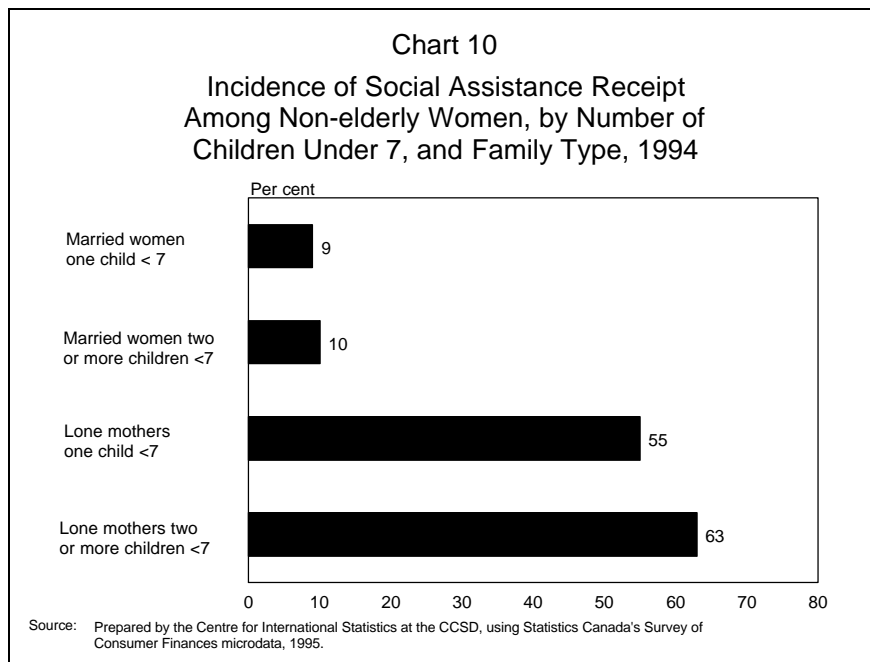
with two or more children under 18 received social assistance. A more detailed breakdown by number of children is limited because of small sample size.



While the number of children does not appear to have a large effect on receipt of social assistance among women, the data show that the age of the child is clearly linked with a higher incidence of social assistance receipt. In 1994, there were 1,890,000 women with at least one child under the age of seven. Of these women, 17 per cent (a total of 326,000) reported having social assistance income during 1994. Of all adult female social assistance recipients in 1994, one of

every four (26 per cent) had at least one child under seven years of age. Having a younger child, then, increases the risk that a woman will be a social assistance recipient.

The risk is particularly pronounced among lone mothers. Chart 9 tells a revealing story. Overall, lone mothers with children under the age of seven make up 16 per cent of all mothers with children under seven years, and 3 per cent of the total non-elderly female population. Yet they are vastly over-represented among the social assistance population. Of the 26 per cent of female social assistance recipients that had at least one child under age seven in 1994, the majority were lone mothers (53 per cent).

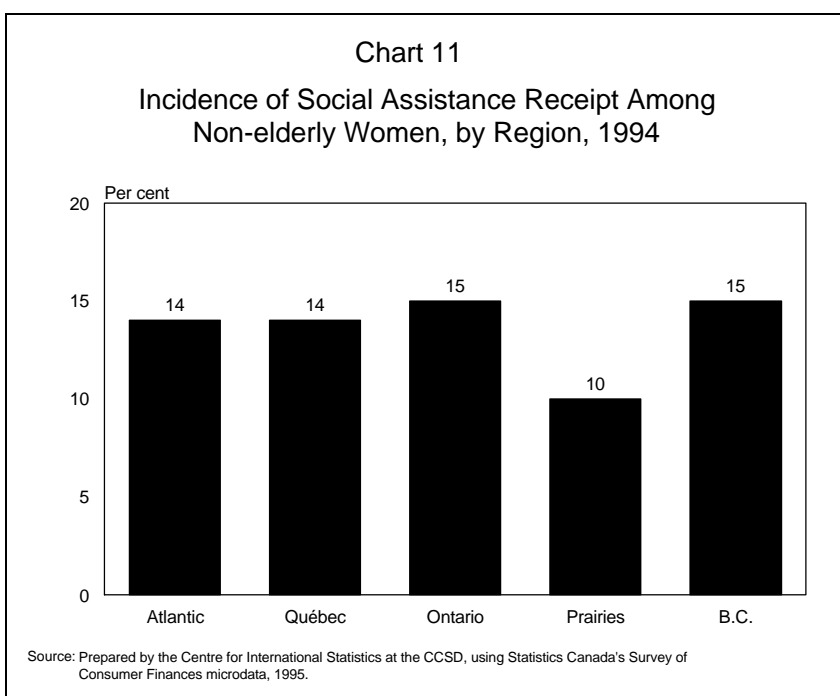


The numerical dominance of lone mothers with young children among social assistance recipients is reflected in their high rates of social assistance usage. The incidence among lone mothers with young

children is higher than the rate among married/ common-law mothers: 57 per cent compared to 10 per cent (chart 10). If a lone mother has two young children, the likelihood that she will draw social assistance is even higher. These findings are not surprising. The high incidence of social assistance among lone mothers reflects the barriers they face in participating in the labour market, not least of which is the high cost of child care.³³

Profile by Region

Fourteen per cent of non-elderly women relied on social assistance at some point during 1994 in Canada. For the most part, the rate of social assistance receipt was the same across the country (chart 11). What stands out is the relatively low rate of social assistance among women living in

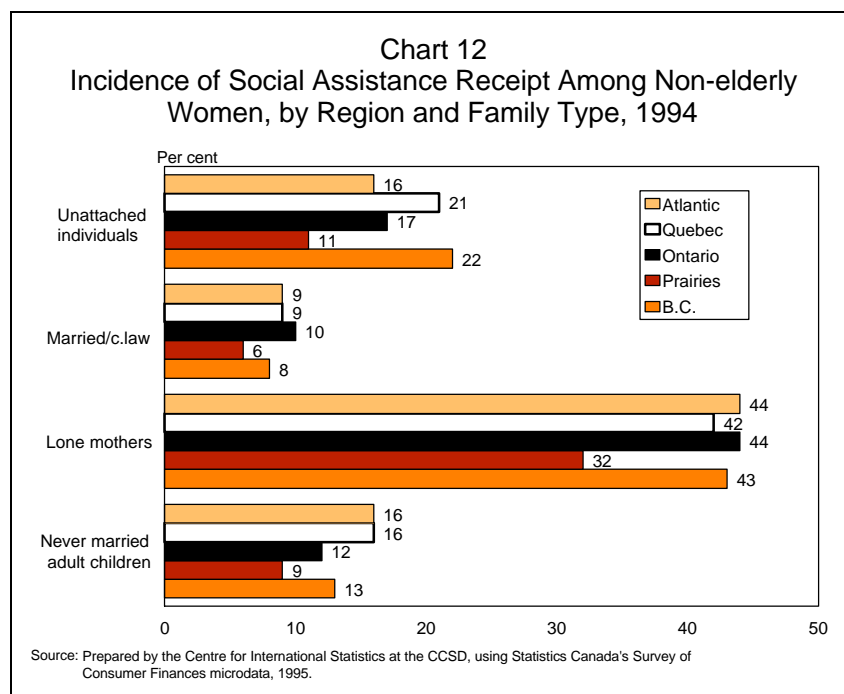


the Prairie provinces (10 per cent). Men in the Prairie provinces also have a lower rate of social assistance receipt than men in other parts of the country. Not surprisingly, the greatest numbers of social assistance recipients – both male and female – live in Canada's most populous provinces, Ontario and Quebec, followed by British Columbia (see appendix 3).

When the incidence of social assistance receipt is considered by region and family type, a number of interesting facts emerge. The clearest trend is the relatively

low rate of social assistance among women living in the Prairie region, regardless of family type. The difference from the national average is most pronounced among women who are unattached and lone parents. In the Prairies, 16 per cent of all non-elderly adult women are unattached, yet only 10 per cent of unattached women were social assistance recipients in 1994. The rate of social assistance receipt was 11 per cent, 7 percentage points below the national rate of 18 per cent among unattached women.

The difference among lone parents is even more pronounced. While 15 per cent of all lone parents in Canada live in the Prairie provinces, only 12 per cent of the lone mothers who rely on social assistance do. The incidence of social assistance receipt among lone parents in this region is 32 per cent, fully 10 points below the national average. By contrast, the highest rates are in Atlantic Canada and Ontario (44 per cent each).



It is difficult to pinpoint why social assistance receipt is lower in the Prairies than in the rest of Canada. On the face of it, one might expect higher rates of social assistance in regions where groups of women who have historically relied on the program (such as lone parents) make up a larger share of the total female population in the region, but this expectation is not fulfilled: the Prairies do not have a disproportionate share of women who tend to rely more heavily on social assistance (chart 12). This fact points to the provincial

differences in the design of social assistance programs. In all likelihood, lower rates are tied to tighter eligibility regulations and low benefits. Overall, the relationship between population size and rate of social assistance demands further inquiry.

Profile by Aboriginal Status

There are important differences in the rate of social assistance across the country, differences that reflect in part the health of regional economies and the economic vulnerability of women in these regions. Similarly, there are notable differences among women in the need to rely on social assistance for financial support; some groups of women are more economically vulnerable than others. This is true of Aboriginal women who – on any number of economic measures – have much lower levels of economic security than do non-Aboriginal women.

Data for this analysis were derived from the Aboriginal Peoples Survey (APS) conducted in 1991. Historically, participation rates in Statistics Canada surveys of Aboriginal peoples have been very low; therefore, these results should be interpreted with caution (see appendix 1).

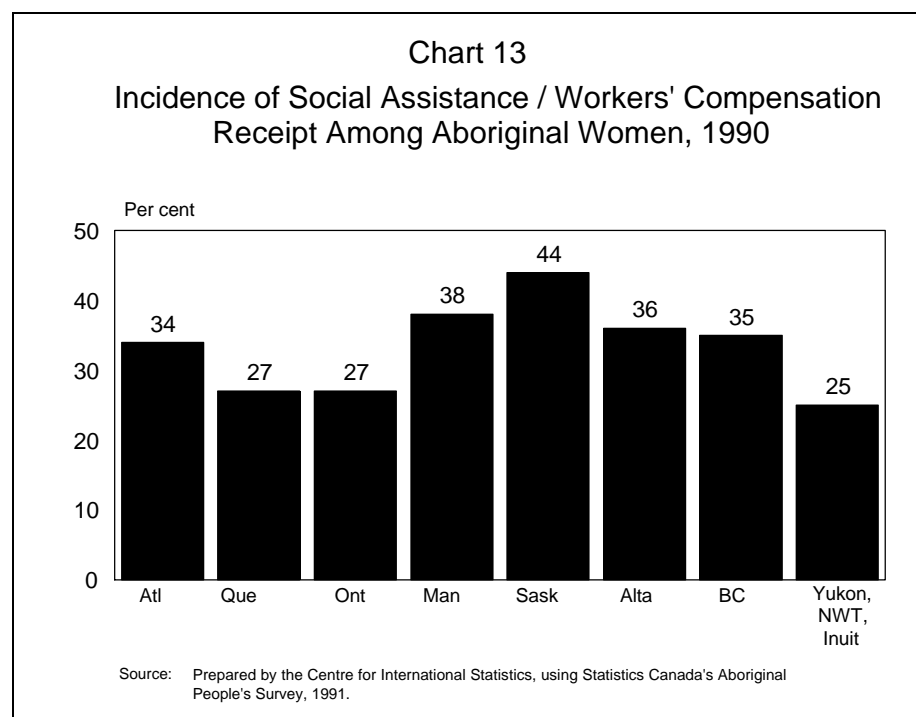
In the APS, social assistance and welfare income are combined with workers' compensation to form one income source category, and income data are collected for the previous year (in this case, 1990). It is important to be aware that the rate of social assistance receipt was much lower in 1990 than it was in 1994, reflecting different points in the business cycle and the fact that the APS estimates are based on the reports of direct receipts only. It is likely that most of the women reporting social assistance or workers' compensation income in this survey are social assistance recipients; historically, women are over-represented in social assistance, whereas men are much

more likely to draw on workers' compensation (given men's higher labour force attachment and their concentration in primary industries and manufacturing).

While the rate of social assistance receipt was roughly 8 per cent between 1988 and 1990 among non-elderly adult women in the general population,³⁴ the rate among Aboriginal adult women was 34 per cent. That is, the social assistance rate for Aboriginal women was four times higher than the rate for all Canadian women. The rate among Aboriginal men was slightly lower at 31 per cent. In other words, about one-third of Aboriginal men and women received social assistance or workers' compensation during 1990.

