



WELFARE INCOMES 2008

LONE PARENT WITH A CHILD AGED TWO

This is one of four bulletins providing welfare income information on four household types. There is also a methodology bulletin you may wish to consult for further explanation.

WIDE VARIATION ACROSS THE COUNTRY

	Basic Social Assistance	Other P/T* Benefits	Federal Child Tax Benefit	P/T* Child Benefit	GST Credit	Other P/T* Tax Credits	Total Income
Newfoundland and Labrador (NL)	\$12,285	\$1,200	\$4,501	\$324	\$605	\$100	\$19,015
Prince Edward Island (PE)	\$10,927		\$4,501		\$605		\$16,033
Nova Scotia (NS)	\$9,300		\$4,501	\$445	\$605		\$14,851
New Brunswick (NB)	\$9,492	\$1,020	\$4,501	\$250	\$605		\$15,868
Quebec (QC)	\$8,308	\$960	\$4,501	\$2,857	\$605		\$17,231
Ontario (ON)	\$10,883		\$4,501	\$300	\$605	\$394	\$16,683
Manitoba (MB)	\$9,636		\$4,501		\$605		\$14,742
Saskatchewan (SK)	\$11,093		\$4,501		\$605	\$214	\$16,413
Alberta (AB)	\$9,098		\$4,391		\$605		\$14,094
British Columbia (BC)	\$11,347	\$80	\$4,501		\$605	\$275	\$16,808
Yukon (YT)	\$17,201	\$260	\$4,501	\$450	\$605		\$23,017
Northwest Territories (NT)	\$20,974		\$4,501	\$330	\$605		\$26,410
Nunavut (NU)	\$42,986		\$4,501	\$330	\$605		\$47,168

*Provincial/Territorial

IMPROVEMENT OF WELFARE INCOMES ADEQUACY

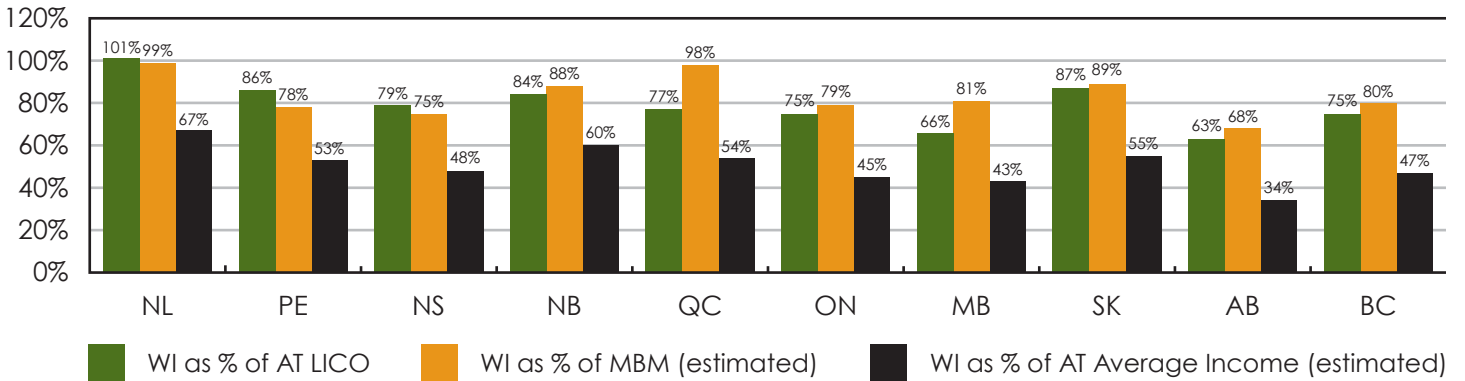
Welfare incomes comparison in \$

	Welfare Income	AT LICO	MBM*	Average AT Income*		Welfare Income	AT LICO	MBM*	Average AT Income*
NL	\$19,015	\$18,911	\$19,211	\$28,551	ON	\$16,683	\$22,361	\$21,109	\$36,737
PE	\$16,033	\$18,676	\$20,491	\$29,983	MB	\$14,742	\$22,361	\$18,116	\$33,974
NS	\$14,851	\$18,911	\$19,897	\$30,802	SK	\$16,413	\$18,911	\$18,432	\$30,086
NB	\$15,868	\$18,911	\$17,999	\$26,299	AB	\$14,094	\$22,361	\$20,766	\$40,933
QC	\$17,231	\$22,361	\$17,624	\$31,723	BC	\$16,808	\$22,361	\$21,136	\$35,407