These data are similar to other estimates provided by the Department of Indian Affairs and Northern Development based on the 1991 Census. In 1990, roughly 28 per cent of the Aboriginal population – including registered Indians and others who identify as Aboriginal people – relied on government transfers as their largest source of income, compared to 17 per cent of the non-Aboriginal population. The importance of government transfers including social assistance was most pronounced among Aboriginal people living on reserve: 45 per cent received most of their income from government transfers in 1990.³⁵ According to another set of Departmental estimates

based on caseload data, 46 per cent on Aboriginal people living on reserve received social assistance in 1992, the culmination of steady increases through the 1980s.³⁶



In contrast to the regional picture painted above, the incidence of social assistance receipt is higher among Aboriginal women living in the Prairie provinces (44 per cent in Saskatchewan), and lower in Ontario, Quebec and the

Territories (27 per cent, 27 per cent and 25 per cent respectively) (chart 13). The same pattern is evident among the on-reserve population. The lowest rate in 1992 was in Ontario at 23 per cent, while the highest rate was observed in the Atlantic region and Saskatchewan at 74 per cent.³⁷

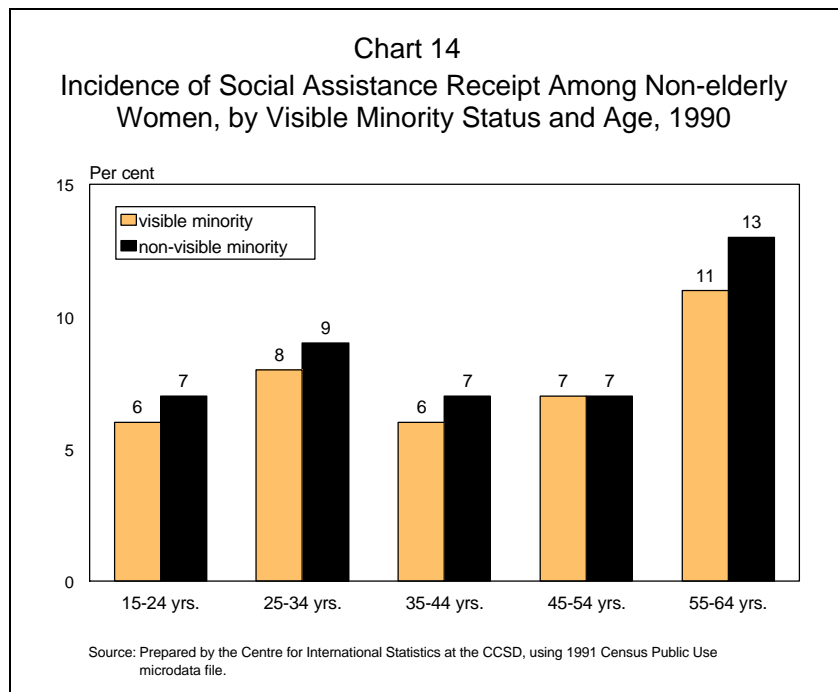
The differences in regional variations between the Aboriginal and non-Aboriginal population are notable. Although changes in the number of people who draw social assistance and other government transfers tend to be sensitive to provincial unemployment rates, caseloads and expenditures for on-reserve Aboriginal people are being driven by increases in the *number of*

recipients.³⁸ Despite efforts to stimulate economic activity on reserve, social assistance remains a critical source of income for people living on reserve. These findings point to the persistent social and economic marginalization of Aboriginal people.

Profile by Visible Minority Status

The following profile of visible minority women was derived from the 1991 Census public use microdata file for individuals, a three per cent representative sample of the Canadian population. While the demographic data presents a snapshot of the visible minority population in 1991, the income data was gathered from the previous year, 1990.³⁹

One problem in using the Census data is that it does not identify income from social assistance. In 1991, social assistance was included in a broader category called “other government income”. In addition to social assistance, this category includes provincial income supplements to the elderly, benefits under the Canadian Jobs Strategy Program, veterans’ pensions, pensions to widows and dependants of veterans, recipients of workers’ compensation, and federal and provincial sales tax credits.⁴⁰ Thus, readers are urged to interpret these findings with caution. They point to the general patterns of usage of social assistance among visible minority women, but cannot provide specific estimates.⁴¹

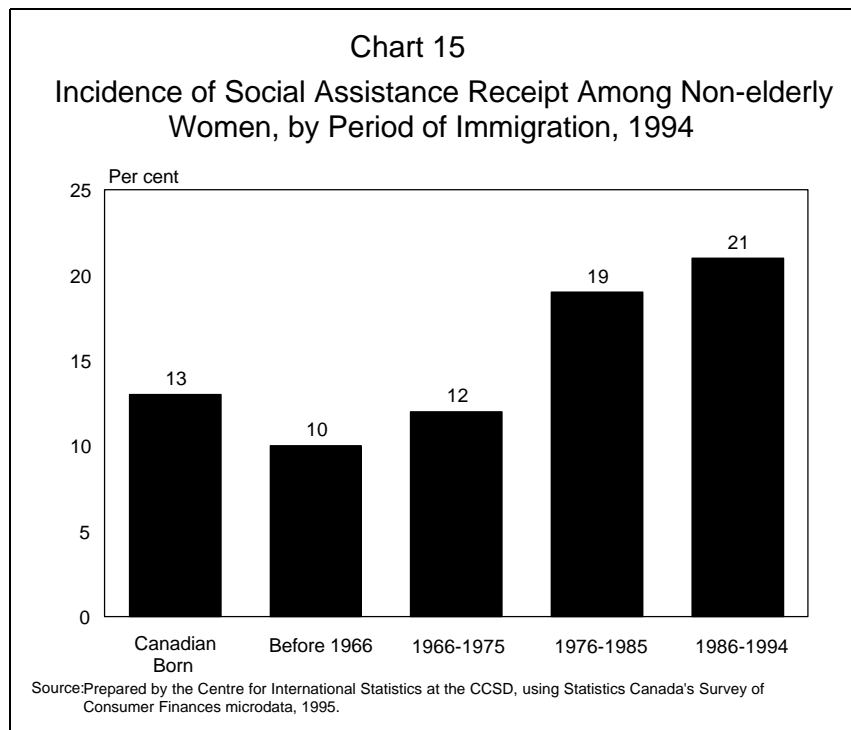


Although the Census was not the ideal source of data for analysing the status of visible minority women on social assistance, it does indicate that visible minority women are slightly less likely than non-visible minority women to receive “other government transfers.” For 1990, direct recipients only,⁴² the incidence of social assistance receipt was 7 per cent among visible minority women and 8 per cent among non-visible minority women. This pattern is also evident when age is taken into account (chart 14). The reader should note that the rates of social

assistance derived from the Census are lower than the other estimates, which are based on 1994 income reports in the Survey of Consumer Finances. The differences reflect different points in the business cycle and the fact that these estimates are based on the reports of direct receipts only.

Profile by Immigration Status

The incidence of social assistance receipt is high among women who are recent immigrants to Canada (chart 15). Non-elderly women who immigrated between 1986 and 1994 are the most likely to have relied on social assistance during the profile year (21 per cent).⁴³ The incidence of social assistance receipt among women who immigrated between 1976 and 1985 is also fairly high (19 per cent). By comparison, the incidence of social assistance receipt among women born in Canada is 13 per cent. Roughly 1 in 10 women on social assistance (113,000) immigrated in the last 10 years.



There are a number of possible explanations for the higher rate of social assistance among recent immigrants. This number includes refugee claimants, who until recently were prohibited from working before their claims for asylum were heard. In addition, immigrant women face significant barriers to participating in the labour market, such as language, lack of recognition of foreign educational credentials in Canada, different social and cultural norms and expectations, and racism.

Immigrant groups do not have persistently high rates of social assistance use; in fact, the lowest incidence of social assistance receipt occurs not among Canadian-born women, but among women who immigrated here before 1966 (10 per cent), followed by those who immigrated between 1966 and 1975 (12 per cent). These data suggest that social assistance programs provide transitional support to new immigrant groups, one of the precise purposes for which social assistance was designed.

Profile by Disability Status

People with disabilities face tremendous barriers getting into the labour force, barriers that have as much to do with the nature of the disability as with the nature of the living and working environment. As a result, people with disabilities have lower rates of labour force participation, higher rates of unemployment and lower employment earnings. These patterns are even more

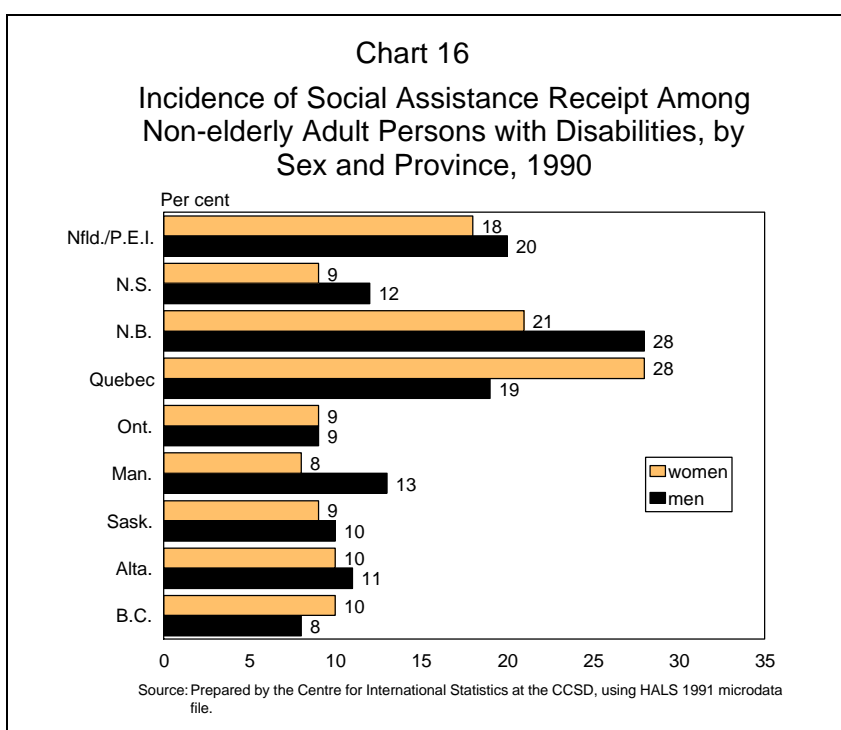
pronounced among women with disabilities. The availability and adequacy of income support programs and services continue to be critical to the well-being of this vulnerable population.⁴⁴

Social assistance is only one of several programs available to support persons with disabilities, but it is a vital one for many people who do not have a stable source of employment-related income or, by extension, access to major social insurance programs such as Employment Insurance or Workers' Compensation. Social assistance is truly the program of last resort. Although individuals with disabilities typically receive higher benefits under social assistance in most provinces than do recipients without disabilities and although they have access to special benefits (e.g., attendant care), this support is contingent upon their classification as unemployable. The rigidity of these regulations can inhibit persons with disabilities from seeking available employment, particularly if the cost of leaving social assistance for employment is the loss of critical, often costly, supports.

According to the Health and Activity Limitation Survey (HALS) conducted in 1991, 270,000 individuals with disabilities reported income from social assistance in 1990 – that is, 270,000 people with disabilities were direct recipients of social assistance. Overall, the incidence of social assistance for this population was 13 per cent in 1990, compared to a general rate among all direct recipients of 7 per cent. There were 142,000 female social assistance recipients and 128,000 male social assistance recipients with disabilities.

There are a number of interesting points about the individuals with disabilities who rely on social assistance. Young women with disabilities aged 15 to 24 years have a much lower incidence of social assistance than do young men in this age group. However, this trend is reversed among older persons with disabilities. Women aged 45 to 64 years are roughly 50 per cent more likely to rely on social assistance than are older men with disabilities (see appendix 3). One of the reasons behind this finding is that older women are more likely to be living on their own. Indeed, the

highest incidences of social assistance receipt is among unattached women with disabilities (26 per cent) and lone mothers with disabilities (27 per cent). By contrast, married or common-law women with disabilities have a very low incidence of social assistance receipt – 4 per cent – the same rate of assistance as all married or common-law women who were direct recipients in 1990.⁴⁵

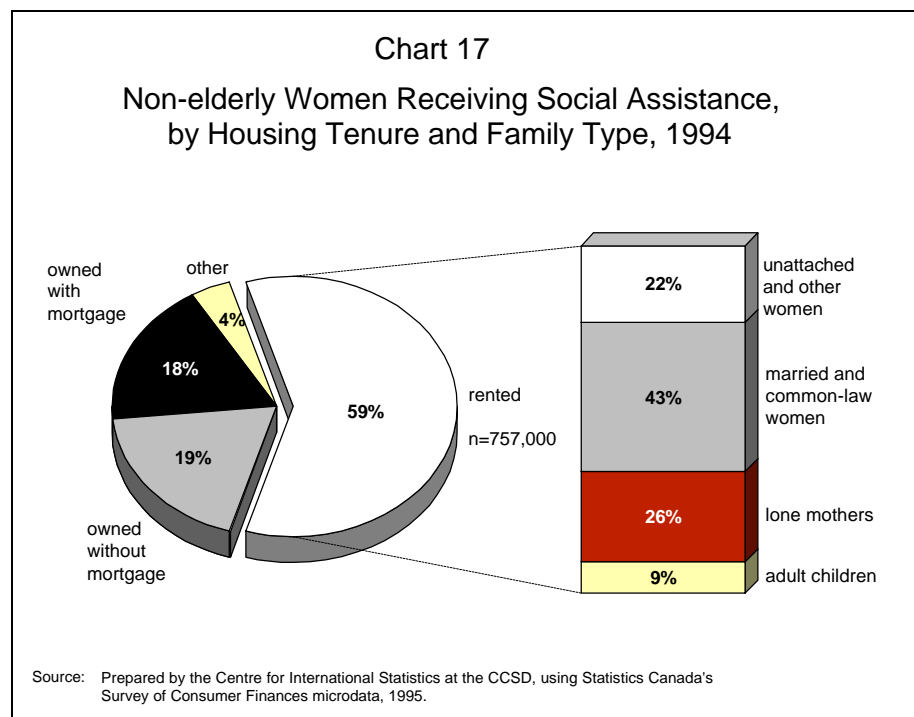


The other interesting pattern that emerges from the demographic profile of women with disabilities is the differences among the

provinces. For example, the rate of social assistance among women is very high in Quebec – 28 per cent – but only 9 per cent in Ontario (chart 16), although, according to the HALS, 41 per cent of all women with disabilities lived in Ontario. Similarly, there are very high rates in New Brunswick and Newfoundland/Prince Edward Island, especially when compared to the number of women with disabilities living in those provinces. These data clearly reveal the differences in social assistance programs across the country, both in the definition of disability and in the availability of other income support programs.⁴⁶ It is likely that cutbacks to the social assistance program in these provinces will have a disproportionate impact on these groups of women with disabilities.

Profile by Housing Tenure

The housing status of social assistance recipients is directly linked to their very limited financial resources. Not surprisingly, most social assistance recipients live in rented dwellings (chart 17). Among female social assistance recipients, the percentage living in rental accommodation is 59



per cent (757,000); among male social assistance recipients, the rate is 52 per cent (563,000). By way of comparison, 29 per cent of the total non-elderly female population rent accommodation; this share falls to 24 per cent among women not on social assistance. The incidence of social assistance receipt among adult women in rental housing is 28 per cent.

Another interesting finding is the number of

female social assistance recipients who live in houses owned by themselves or a family member. About 235,000 live in mortgaged houses, and a similar number (240,000) live in mortgage-free houses. Together, these women account for 37 per cent of non-elderly women who rely on social assistance income. Of course, this distribution is much lower than the percentage of women living in their own homes among the general population – that is, 68 per cent.

There is also a relationship between housing status and the types of families that social assistance recipients live in. For instance, 81 per cent of all lone mothers who rely on social assistance live in rental accommodation. Only 18 per cent live in their own home (or a home that is owned by a

family member in the household) – less than half the proportion of home-owners among all female social assistance recipients, and 50 percentage points less than the rate of home ownership among all non-elderly adult women. Stated another way, lone mothers on social assistance are twice as likely as married/common-law women and even unattached women (57 per cent compared to 20 per cent and 24 per cent) to live in rental housing. These figures reveal the precarious housing situation faced by single mothers in social assistance families.

Married and common-law women make up the next largest group of renters (258,000), but, as noted above, the rate of social assistance among this group is lower: 20 per cent.

Married/common-law women who rely on social assistance are more likely than not to be living in family-owned dwellings. Just over half, 284,000, of women living in couples receiving social assistance reside in this type of housing. However, 15 per cent of this group are women living in extended family situations.

Conclusion

This demographic portrait of women receiving social assistance reveals the great diversity of this population. Many economically vulnerable groups of women depend on provincial social assistance programs. Lone mothers, young women under the age of 25 and unattached older women aged 55 to 64 years have higher rates of social assistance receipt. Mothers of young children, especially lone mothers, are also at high risk for relying on social assistance.

Social assistance rates are roughly the same across Canada, with the exception of the Prairie provinces, where all women, regardless of family type, have lower rates of social assistance receipt. Women from visible minority groups do not have a higher incidence of social assistance receipt; in fact, as a group, they have lower rates than the non-visible minority population. While women's immigration status is linked to the likelihood of being a social assistance recipient, this trend is only evident among fairly recent immigrants who face significant barriers to labour market participation. Women with disabilities are also much more likely than women without disabilities to rely on social assistance.

There is a complex range of factors at work that places these groups of women at high risk for receiving social assistance, not least of which are the barriers that they face in the labour market. Limited job opportunities, high rates of unemployment in many regions and industrial sectors, and the lack of good, affordable child care are some of the reasons why women are forced to turn to social assistance for financial support. They are also the things that trap women in social assistance programs. Given the generally low benefit rates across Canada (see the section "Income Profile", below), these women are also trapped in poverty.

The process of welfare reform has been under way at the provincial level for many years. Rising caseloads and welfare expenditures have prompted a search for measures to cut government costs and to discourage social assistance reliance. The elimination of the Canada Assistance Plan and the large-scale cuts in federal transfers to the provinces introduced with the CHST have created greater pressure to further target the program and reduce benefits. The demographic profile of women receiving social assistance indicates that certain groups of women will be especially

vulnerable to potential program reforms. Monitoring the changing demographic profile of social assistance recipients will be important to understanding the impact of the changes that follow the introduction of the CHST. While there are other important forces influencing the composition of social assistance recipients, including changing demographic trends and conditions in the labour market, charting the make-up of the caseload will illuminate the nature of welfare reform undertaken by the provinces⁴⁷ and its ramifications on women's economic security.

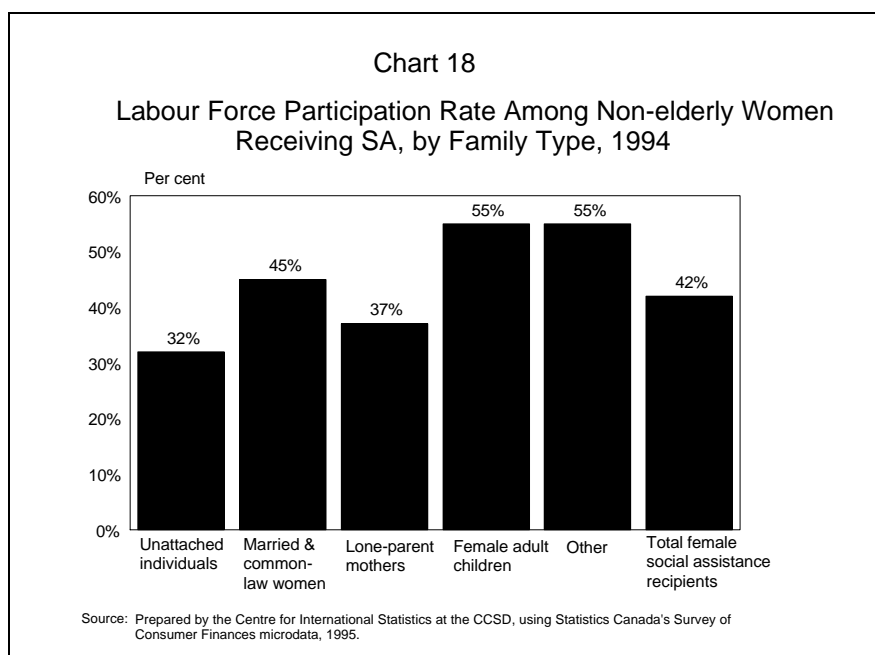
Labour Force Profile: Women on Social Assistance

Most people see social assistance as an all-or-nothing state: women who receive social assistance receive only social assistance, and women who have employment receive only earnings. This view is fed no doubt by popular perceptions of “lazy” welfare recipients who choose not to work. Reality is much more complicated. Indeed, 51 per cent of all adults on social assistance were labour market participants in 1994. Social assistance receipt is transitional, and most social assistance recipients exit the program over time. In any given year, social assistance recipients have a mix of income transfers and earnings.

Labour Force Participation

According to the Survey of Consumer Finances, 42 per cent of female social assistance recipients were labour market participants during the survey reference week; of this figure, 30 per cent were unemployed (160,000), and 70 per cent were employed (382,000). Of the total number of women receiving social assistance, 58 per cent (737,000) were “not in the labour force” – that is, they did not hold and were not seeking paid employment.⁴⁸ By contrast, the labour force participation rate of women who did not receive social assistance in 1994 was much higher: 73 per cent. The unemployment rate of female non-social assistance recipients was 7 per cent, four times lower than the rate of women receiving social assistance.

Chart 18 depicts the labour force participation rate of women receiving social assistance according to the type of family that they live in. The labour force participation rate of female



social assistance recipients is highest (55 per cent) among adult children and “other” women members of households. The rate among married or common-law women is somewhat lower (45 per cent), and, predictably, the rate is lower still in lone-parent families (37 per cent). The smallest percentage of women receiving social assistance who are

active labour market participants are unattached singles (32 per cent). It may be that this last group includes a number of women with disabilities who are classified as “unemployable.”

There is less variation in the participation rate among female social assistance recipients according to their region of residence. The relative strength of regional economies (coupled with distinctive social assistance programs) influences employment opportunities. Not only is the labour participation rate of women receiving social assistance lower in the Atlantic provinces and in Quebec (35 per cent in each), but the rate of unemployment within this group of women is higher as well. Close to one in five female social assistance recipients in Ontario, the Prairie provinces and British Columbia worked or sought paid work during 1994. Among this group of provinces, however, the unemployment rate of female social assistance recipients was comparatively low in the Prairie provinces (16 per cent). That is to say, of female labour force participants, many more were employed in Manitoba, Saskatchewan and Alberta, than in Ontario or British Columbia, where the unemployment rates were 27 per cent and 32 per cent respectively.

Full-time and Part-time Work

Another way to assess attachment to the labour market is to look at the number of women who work mostly full-time, those who work mostly part-time (less than 30 hours per week) and those who do not work at all (table 4). In 1994, 41 per cent of women who received social assistance had employment in the paid labour force at some point during the year, while 59 per cent did not work, that is they were either “unemployed” or were not in the labour force. Of those who worked, 57 per cent mostly worked full-time and 43 per cent mostly worked part-time.

As with labour force participation rates, the pattern of work among female social assistance recipients varies according to their family situation. Again, the highest incidence of employment was among female adult children and “other” women (about 6 in 10), and the lowest rate was among unattached women (about 3 in 10). Within each group of female social assistance recipients who had at least some employment during the year, the balance of part-time and full-time paid work varied as well.

Table 4: Non-elderly Adult Women Receiving Social Assistance by Full-time Work, Part-time Work and Family Type, 1994

Family type	Women who had at least some employment during 1994 (%)	Women with employment who mostly worked full-time (%)	Women with employment who mostly worked part-time (%)
Unattached women	28	41	59
Wives	44	64	36
Lone mothers	33	50	50
Adult children	61	54	46
Other	58	69	31
All female SARs	41	57	43

Source: Survey of Consumer Finances, 1994 income, microdata file.

The incidence of employment among female social assistance recipients was highest in Ontario, the Prairie provinces and British Columbia, and lowest in Quebec (table 5). Yet among women with employment, the balance of full-time and part-time paid work was roughly the same in each region. Among women receiving social assistance who worked at some point in 1994, 6 in 10 reported working on a full-time basis.

Table 5: Non-elderly Adult Women Receiving Social Assistance by Full-time Work, Part-time Work and Region, 1994

Region	Women who had at least some employment during 1994 (%)	Women with employment who mostly worked full-time (%)	Women with employment who mostly worked part-time (%)
Atlantic provinces	36	57	43
Quebec	29	58	42
Ontario	46	58	42
Prairie provinces	49	56	44
British Columbia	44	51	49
All female SARs	41	57	43

Source: Survey of Consumer Finances, 1994 income, microdata file.

In sum, the labour market profile of women receiving social assistance is not static. Thirty per cent of this group were employed during the reference week of the survey, and, in total, 41 per cent reported being employed at some point in 1994. These data reveal the cyclical or transitional nature of the social assistance program and point to the fact that a significant number of women mix earnings and income transfers in a given year. Not surprisingly, the labour force portrait of female social assistance recipients reveals the diversity of this population, just as the demographic data do. On the whole, however, it is certainly not a picture of women who are adverse to work.