* Estimated



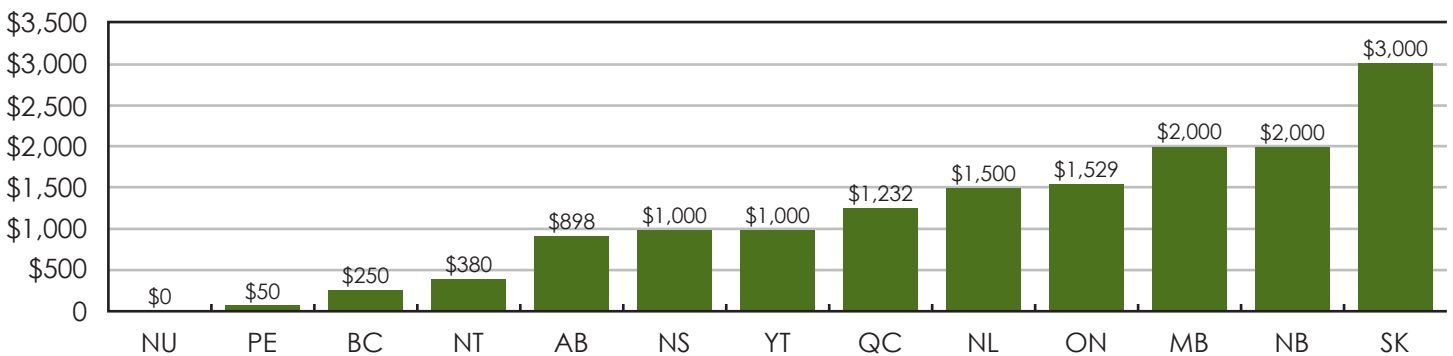
Welfare incomes compared to after-tax LICO, MBM and after-tax average income (2008)



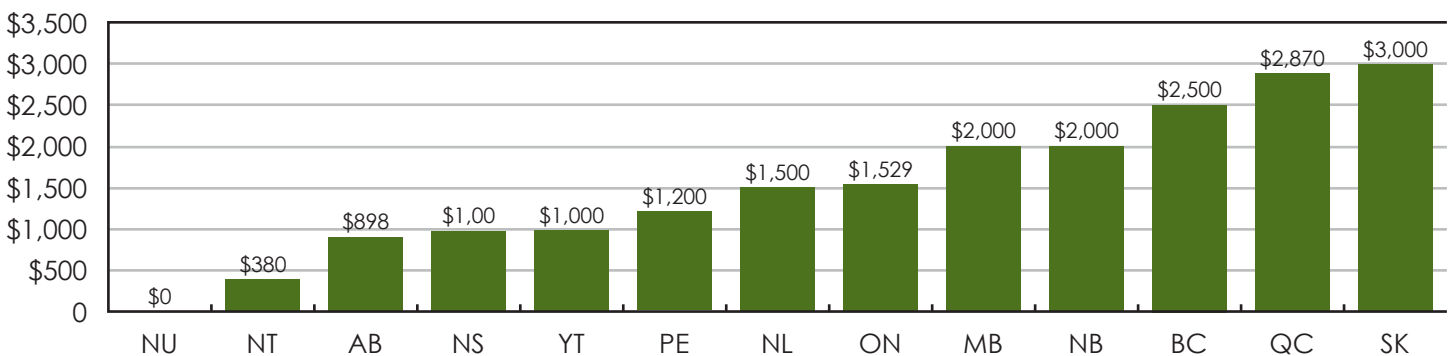
- The lowest welfare income was in Alberta at 63% of the AT LICO, 68% of the MBM and only 34% of AT average income.
- In Newfoundland and Labrador it reached 101% of the AT LICO, 99% of the MBM and 67% of AT average income.

LIQUID ASSET RULES NOT HELPING

Liquid assets allowed at application



Liquid assets allowed once on welfare



- None of the asset exemption levels is generous, but some are non-existent. Having low or no exemptions for some applicants means that they have to spend their last dollar before they can qualify for assistance.