Conclusion

It is necessary to chart the changing labour market profile of social assistance recipients and changes in caseload demographics at the same time. Welfare reforms are almost uniformly directed toward encouraging greater labour force attachment among recipients. One measure or indicator of success – for provincial governments at least – will be a decline in the number of women relying on social assistance (and, concomitantly, a rise in the number of labour force participants). But there is not a strict dichotomy between women who rely on social assistance and those who rely on earnings. Roughly 40 per cent of female social assistance recipients in 1994 had a mix of earnings and welfare income.

The question of employment and social assistance is complex. Labour force participation rates have as much to do with women's personal family circumstances (Does she live alone? Does she have children?) and the availability of jobs in the local economy as they do with the parameters of social assistance programs. Indeed, existing information on lone mothers suggests that the ease of access to social assistance and levels of welfare benefits do not wholly – or even largely – explain patterns of social assistance use or market work.⁴⁹ The complexity of factors influencing

women's behaviour vis-à-vis welfare and paid employment should be considered in assessing the impact of changes related to the CHST and provincial social assistance programs, particularly as this impact relates to labour force participation among women who are at high risk of social assistance reliance.

With this caveat in mind, measuring the labour market characteristics of women receiving social assistance remains important because access to earnings is critical to raising economically marginal women out of poverty in today's economy. Higher rates of labour force participation hold the *potential* of greater economic security and autonomy for women receiving social assistance. This is a key objective against which changes to social assistance should be measured. However, the potential of greater economic well-being through paid employment is contingent upon access to secure jobs at adequate wages. Exiting social assistance for the low-wage labour market is not always the best economic choice for women, especially if they are sole earners. This is precisely the dilemma that faces women receiving social assistance ... and provincial and federal welfare reformers.

Income Profile: Women on Social Assistance

This income profile of women receiving social assistance, like the portrait of labour market characteristics, clearly reveals that many social assistance recipients combine paid employment and income transfers. Access to earnings or other sources of income (particularly the income of other family members) is linked to higher individual and family incomes. Women who have to rely almost exclusively on social assistance are significantly worse off than women who have access to other financial resources. Still, the economic situation of all women on social assistance is precarious, as revealed in their high rates of poverty and their depth of poverty.

The following profile is organized around four dimensions or indicators of income that are important to monitor as social assistance reforms are introduced. The first is *level* of social assistance income. The average social assistance incomes for women and men in 1994 are presented. The second indicator is *reliance* on social assistance. The question of reliance is clearly vital in identifying which groups of women will be most affected by federal cutbacks in transfers and changes to provincial social assistance. The degree of reliance on social assistance is also an inverse indicator of low levels of labour force attachment, earnings and total income. Average social assistance as a proportion of total family income is considered as an indicator of reliance. The third indicator is the *earnings* of women on social assistance, and the fourth is the important dimension of social assistance *adequacy*.

The four indicators are considered in the light of family type, presence of children, recipients' age and recipient's region of residence. Detailed income profile tables are presented in appendix 4, including additional tables on income by immigration status and housing tenure. A parallel set of tables has also been produced for the income profile of direct social assistance recipients. These data are presented in appendix 5.

Level of Social Assistance Income

The logical starting point in creating a baseline income profile of women on social assistance is to determine the average social assistance income. It is not an easy task. Social assistance is a family-based benefit, and, consequently, there is no way to accurately determine the apportionment of this income to individual members within families of more than one. Therefore, this analysis derives average social assistance income through a number of steps. First, individuals were divided into population categories according to their family status and gender. Next, the total social assistance income received by the family was attributed to each individual member of the family. For each population category, the social assistance income for all families was then totalled and divided by the number of individuals in the population category. The resulting number represents the average social assistance income for each individual in that category. The amount gives an indication of the family income context in which individuals live, but is not intended to represent the actual amount of social assistance that they individually receive.

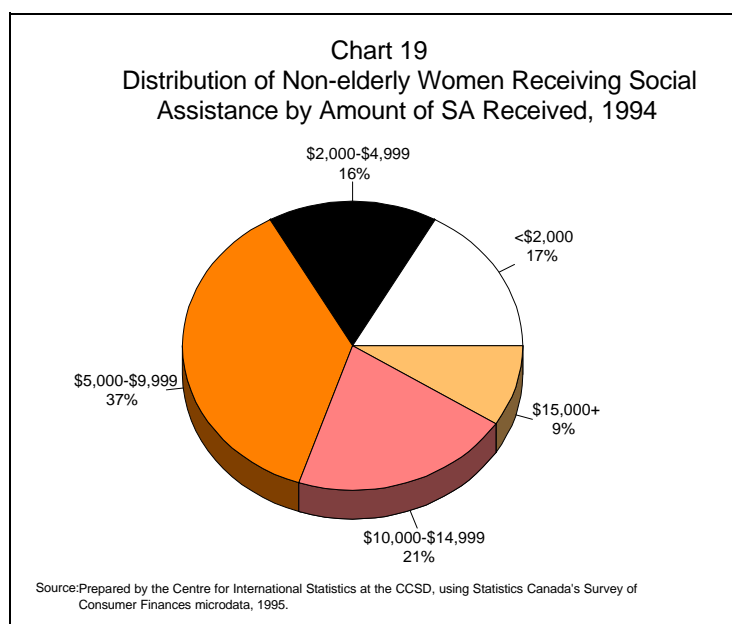
The data in table 6 list average social assistance income of women and men by family type. In 1994, women and men living in families that reported social assistance income received an average of \$7,773 and \$7,240 respectively. Lone-parent families received the highest average amount, and unattached women and men received the lowest. Not surprisingly, because benefit levels are designed to take the number of family members into account, there are variations between family types and between families with children and those without children.

Table 6: Average Social Assistance Income by Gender and Family Type, 1994

Family type	Women receiving social assistance (\$)	Men receiving social assistance (\$)
Unattached	6,558	5,860
Married / Common-law	7,579	8,044
with no children	6,883	7,774
with children	8,477	8,788
Lone parent	9,326	9,267
in nuclear family	9,463	—
in extended family	8,334	—
Adult children	6,906	7,283
Other	6,821	5,799
Average	7,773	7,240

Source: Survey of Consumer Finances, 1994 income, microdata file.

Similarly, average social assistance varies by age, reflecting the different life courses of men and women. Women aged 25 to 34 years lived in families that had the highest average social assistance income (\$8,781), followed by women aged 35 to 44 years (\$8,089). In contrast, men aged 55 to 64 years lived in families that had the highest average social assistance income (\$7,525), reflecting in part the high incidence of social assistance within this group. Older women also had a relatively high rate of social assistance in 1994, indeed higher than that of older men, but their average social assistance income was quite low (\$6,463).



Average social assistance for families is highest in Ontario (\$8,882 among women and \$8,348 among men) and lowest in the Prairie provinces (\$5,585 among women and \$5,090 among men).

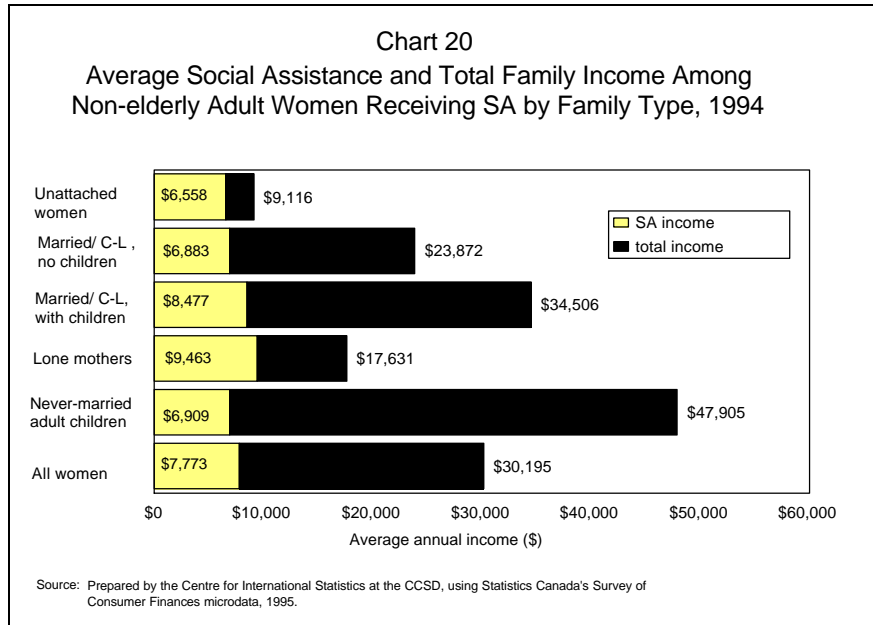
To flesh out the social assistance income picture further, the distribution of social assistance income among all female social assistance recipients (chart 19) is presented. As noted above, women living in social assistance families received an average \$7,773 in 1994. The largest group of women lived in

families that received between \$5,000 and \$9,999; the next largest group lived in families that received between \$10,000 and \$14,999.

Reliance on Social Assistance Income

What proportion of women’s overall family income does social assistance income comprise? The bars in chart 20 indicate the average family income of women in receipt of social assistance and the proportion of family

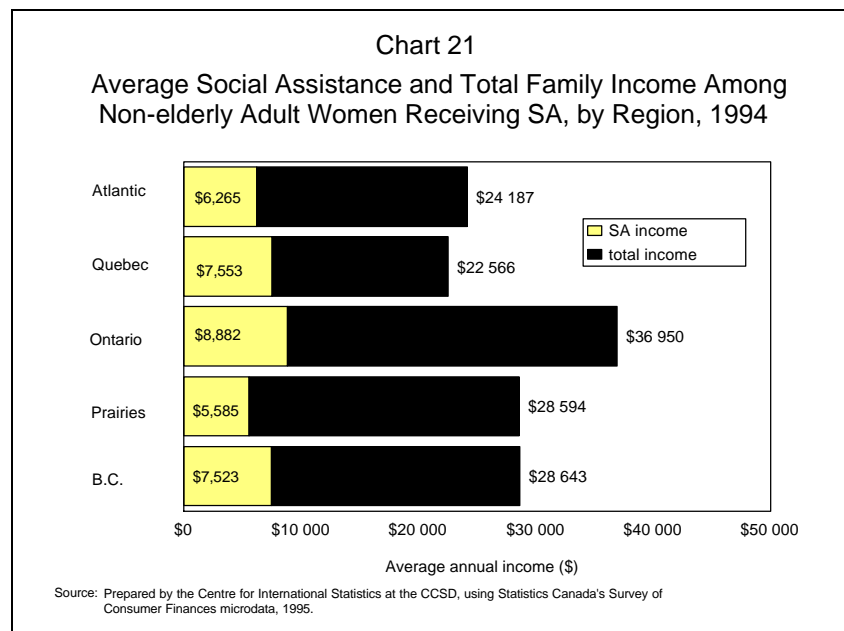
income from social assistance, by family type. The amount of social assistance received during 1994 ranges from an average of \$6,558 for unattached women to \$9,463 for lone-parent mothers. But there is enormous variation in average total family income, ranging from \$9,116 among unattached individuals to \$47,905 for never-married adult children living with parent(s).



For some women, social assistance income makes up a very large share of their total family income. For example, for unattached women, social assistance income in 1994 represented 72 per cent of total income; for lone-parent mothers, social assistance was 54 per cent of total family income. Among married women with children, social assistance income in 1994 represented a significant but relatively lower (25 per cent) share of total family income. Clearly, some women live in families in which social assistance is a short-term income source.

The high share of social assistance income among unattached women and lone-parent mothers is related to family context and the problems faced by many single-earner households. Often, women in these situations have no recourse to the earnings of other adult family members and have limited access to the labour market, especially in the absence of child care resources. These are the groups of women who will be significantly affected by social assistance program reform.

As noted above, across Canada (chart 21), the average amount of social assistance income received was highest in Ontario (\$8,882) and lowest in the Prairies (\$5,585). However, on



average, reliance on social assistance was highest among women recipients living in Quebec (33 per cent) and lowest among women recipients in the Prairies (20 per cent). The low reliance rate of women in the Prairies is partly because benefit rates are the lowest in this region and because of the marginally higher rate of labour force participation among female social assistance recipients in this region.

Earnings of Social Assistance Recipients

Even among social assistance recipients, a group that exists largely on the margins of the economy, significant differences in earnings exist between women and men. (Average earnings are calculated for individual members of each social assistance family.) As the data in table 7 show, the average annual earnings of female social assistance recipients are very low – considerably lower than the average earnings of male social assistance recipients. These differences are evident across all age groups but, in absolute dollar terms, are lowest among those under the age of 25 years and highest among those aged 25 to 34 years.