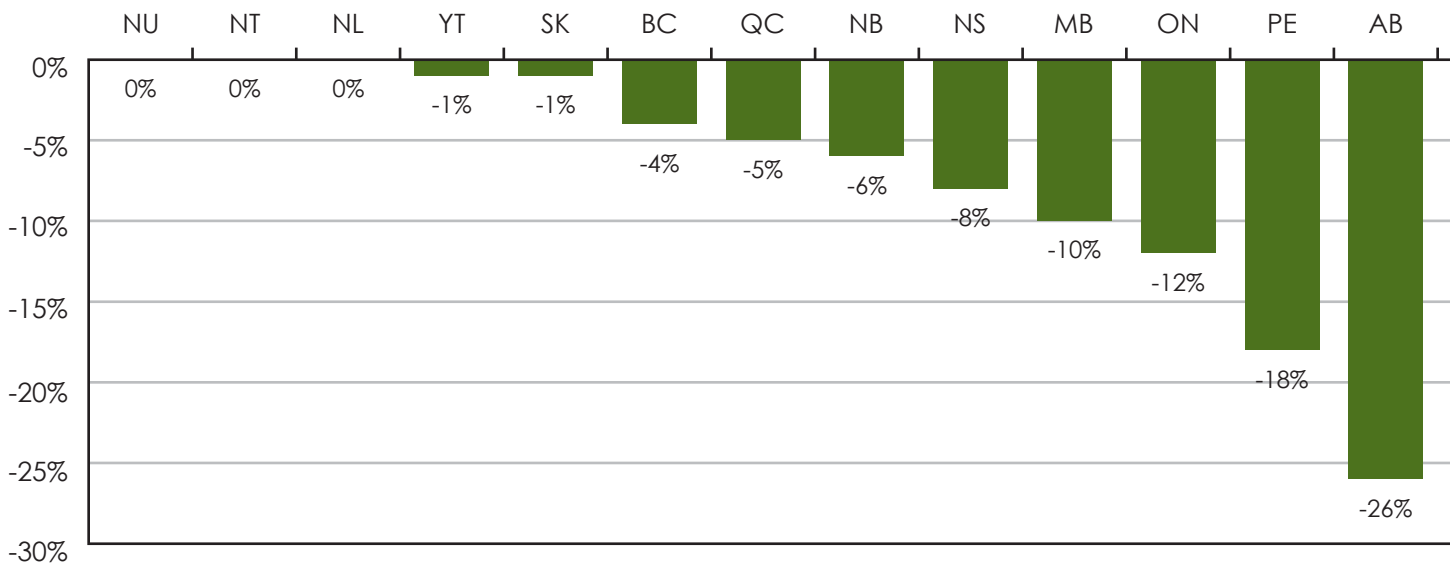
EXTENT OF WELFARE INCOMES DECLINE IN RECENT YEARS

	2008 Amount	Peak Year	Peak Amount*	\$ Change from Peak to 2008	Low Year	Low Amount*	\$ Change from Low Amount to 2008
NL	\$19,015	2007	\$19,220	-\$205	1989	\$16,284	\$2,731
PE	\$16,033	1992	\$17,137	-\$1,104	1999	\$14,331	\$1,702
NS	\$14,851	1991	\$16,482	-\$1,631	2005	\$13,770	\$1,082
NB	\$15,868	2008	\$15,868	\$0	1989	\$13,444	\$2,424
QC	\$17,231	2007	\$17,460	-\$229	1989	\$14,625	\$2,607
ON	\$16,683	1992	\$22,444	-\$5,761	2005	\$15,405	\$1,278
MB	\$14,742	1992	\$16,674	-\$1,931	2000	\$13,893	\$850
SK	\$16,413	1986	\$17,049	-\$636	2004	\$13,856	\$2,557
AB	\$14,094	1986	\$17,147	-\$3,052	2005	\$13,140	\$955
BC	\$16,808	1994	\$18,183	-\$1,375	2005	\$14,869	\$1,940
YT	\$23,017	2008	\$23,017	\$0	1986	\$17,917	\$5,101
NT	\$26,410	1993	\$27,850	-\$1,440	2007	\$19,684	\$6,726
NU	\$47,168	2008	\$47,168	\$0	2007	\$46,006	\$1,162

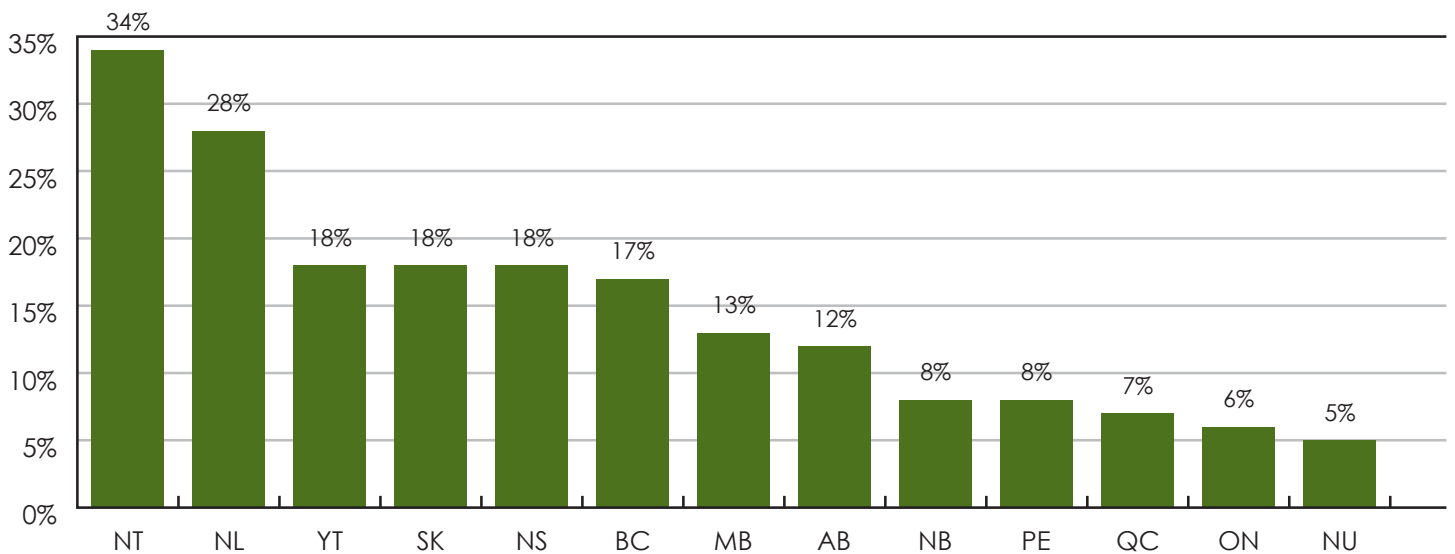
*Peak amounts and low amounts are in 2008 constant dollars.