Table 7: Average Annual Individual Earnings of Women and Men in Receipt of Social Assistance Income, by Age, 1994

Age	Average earnings (\$)			
	Women	Men	Difference (\$)	Difference (% of male earning)
Under 25	3,524	5,685	2,161	-38
25–34	4,866	9,640	4,774	-50
35–44	5,934	9,984	4,050	-41
45–54	6,969	11,408	4,439	-39
55–64	2,187	5,787	3,600	-62
Average	4,747	8,696	3,949	-45

Source: Survey of Consumer Finances, 1994 income, microdata file.

There are large variations in earnings among female social assistance recipients by family type, as well (table 8). Unattached women had the lowest earnings (\$1,190) of any group of women receiving social assistance in 1994, while women in the “other” category (\$9,309) and female adult children (\$6,749) had the highest. Neither of these groups has child care responsibilities. The low earnings of unattached women reveal how dependent this group is on social assistance and the significant barriers they face in gaining access to the labour market.

The gender gap in earnings between female and male social assistance recipients is evident across all family categories, but is most pronounced between male and female spouses with children. This suggests that women in couple families have higher total family incomes but that their economic security rests on the earnings of other family members (such as their spouse). The difference in earnings is the smallest among adult children living in social assistance families.

Table 8: Average Annual Individual Earnings of Women and Men in Receipt of Social Assistance Income, by Family Type, 1994

Family Type	Average earnings (\$)			
	Women	Men	Difference (\$)	Difference (% of male earnings)
Unattached	1,190	2,418	1,128	-47
Married / C-L	6,246	12,170	5,924	-49
with no children	5,456	6,212	756	-12
with children	4,899	11,449	6,550	-57
Lone parent	2,750	4,685	1,935	-41
in nuclear family	2,391	—		
in extended family	5,358	—		
Adult children	6,749	7,641	892	-12
Other	9,309	11,695	2,386	-20
Average	4,747	8,696	3,949	-45

Source: Survey of Consumer Finances, 1994 income, microdata file.

The average earnings of female social assistance recipients are lowest in Atlantic Canada (\$2,808) and highest in Ontario (\$6,348), reflecting local labour market conditions (table 9). But the gender gap is highest in the Prairie provinces, where women’s average earnings are 58 per cent less than the earnings of men living in social assistance families. Although women in the Prairies have the highest labour force participation rate and lowest reliance on social assistance, the market does not provide much economic security, particularly in comparison to men in similar circumstances.

Table 9: Average Annual Individual Earnings of Women and Men in Receipt of Social Assistance Income, by Region, 1994

Region	Average earnings (\$)			
	Women	Men	Difference (\$)	Difference (% of male earnings)
Atlantic	2,808	5,869	3,061	-52
Quebec	3,251	5,125	1,874	-37
Ontario	6,348	10,904	4,556	-42
Prairies	4,339	10,363	6,024	-58
British Columbia	4,383	9,559	5,176	-54
Average	4,747	8,696	3,949	-45

Source: Survey of Consumer Finances, 1994 income, microdata file.

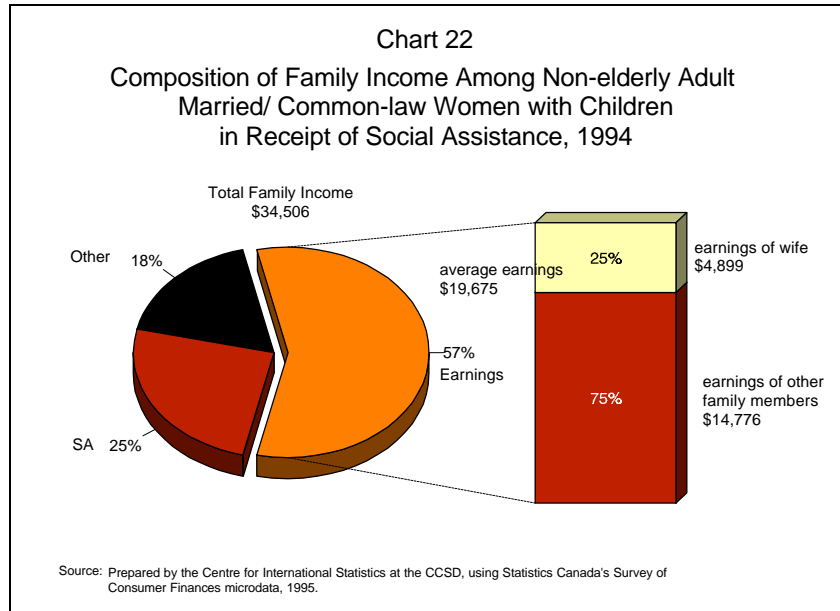
The gender gap in earnings that is revealed by the data in tables 7, 8 and 9 helps to explain why the earnings of female social assistance recipients make up a relatively small proportion of total family income, in absolute terms, especially when compared to the earnings of male social assistance recipients. Overall, the earnings of female social assistance recipients constitute 16 per cent of total family income while the earnings of male social assistance recipients make up 26 per cent. As the data in table 10 show, the earnings of unattached women and mothers receiving social assistance made up the smallest proportion of the total incomes of these family types in 1994. In all cases, male earnings formed a larger proportion of total family incomes, with the exception of adult male children and “other” men. This finding is interesting, because these two groups of men have higher rates of labour force participation than do women in these categories.

Table 10: Individual Earnings of Social Assistance Recipients as Percentage of Total Family Income, by Family Type, 1994

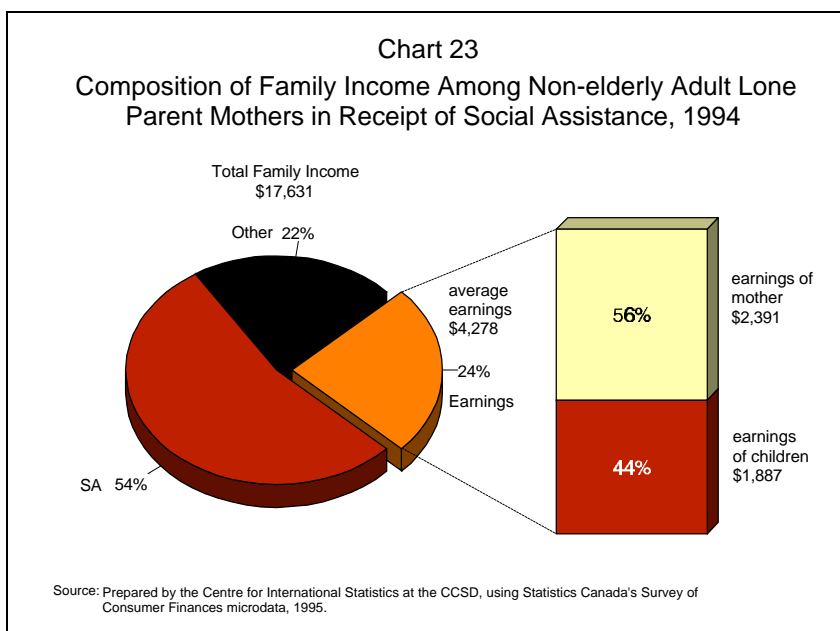
Family type	Women	Men
Unattached	13%	25%
Married / C-L	16%	31%
with no children	23%	25%
with children	14%	33%
Lone parent	14%	18%
in nuclear family	14%	-
in extended family	15%	-
Adult children	22%	16%
Other	31%	27%
Total	16%	26%

Source: Survey of Consumer Finances, 1994 income, microdata file.

These data (table 10) also reveal the significance of having children on the potential for women in receipt of social assistance to seek out earnings. The earnings of lone mothers and married/common-law women with children make up the same small proportion of total family income. The critical difference in their economic standing is the presence of additional income earners (charts 22 and 23).



In the case of married/common-law women with children (chart 22), social assistance income made up 25 per cent of total annual family income, and earnings represented 57 per cent, or an average of \$19,675. Of these family earnings, \$4,899 (25 per cent) were the individual earnings of the married/common-law woman herself, while 75 per cent came from other members in the family.



In the case of lone-parent mothers in nuclear families (chart 23), social assistance income made up a much larger share of total family income (54 per cent) than did earnings (24 per cent, or an average of just \$4,278). Of these annual earnings, \$2,391 (56 per cent) were the individual earnings of the lone mother and the remainder were from children within the family. The comparison of women in these two family situations shows that most of the difference in earnings

between the two family types is attributable to earnings from other family members. It should not go unnoted, however, that the earnings of lone mothers were less than half the earnings of married women. These charts graphically reveal why lone mothers are at such a high risk of poverty; by extension, married or common-law women are only a partner away from the same situation.

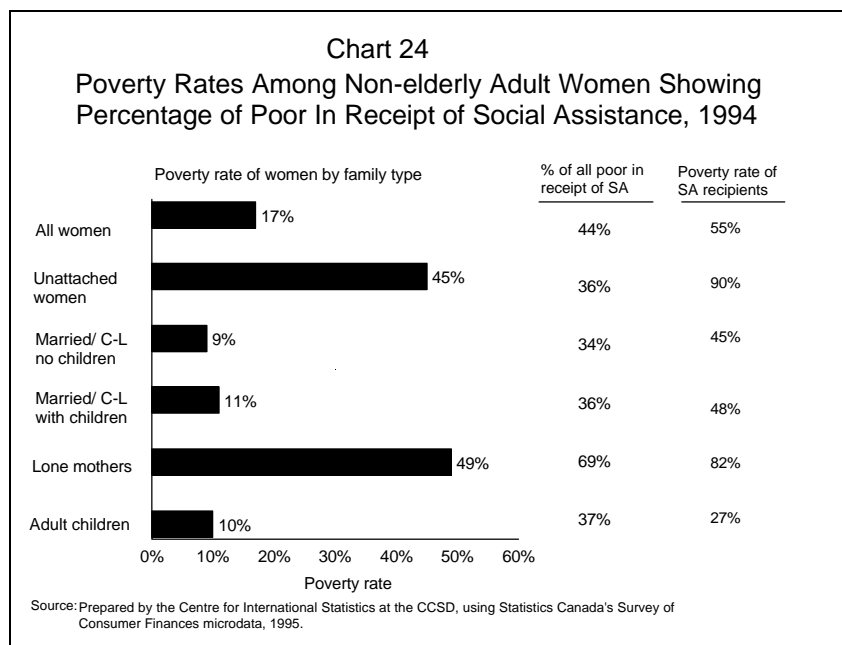
Poverty Among Social Assistance Recipients

As the National Council on Welfare (NCW) has shown in its annual series, *Welfare Incomes*, social assistance income in all jurisdictions falls far short of established poverty lines. If social assistance recipients received assistance for the entire year and no other income, their poverty would be virtually guaranteed. These are the depressing findings of the NCW every year. In 1995, for example, the annual social assistance income received by a couple with two children ranged from 48 per cent of the poverty line in New Brunswick to 69 per cent of the poverty line in Prince Edward Island.

This profile of poverty differs from the ones produced by the NCW, although like the NCW it uses Statistics Canada's Low Income Cut-Offs (LICOs) to measure poverty. LICOs are a set of income cut-offs below which people may be said to live in straitened circumstances; they vary with the size of a person's household and community.⁵⁰ (See appendix 6 for the 1994 LICOs.) Unlike the NCW, this profile is based on actual annual incomes of social assistance recipients; the NCW's comparisons of social assistance income and poverty lines are derived by assuming that individuals and families receive social assistance for the entire year.

A woman is defined as poor if she lives in a family whose total income from all sources falls below the poverty line. Poverty rates are presented for individuals, even though the family income is used to determine poverty status. This is a common technique, used, for example, to show rates of poverty among children.

There is considerable variation in women's poverty rate according to the different family situations (chart 24). Among all non-elderly adult women, the poverty rate in 1994 was 17 per cent, but the rate was considerably higher among unattached women (45 per cent) and lone mothers (49 per cent). Poor lone mothers also stand out from women in other family



arrangements because a very high proportion of lone mothers receive social assistance (69 per cent); in most other groups of poor women, about one-third are social assistance recipients.

Two points are worth noting. In any given year, many poor women do not draw on social assistance. These women live in families that rely on inadequate market earnings or other income support programs such as workers' compensation or unemployment insurance.

Conversely, some social assistance recipients are not poor. Poverty rates are calculated by assessing a family's total income over the year. A family may receive social assistance for only a short period and have market earnings the rest of the year that bring their annual income above the poverty line.

Nevertheless, being on social assistance increases the likelihood of poverty. Poverty rates among women receiving social assistance are considerably higher than the rates among women in general. For example, while the overall rate of poverty of non-elderly adult women was 17 per cent, it was 55 per cent for those who received social assistance. The higher rates of poverty among social assistance recipients are especially pronounced among unattached women and lone-parent mothers, women who already have extremely high levels of poverty. In 1994, for example, lone parents in receipt of social assistance had a poverty rate of 82 per cent, and the rate among unattached individuals in receipt of social assistance was 90 per cent.

The high rate of poverty among unattached individuals in receipt of social assistance is a clear reflection of inadequate welfare income. The NCW has shown that, in all jurisdictions, the welfare incomes of single "employables" (women and men) have the highest level of inadequacy when measured against Statistics Canada's LICOs. In 1995, welfare income for single individuals represented just 24 per cent of the poverty line in New Brunswick; in Ontario, the rate was a national high of 51 per cent. Among lone parents, social assistance incomes come closer to the poverty line, ranging from a low of 50 per cent of the poverty line in Alberta to a high of 75 per cent of the poverty line in Ontario. Nevertheless, because many lone-parent mothers rely heavily on social assistance for relatively longer periods of time, income from this source leaves the overwhelming majority in poverty.

Variation in provincial welfare rates is also reflected in the range of poverty rates among social assistance recipients in the different regions (table 11). The incidence of poverty among female social assistance recipients is consistently higher than the incidence among male social assistance recipients (55 per cent compared to 48 per cent), but for both the rate of poverty is greatest in Quebec and lowest in Ontario – that is, 67 of every 100 women receiving social assistance in Quebec had total family incomes below the poverty line in 1994, whereas the rate in Ontario was 46 of 100 women. Regional differences cannot be attributed to welfare rates alone. The analysis of levels of social assistance income discussed above indicates that the lowest welfare rates for women recipients are in the Prairie region and, conversely, that Quebec has the second highest social assistance levels for both women and men. Quebec's high rate of poverty among social assistance recipients is likely the result of additional factors, including duration on social assistance, poor employment opportunities and low wages.

Table 11: Poverty Rates Among Non-elderly Adult Women and Men, by Region, 1994

Region	All individuals		Individuals in receipt of social assistance	
	Women	Men	Women	Men
Atlantic	18%	14%	62%	49%
Quebec	21%	18%	67%	60%
Ontario	15%	12%	46%	39%
Prairies	18%	14%	56%	49%
British Columbia	17%	15%	56%	53%
Average	17%	14%	55%	48%

Source: Survey of Consumer Finances, 1994 income, microdata file.

This analysis also indicates that the rates of poverty are high among women from visible minority communities, Aboriginal women and women with disabilities. The data in table 12 show that women in a visible minority group have higher rates of poverty than do women who are not from a visible minority, regardless of whether they are social assistance recipients. Based on 1990 income data, the 1991 Census reveals that the overall poverty rate was 16 per cent for women and 13 per cent for men. Women from visible minorities were almost twice as likely to be poor: 27 per cent of visible minority women were poor compared to 15 per cent of non-visible minority women. Among social assistance recipients, however, the rates of poverty were much closer: 56 per cent compared to 49 per cent. This finding suggests that there may be greater income equality among social assistance recipients than among wage earners. Nonetheless, this type of equality cannot make up for the extremely low incomes of women receiving social assistance.

Table 12: Poverty Rates Among Non-elderly Adults, by Visible Minority Status and Receipt of "Other Government Income",* 1990

	Women's poverty rate	Men's poverty rate
Visible minority		
no social assistance income	24%	22%
with social assistance income	56%	52%
all	27%	24%
Non-visible minority		
no social assistance income	12%	10%
with social assistance income	49%	36%
all	15%	12%

* Social assistance income plus provincial income supplements to the elderly, benefits under the Canadian Jobs Strategy Program, veterans' pensions, pensions to widows and dependants of veterans, recipients of workers' compensation, and federal and provincial sales tax credits.

Source: 1991 Census, Public Use Sample Tape.

According to the Aboriginal Peoples Survey, Aboriginal women receiving social assistance also have a very high incidence of poverty: 58 per cent of Aboriginal women receiving social assistance or workers' compensation in 1990 were poor, compared to 15 per cent of Aboriginal women who did not draw on these programs during this year. The incidence of poverty was also

very high among Aboriginal men in receipt of social assistance or workers' compensation in 1990: 50 per cent.⁵¹

The 1991 Health and Activity Limitations Survey states that there were 1,051,000 non-elderly adult women and 1,007,000 non-elderly adult men with disabilities in Canada. Overall, 12 per cent of these women and 11 per cent of these men received some social assistance income in 1990. The data in table 13 show the poverty rates of women and men with disabilities by receipt of social assistance income. Approximately 24 per cent of women with disabilities and 19 per cent of men with disabilities were poor in 1990. Poverty rates among women and men who received social assistance were considerably higher than among those who did not receive this type of income (71 per cent compared to 18 per cent among women, and 61 per cent compared to 14 per cent among men). The data also show that poverty rates are consistently higher among women than among men in this group.

Table 13: Poverty Rates Among Non-elderly Adults with Disabilities, by Sex and Receipt of Social Assistance Income, 1990

	Women with disabilities		Men with disabilities	
	Number poor	Poverty rate	Number poor	Poverty rate
no social assistance income	165,000	18%	126,000	14%
with social assistance income	90,000	71%	67,000	61%
Total	255,000	24%	193,000	19%

Source: Statistics Canada, 1991 Health and Activity Limitations Survey, microdata file.

The data in the tables and charts above provide a detailed picture of poverty among women who rely on social assistance income. While there are a number of reasons for these women's high rates of poverty, their reliance on social assistance income for part or all of the year is clearly an overarching determinant. Indeed, the longer that women rely on social assistance for income, the greater the likelihood that they will be poor.

This link between poverty and duration of social assistance receipt is clear from the data in table 14. Among all female social assistance recipients in 1994, about one-third received less than \$5,000, one-third received between \$5,000 and \$9,999 and one-third received \$10,000 or more. The data reveal that poor women in receipt of social assistance typically receive more annual social assistance than non-poor women in receipt of social assistance, reflecting the longer duration of social assistance receipt among the poor. For example, 46 per cent of non-poor recipients had social assistance income of less than \$5,000, compared with only 21 per cent of poor recipients.

**Table 14: Poor and Non-poor Women in Receipt of Social Assistance
by Amount of Social Assistance Income Received and Poverty Rate, 1994**

Social assistance income	Poor	Non-poor	All female social assistance recipients	Poverty rate
less than \$2,000	8%	27%	17%	28%
\$2,000–\$4,999	13%	19%	16%	47%
\$5,000–\$9,999	42%	30%	37%	64%
\$10,000 or more	36%	24%	31%	65%
Total	100%	100%	100%	55%
Number	708,000	572,000	1,280,000	

Source: Survey of Consumer Finances, 1994 income, microdata file.

The data in the final column in table 14 illustrate that the poverty rate actually increases as annual social assistance income increases. Women receiving less than \$2,000 in social assistance income in 1994 had a poverty rate of 28 per cent, while women receiving \$10,000 or more had a poverty rate of 65 per cent. Thus, women receiving only small amounts of social assistance tend to be recipients who use the program for relatively short periods or time or who have access to other sources of family income (e.g., a spouse's wages). As discussed above, access to additional sources of income is critical to lifting female social assistance recipients out of poverty.

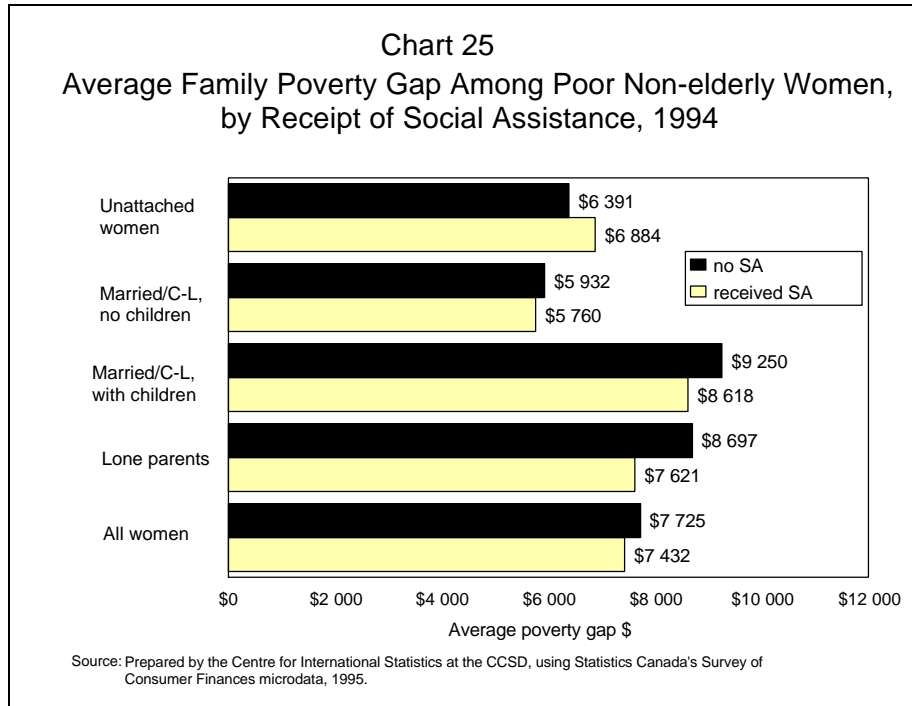
Poverty Gap Among Social Assistance Recipients

The poverty gap refers to the amount of money required to raise the income of poor individuals or households up to the applicable poverty line, thus eliminating poverty. It is a measure of the depth of poverty, an important dimension that is not captured in the examination of poverty rates. For example, over time, the rate of poverty might remain unchanged, but the poverty gap might increase, reflecting an increasing depth of poverty and a worsening of overall conditions.

This is an important distinction to understand in monitoring the economic standing of women receiving social assistance income. Since annual social assistance incomes are currently below the poverty lines, any reduction in social assistance benefits will not show up in an increased rate of poverty. A measure of depth – the poverty gap – however does capture and quantify reductions, thus providing a way of assessing the impact of cutbacks on women recipients.

This section looks at the average poverty gap among individual women in receipt of social assistance. A word of caution is warranted: the measurement of the average poverty gap presented here is a measurement of the average difference between the poverty line and *family income*. In other words, for each individual, a family-based characteristic or measurement is presented. For example, the average poverty gap for all poor women in receipt of social assistance was \$7,432 in 1994. This means that, in 1994, non-elderly poor women lived in families whose total income from all sources was an average of \$7,432 below the poverty line for that family. It does not mean that two women living in the same family each have a poverty gap of \$7,432 for a total of \$14,864.

The bars in chart 25 show the average family poverty gap among poor women who receive social assistance and poor women who do not. There are a number of points to note about the depth of



poverty among poor women. First, the depth of poverty is severe for all these women regardless of whether they are social assistance recipients or not, falling several thousand dollars below the poverty line. Women with children have the largest poverty gaps – a reflection of the sensitivity of poverty lines to the number of individuals in the family.

Second, with the exception of

unattached individuals, poor women who did not receive social assistance in 1994 had larger poverty gaps than those who were in receipt of benefits at some point during the year. The example of lone parents helps to explain this apparent discrepancy in the findings – that is, why the depth of poverty is lower while the rate of poverty is higher among women in receipt of social assistance income compared to those whose families rely exclusively on the labour market or other sources of income. Poor lone-parent mothers *not* receiving social assistance had a gap \$1,000 greater than those who did receive social assistance. This finding reveals the importance of adequate wages and the dire circumstances of many single-earner families who rely exclusively on low-wage employment for income. Given this evidence, future benefit cuts and any tightening eligibility will present many single mothers (and other recipients) with two untenable options: social assistance at reduced levels, resulting in an increase in their depth of poverty; or low-wage employment, which could very well mean a significant increase in the depth of poverty as well.

Conclusion

This analysis reveals the complex earnings and transfer mix of women on social assistance. Women who have access to the labour market are in a better financial position than women and their families who rely more extensively on social assistance. Yet even among the groups of female social assistance recipients who have earnings, it is often the earnings of other family members that increase total family income. Single earners – especially women – face tremendous barriers to the labour market. The employment opportunities available to poor women suggest

that for individual women, the labour market does not necessarily provide a better alternative. In the 1990s, women need more than one source of income to realize a higher standard of living.

Continued monitoring of social assistance levels, women's degree of reliance on the program, the earnings of women receiving social assistance, and their rate and depth of poverty will provide important evidence of the impact of policy and program changes in the years to come.

Estimated Impact of Cuts to Social Assistance

The purpose of this baseline profile of women on social assistance is to provide a benchmark description with which to examine the impact of changes to social assistance programs that may unfold over the coming years. Of course, the impacts of any such changes can only be accurately assessed by observing how actual patterns of usage and levels of benefits change. Nevertheless, it is useful to examine where and how potential cuts in social assistance benefits would affect recipients.

This part of the report presents a hypothetical exercise that attempts to assess the impact of cuts in the level of social assistance income. By choice, it is a simple exercise that assumes no behavioural changes in terms of current patterns of usage or labour market incentives or disincentives. This assumption is fundamental to the exercise and a major limitation.

This exercise assumes that the current patterns and usage of social assistance among women, as documented in 1994, will not change as benefit levels are reduced. It analyses the impact of 10 per cent, 15 per cent and 20 per cent cuts to social assistance income.

There are three components to this impact assessment. First the change in average family income among social assistance recipients is examined. Second, the increase in the number of poor women receiving social assistance is estimated – i.e., how many women would fall below the poverty line if social assistance benefits were cut? Third, the impact of cuts on the depth of poverty among women receiving social assistance is examined.

Impact on Average Family Income of Women Receiving Social Assistance

In absolute dollar terms, cuts to social assistance would have the biggest impact on lone parents, followed by married women with children, married women with no children and, finally, unattached women (table 15). On average, female social assistance recipients faced with a 10 per cent reduction would see their benefits decrease by an average of \$777; their benefits would decrease by an average of \$1,555 with a cut of 20 per cent. For lone parents, a 10 per cent cut to social assistance would translate into an average income loss of \$946 per year, and a 20 per cent cut would result in a \$1,893 reduction in annual income.

As benefit levels are cut, the social assistance portion of total family income falls as well. The data in table 15 reveal that the groups of women who are most reliant on social assistance income – as illustrated in the income profile – are also the ones who will feel the cuts in benefit levels most keenly. By this measure, unattached women will experience the greatest reduction in annual income. For example, in the event of a 20 per cent reduction in social assistance, the total income of unattached women will likely fall by an average of 14 per cent. Lone parents would also face a

substantial decline (11 per cent) in average annual family income in the face of a 20 per cent social assistance cut.

Table 15: Estimated Impact of Social Assistance Reductions on the Incomes of Women Receiving Social Assistance

Women in receipt of social assistance sometime during 1994	Actual average family income 1994 (\$)	Decrease in annual family income (\$) with social assistance cut of:			Per cent decrease in annual family income with social assistance cut of:		
		10%	15%	20%	10%	15%	20%
All women SARs	30,195	777	1,166	1,555	3%	4%	5%
unattached individuals	9,116	656	984	1,312	7%	11%	14%
married, no children	23,872	688	1,032	1,377	3%	4%	6%
married, with children	34,506	848	1,272	1,695	3%	4%	5%
lone-parent mothers	17,631	946	1,419	1,893	5%	8%	11%

Note: The category all women includes subcategories shown in the table plus married women and lone parents in extended families, adult children and "other" women; these subcategories are not shown separately.

Source: Calculations based on Survey of Consumer Finances, 1994 income, microdata file.

Impact on the Number of Poor Women Receiving Social Assistance

One potential impact of a reduction in social assistance benefits would be an increase in the number of the poor. Some individuals who draw on social assistance have total family incomes that are within a few hundred dollars of the poverty line; with a 10 per cent, 15 per cent or 20 per cent benefit cut, many people fall below the poverty line.

Overall, a 10 per cent cut in social assistance – assuming no change in the pattern of usage – would result in an increase of 26,000 more poor women on social assistance, while a cut of 20 per cent would increase the number of poor women receiving social assistance by 42,000 (table 16). In other words, a 20 per cent cut would result in a 6 per cent increase in the number of poor women on social assistance (708,000 to 750,000). The biggest increase in number of poor women would be among lone parents, followed by unattached women. Overall, the poverty rate of women receiving social assistance would increase from 55 per cent to 59 per cent.

Table 16: Estimated Impact of Social Assistance Reductions on the Number of Poor Women Receiving Social Assistance

Women in receipt of social assistance sometime during 1994	Actual number of recipients 1994	Actual number of poor SA recipients 1994	Increase in number poor with social assistance cut of:		
			10%	15%	20%
All women	1,280,000	708,000	26,000	36,000	42,000
unattached individuals	202,000	182,000	6,000	8,000	9,000
married, no children	144,000	65,000	2,000	3,000	5,000
married, with children	297,000	142,000	4,000	4,000	7,000
lone-parent mothers	298,000	243,000	8,000	11,000	12,000

Note: The category all women includes subcategories shown in the table plus married women and lone parents in extended families, adult children and "other" women; these subcategories are not shown separately.

Source: Calculations based on Survey of Consumer Finances, 1994 income, microdata file.

Impact on Depth of Poverty

Cuts to social assistance would significantly increase the depth of poverty of women receiving social assistance (table 17). Overall, a 10 per cent cut would increase the family poverty gap by \$592, while a 20 per cent cut would result in a poverty gap increase of \$1,292. Given the already low levels of income among these women, these cuts would have an enormous impact.

Table 17: Estimated Impact of Social Assistance Reductions on Depth of Poverty among Poor Women Receiving Social Assistance

Women in receipt of social assistance sometime during 1994	Actual number of poor SA women 1994	Actual average poverty gap 1994 (\$)	Increase in poverty gap (\$) with social assistance cut of:		
			10%	15%	20%
All women	708,000	7,432	592	927	1,292
unattached individuals	182,000	6,884	385	667	955
married, no children	65,000	5,760	601	872	1,116
married, with children	142,000	8,618	790	1,245	1,599
lone-parent mothers	243,000	7,621	714	1,100	1,548

Note: The category all women includes subcategories shown in the table plus married women and lone parents in extended families, adult children and "other" women; these subcategories are not shown separately.

Source: Calculations based on Survey of Consumer Finances, 1994 income, microdata file.

The biggest increase in the poverty gap would occur among married women with children. These women, who already have the largest poverty gap, would see the depth of their poverty increase by \$1,599 with a 20 per cent cut in benefits. Lone-parent mothers would experience the next greatest increase in their depth of poverty: \$1,548.

It is not surprising that women with children will experience the greatest increase in their depth of poverty. Social assistance benefits are clearly inadequate to meet the needs of larger families. Existing social assistance benefits, and the ones that have been reduced in this exercise, fall far short of Statistics Canada's Low Income Cut-Offs, which take family size into account.

Taken together, all these measures reveal the magnitude of the threat of reduced support from provincial social assistance for women who depend on this income security program. Based on this hypothetical exercise, it can be concluded that cuts to social assistance benefits would have a significant and negative impact on women receiving social assistance.

Conclusion

The introduction of the Canada Health and Social Transfer (CHST) has been called the most significant intervention in Canadian social policy in the past 30 years. In one stroke, the federal government has dismantled a cost-sharing arrangement that underlay a national system of welfare and social services. The CHST – a new super block fund – represents further decentralization of Canada’s already highly decentralized welfare state.

There is already evidence that reduced transfers to the provinces, coupled with fewer national conditions, have weakened the income security system. Provincial social assistance and social services previously funded under the Canada Assistance Plan are clearly vulnerable. As conditions in the labour market have deteriorated over the past decade and the incidence of market poverty has increased, income security programs have never been more important. For the poor and near-poor, the introduction of the CHST portends greater poverty and economic insecurity. This is particularly true for women, who have historically and continue to be over-represented among Canada’s poorest citizens.

It is critical to develop ways of monitoring the impacts of cuts to social programs such as social assistance. One stepping stone in this process is to provide information on the groups that depend on programs funded under the CHST. This research paper presents a benchmark database on female social assistance recipients in 1994 that will allow the future monitoring of the impact of funding reductions and diminished national conditions after the introduction of the CHST. It is suggested that the incomes of women receiving social assistance be monitored every two years; the next profile should highlight income and earnings in 1996, one year after the introduction of the CHST.

This project is of vital importance. Changes to provincial social assistance will clearly affect the economic security of women who currently rely on the program and many others who may be in need of income support in the future. (See appendix 7 for a summary of recent changes to provincial social assistance programs.) In the face of a labour market that is increasingly characterized by the growth of “good” jobs and “bad” jobs, women remain economically vulnerable. This profile of social assistance recipients has revealed that women who are not able to combine incomes with those of other family members are at very high risk of living in poverty. Lone-parent mothers are especially vulnerable to this unstable environment of low-wage employment and impoverished public income security programs.

This profile of women receiving social assistance allows those groups of women who will be most affected (positively or negatively) by changes to welfare programs to be pinpointed. But this is only a beginning. Further research is needed to better understand the dimensions of women’s economic security as measured by stability of income, adequacy of income and equality of income distribution – not only between men and women, but also among women. Only then will we be in a position to understand the links between social assistance, block-funding mechanisms such as the CHST and the economic well-being of women in Canadian society.

Glossary

Adult child: A woman who is between the ages of 18 and 64, has never married and is a child (natural or adopted) of the head of the family in the household.

Child: A person who is under the age of 18 years, has never married and is the child (natural or adopted) of the head of family in the household.

Extended family: A family that consists of a married/common-law couple or lone parent, never-married children of those parents and other relatives (through blood, marriage or adoption). For example, it may contain a lone mother, her child, and her parents. An extended family may also contain more than one related couple family.

Family: Any “group of individuals sharing a common dwelling unit who are related to each other by blood, marriage [including common law relationships] or adoption.”⁵² The Survey of Consumer Finances describes this family structure as an *economic family* – all relatives living together at the time of the survey are considered one family. By contrast, “a *census family* consists of a household of either a husband and wife (with or without children who have never married) or one parent with one or more children (who have never married), who are living together in the same dwelling.”⁵³

Individual social assistance income: This variable gives the sum of all social assistance transfers reported by *one* individual aged 18 to 64 years. The social assistance income of 16- and 17-year-olds is included if the individual is the head of a household. Additional provincial social assistance supplements to poor individuals and families are also included. For persons in receipt of federal assistance such as the guaranteed income supplement or spouse’s allowance, payments from provincial “top-up” programs are reported here, e.g., GAINS in Ontario, AAIP in Alberta, GAIN in British Columbia.

Lone-parent mother: A woman with no spouse who has at least one never-married child living in the household.

Married/Common-law spouse: A woman who lives in a family with her spouse (includes common-law relationships). She may have children (natural or adopted) living in the household.

Nuclear family: A family that consists of a married/common-law couple with or without never-married children or a lone parent with one or more never-married children living together in the same dwelling.

Other: A woman who lives in a family of related people (through blood, marriage or adoption) but is neither a wife (or common-law spouse) nor child in relation to the head of the family.

Social assistance recipient: An individual who lives in a household that received social assistance at some point during the year. This group includes people who are the direct recipients and reporters of social assistance income and others who live in the same household that receive social assistance benefits.

Total family earnings: This variable gives the sum of wages and salaries reported by all individuals in the family and the net income from both farm and non-farm self-employment.

Total family income: Total income is the sum of all sources of income reported by all individuals in the family. It includes earnings, investment income, government transfer payments, retirement pensions, superannuation and annuities, and other money income.

Total family social assistance income: This variable gives the sum of all social assistance transfers reported by all individuals aged 18 to 64 years in the family. The social assistance income of 16- and 17-year-olds is included if the individual is the head of a household.

Total individual earnings: This variable gives the sum of wages and salaries reported by one individual and the net income from both farm and non-farm self-employment.

Total individual income: Total income is the sum of all sources of income reported by one individual. It includes earnings, investment income, government transfer payments, retirement pensions, superannuation and annuities, and other money income.

Unattached individual: A woman who lives alone or in a household with unrelated (through blood, marriage or adoption) persons.

Endnotes

1. This study uses Statistics Canada's Survey of Consumer Finances (SCF) to produce a benchmark profile (1994) and to estimate the potential financial impact of cuts to social assistance under the new CHST regime. Comparative information on women and men is extracted from SCF microdata files. The study also addresses the diversity of women, examining the potential impacts of the CHST on Aboriginal women, visible minority women, immigrant women and women with disabilities. Variables related to women's diversity were drawn from Statistics Canada's 1991 Census, Aboriginal Peoples Survey (APS), and the Health and Activity Limitations Survey (HALS). See appendix 1 for a more detailed discussion of the sources used in this study.
2. Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Princeton: Princeton University Press, 1990), p. 27. Esping-Andersen describes two other regime types prevalent in Europe: corporatist/conservative regimes and social democratic regimes. The social democratic regime places emphasis on the universality of welfare programs, the prominent role of the state as service provider, and the pursuit of full employment. The conservative/ corporatist regime links social rights to social status principally through social insurance plans. In addition, there is a strong focus on the nuclear family in sustaining social reproduction.
3. Gregg Olsen and Carolyn Tuohy argue that Canada does not neatly fit in Esping-Andersen's liberal category. Both point to the presence of universal health care in the Canadian welfare mix, a program that partly offsets the impact of low levels of income security benefits. They concur, however, that comparatively low levels of spending, especially on income security programs, place Canada in the liberal welfare category. See Gregg Olsen, "Locating the Canadian Welfare State: Family Policy and Health Care in Canada, Sweden and the United States," *Canadian Journal of Sociology* 19, no. 1 (1994); and Carolyn Tuohy, "Social Policy: Two Worlds," in *Governing Canada*, ed. M. Atkinson (Toronto: Harcourt Brace Jovanovich Canada Inc., 1993).
4. See Ann Shola Orloff, "Gender and the Social Rights of Citizenship: The Comparative Analysis of Gender Relations and Welfare States," *American Sociological Review* 58 (June 1993).
5. Human Resources Development Canada, "Employment Insurance: Gender Impact Analysis" (Paper submitted to House of Commons Standing Committee on Human Resources Development on January 24, 1996), p. 26.
6. Canadian Council on Social Development, "Women and Pension Fact Sheets," 1996. With funding by Status of Women Canada.
7. The participation rate includes people who have paid employment, either full-time or part-time, and the unemployed. Pat Armstrong and Hugh Armstrong, *The Double Ghetto: Canadian Women and their Segregated Work*, 3rd edition (Toronto: McClelland & Stewart, 1994), p. 16; Statistics Canada, Labour Force Historical Review microdata file, 1995.
8. Armstrong and Armstrong, *Double Ghetto*; Statistics Canada, *Labour Force Historical Review*.
9. Isabella Bakker, "Women's Employment in Comparative Perspective," in *Feminization of the Labour Force*, ed. J. Jenson, E. Hagen and C. Reddy (Cambridge: Polity Press, 1988), p. 31.
10. The other conditions of the CAP were that provinces provide adequate levels of assistance, that welfare services be developed, that provincial residency requirements and waiting periods be abolished and that an appeals procedure be established.
11. The CAP provided 50 per cent cost-sharing for four different programs under Part I: general assistance, homes for special care (everything from nursing homes to child care centres), health care for individuals not covered by other provincial programs and child welfare; Native welfare under Part II; and work activity projects under Part III for participants in need or in likelihood of need. Roughly two-thirds of CAP expenditures funded direct financial support to the poor. The remaining proportion subsidized services, which are critical supports to women in need.
12. See Martha Jackman, "Women and the Canada Health and Social Transfer: Ensuring Gender Equality in Federal Welfare Reform", *Canadian Journal of Women and the Law*, 8, no. 2 (1996). With funding by Status of Women Canada.
13. Allan Maslove, "The Canada Health and Social Transfer: Forcing Issues," in *How Ottawa Spends, 1996-97*, ed. Gene Swimmer (Ottawa: Carleton University Press, 1996), p. 288.

14. Canada, Department of Human Resources Development, "Social Security Reform: Draft Discussion Paper" (Ottawa, 1994), p. 17.
15. The first option was to establish a variable cost-sharing rate based on the fiscal capacity of each province within an upper and lower threshold and thus to limit large differences between the provinces. The second proposal was for a new block fund to take the place of the CAP. This fund could provide unconditional dollars to provinces to design their own welfare systems or could be tied to a set of national principles. Under the third proposal, options one and two would be combined: the federal government would continue to share the cost of social assistance according to a variable formula (two-thirds of current expenditures) and would introduce a block fund for services.
16. For a detailed technical discussion of the CHST, see Thomas Courchene, *Redistributing Money and Power* (Toronto: C.D. Howe Institute, 1995); and Michael Mendelson, "Looking for Mr. Good-Transfer: A Guide to the CHST Negotiations" (Ottawa: Caledon Institute of Social Policy, October 1995).
17. National Council of Welfare, "Social Security Backgrounder #1" (Ottawa, 1994), pp. 6–7.
18. Allan Maslove, "The Canada Health and Social Transfer" (Unpublished paper 1996), p. 7. See also "The Canada Health and Social Transfer: Forcing Issues" in *How Ottawa Spends 1996-97*, ed. G. Swimmer (Ottawa: Carleton University Press 1996).
19. See Martha Jackman, "Women and the Canada Health and Social Transfer".
20. See Robert House, "Find New Ways to Secure Our Social Union," *Policy Options* (Vol. 17 No. 5, June 1996); and Sherri Torjman and Ken Battle, "Can We Have National Standards?" (Ottawa: Caledon Institute of Social Policy, May 1995).
21. Michael Mendelson, "The Province's Position: A Second Chance for Social Security Review?" (Ottawa: Caledon Institute of Social Policy, June 1996).
22. Indeed, some argue that to stabilize the total value of the CHST at \$25.1 billion by 1999, the federal government will have to alter the method of distributing tax points as their value continues to rise, cutting into the cash transfer. See M. Mendelson, "Looking for Mr. Good-Transfer," p. 4.
23. Gender is defined in the Status of Women Canada guide to gender-based analysis as "the culturally specific set of characteristics that identifies the social behaviour of women and men and the relationship between them. Gender refers not simply to women or men, but to the relationship between them, and the way it is socially constructed. ... Like the concepts of class, race and ethnicity, gender is an analytical tool for understanding social processes." Status of Women Canada, *Gender-Based Analysis: A Guide for Policy-Making* (Ottawa: March 1996), p. 3.
24. There are other sources of data on social assistance. The National Council of Welfare, for example, compiles its excellent annual surveys of welfare incomes from caseload data provided by Human Resources Development Canada (collected from individual provinces). These administrative data are not readily available to the public.
25. People over the age of 65 were not included in the study for two reasons: (1) seniors rely on separate income assistance programs, e.g., guaranteed income supplement; (2) the SCF groups seniors' income from all income transfer programs together. As a result, it is difficult to determine whether income from this category is from a seniors' benefit or social assistance. In cases where a senior was the only person in the family who received income from this income support category, it was assumed that this income was not from a social assistance program. Consequently, the family was not categorized as a social assistance family. In cases where both seniors and other family members collected income from the income support category, it was assumed that the amount received by the younger family member(s) was social assistance. However, seniors' income from all sources was included in the calculation of total family income.
26. It is generally accepted that the receipt of social assistance is under-reported on the Survey of Consumer Finances as compared to other sources of administrative data such as Statistics Canada's National Accounts.
27. According to the Longitudinal Administrative Database (LAD), there were 1,706,900 direct recipients of social assistance in 1994: 904,600 women and 802,200 men. As with the Survey of Consumer Finances, the LAD is considered to under-report the incidence of social assistance. It is estimated that the LAD captured 78.2 per cent of tax filers reporting social assistance income in 1994.

28. The National Council of Welfare presents a profile of social assistance recipients in *The 1995 Budget and Block Funding* based on caseload data for the month of March 1994. This profile reveals that 49.0 per cent of the total adult caseload are single. The next largest category is made up of single parents (24.0 per cent), followed by married couples with children (18.6 per cent) and married couples with no children (8.4 per cent) (see appendix 2). These data differ somewhat from this profile because they are based on a report of one month and different family categories. In addition, they report only the direct recipients of social assistance (and dependent children) and not other adult members living in the social assistance household.
29. "Other" women by age are not reviewed here because the numbers in this group are too small to analyse.
30. These figures are somewhat different for men. Upon divorce, men often become unattached individuals, whereas women often become single parents.
31. Are women living in extended families eligible for social assistance, given that the program is based on household income? The simple answer is no, but data may make it appear that the answer is yes because the receipt of social assistance was based on 1994 income while their living arrangement was measured in the survey week of April 1995. Therefore, these could be women who were living with their partners in 1994 and who received social assistance at some point, but who moved in with relatives during the first part of 1995. The survey data cannot determine the extent to which this is the case.
32. The reverse is true among men: those with dependent children have a lower rate of social assistance receipt – 9 per cent – than do fathers without dependent children – 13 per cent.
33. Gordon Cleveland and Douglas Hyatt, "Child Care, Social Assistance and Work: Lone Mothers with Preschool Children," Working Paper No. W-96-2E (Ottawa: Applied Research Branch, Human Resources Development Canada, 1996).
34. It is only possible to identify direct recipients of social assistance and workers' compensation using the APS. As a result, the incidence of social assistance use and estimates of social assistance recipients are smaller than figures derived using the broader definition of social assistance recipient. According to the National Council of Welfare, about 644,000 working-age women received welfare at some point between 1988 and 1990, compared to 481,000 men. The incidence of social assistance was 7.8 per cent for women and 5.7 per cent for men. These data, while not directly comparable, illustrate that the rate of social assistance among working-age people was much lower circa 1990 than in 1994. See National Council of Welfare, *Incentives and Disincentives to Work* (Ottawa: Supply and Services Canada, Autumn 1993), p. 12.
35. Indian and Northern Affairs Canada, *1991 Census Highlights on Registered Indians: Annotated Tables* (Ottawa: 1995), p. 23.
36. Allan Moscovitch and Andrew Webster, "Social Assistance and Aboriginal People: A Discussion Paper Prepared for the Royal Commission on Aboriginal Peoples" (Unpublished draft), November 1993, p. 51.
37. Moscovitch and Webster, "Social Assistance and Aboriginal People".
38. Moscovitch and Webster, "Social Assistance and Aboriginal People", p. 52.
39. The population of visible minority women between the ages of 15 and 64 recorded in the 1991 Census was 870,000. Of this group, 7.3 per cent were non-permanent residents and another 2.7 per cent had immigrated in 1991, the year of the census. Income data for these groups of immigrants may be incomplete or missing. But given their small numbers among visible minority women, excluding them from the analysis would not change the data presented in this paper. Indeed, only 9 per cent of non-permanent residents within the visible minority population received some other form of government income, and none of the recent immigrant group reported any other government moneys.
40. Other government income for the 1990 income year excludes family allowances, federal child tax credits, old age security pensions, guaranteed income supplements, C/QPP and unemployment insurance benefits.
41. There has been much criticism about the definition of "visible minority" and the methodology used to identify individuals subject to racial discrimination. Broadly speaking, this term has come to mean non-white; it refers to individuals who are viewed as actual or potential victims of racial discrimination. Karim Karim summarizes the main contentions: current definitions homogenize a broad variety of people; they tend to exclude other groups that may face racial discrimination; they still embody a racial concept since they are constructed through racial categorization; and, in effect, they are a euphemism for "race" and thus skirt the issue of racism. Recognizing

these limitations, the visible minority flag in the Census is used to identify this population in this study. According to the 1991 Census, 9.6 per cent of all women aged 15 to 64 years were from visible minority groups. See Karim H. Karim, "The Definition of Visible Minority: A Historical and Cultural Analysis," ARA-203 (Ottawa: Strategic Planning and Policy Coordination, Heritage Canada, June 1996).

42. Only direct recipients of "other government transfers" – including social assistance – can be identified using the census. As a result, the incidence of social assistance use and estimates of social assistance recipients are smaller than figures derived using the broader definition of social assistance recipient.
43. Women who immigrated between 1986 and 1994 are grouped as recent immigrants in this research paper. It is recognized that the income of 1994 immigrants may be incomplete. However, it is not possible to remove this small group from the analysis using the public use microdata file of the Survey of Consumer Finances.
44. See Gail Fawcett, *Living with Disability in Canada: An Economic Portrait* (Ottawa: Office for Disability Issues, Human Resources Development Canada, 1996).
45. National Council of Welfare, *Incentives and Disincentives to Work*, p. 14.
46. See The Roeher Institute, *Income Insecurity: The Disability Income System in Canada* (Toronto: author, 1988).
47. Redefining the definition of disability, for example, may in effect reduce the number of individuals with disabilities on provincial social assistance.
48. Men who drew on social assistance in this year typically had higher rates of labour force participation (61%), but also a higher rate of unemployment (35%).
49. Martin Dooley, "Lone-mother Families and Social Assistance Policy in Canada," in *Family Matters: New Policies for Divorce, Lone Mothers, and Child Poverty*, ed. J. Richards and W. Watson (Toronto: C.D.Howe Institute, 1995), p. 95.
50. A full discussion of LICOs can be found in David Ross, Richard Shillington and Clarence Lochhead, *The Canadian Factbook on Poverty – 1994* (Ottawa: Canadian Council on Social Development, 1994).
51. These estimates exclude Aboriginal women living on reserve. Because the incidence of poverty among Aboriginal people living on reserve is very high, it is likely that the incidence figures presented in this report should be higher.
52. Statistics Canada, Household Surveys Division, *Documentation for the Microdata File: Economic Families. Survey of Consumer Finances 1995 (1994 Income)*, C-68.
53. Statistics Canada, *Documentation for the Microdata File, Economic Families*.