- 2008 was the peak year in only 3 cases but at least in no case was it a low year.
- The majority of welfare incomes peaked many years ago.
- The amount of the decrease in total welfare incomes is sometimes severe.

Percentage change from peak to 2008 amount by province and territory



Percentage change from low amount to 2008 amount by province and territory



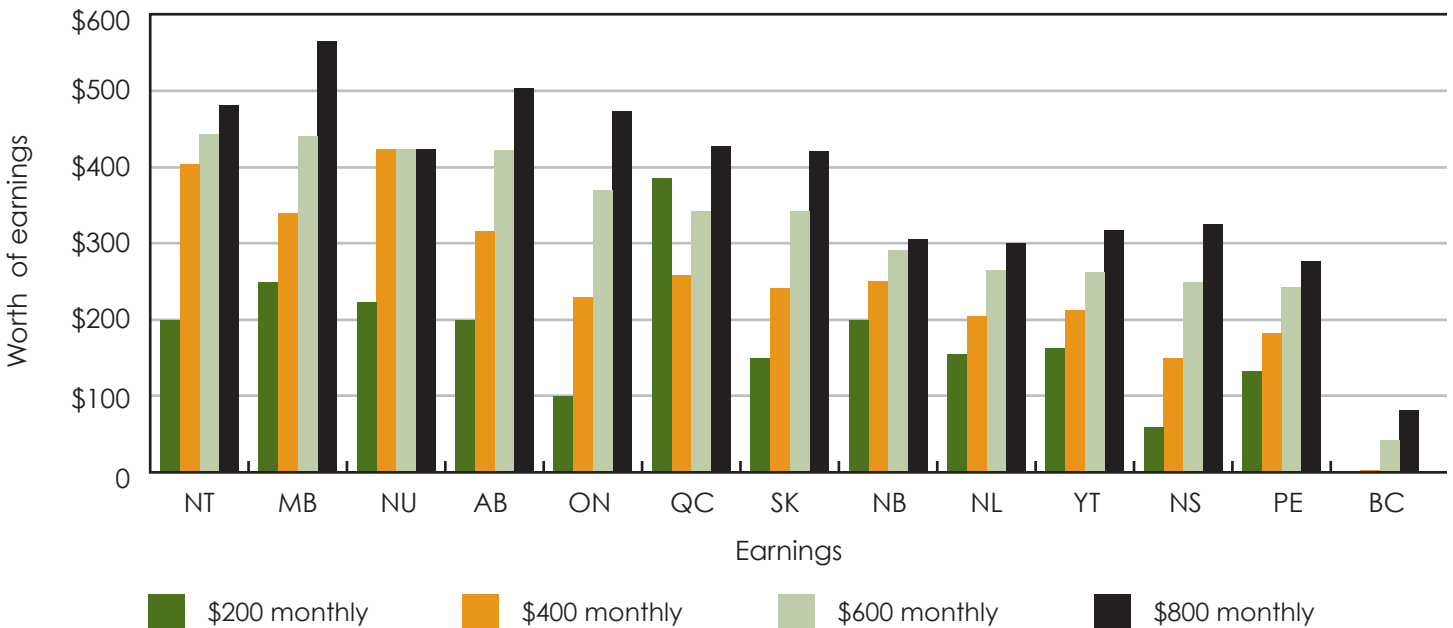
- For half of the provinces and territories, the lowest amount was between 2000 and 2007.
- For the Northwest Territories and Newfoundland and Labrador, the 2008 amount represented more than a 25% increase compared to the lowest year's amount.

BRIDGING FROM WELFARE TO PAID EMPLOYMENT

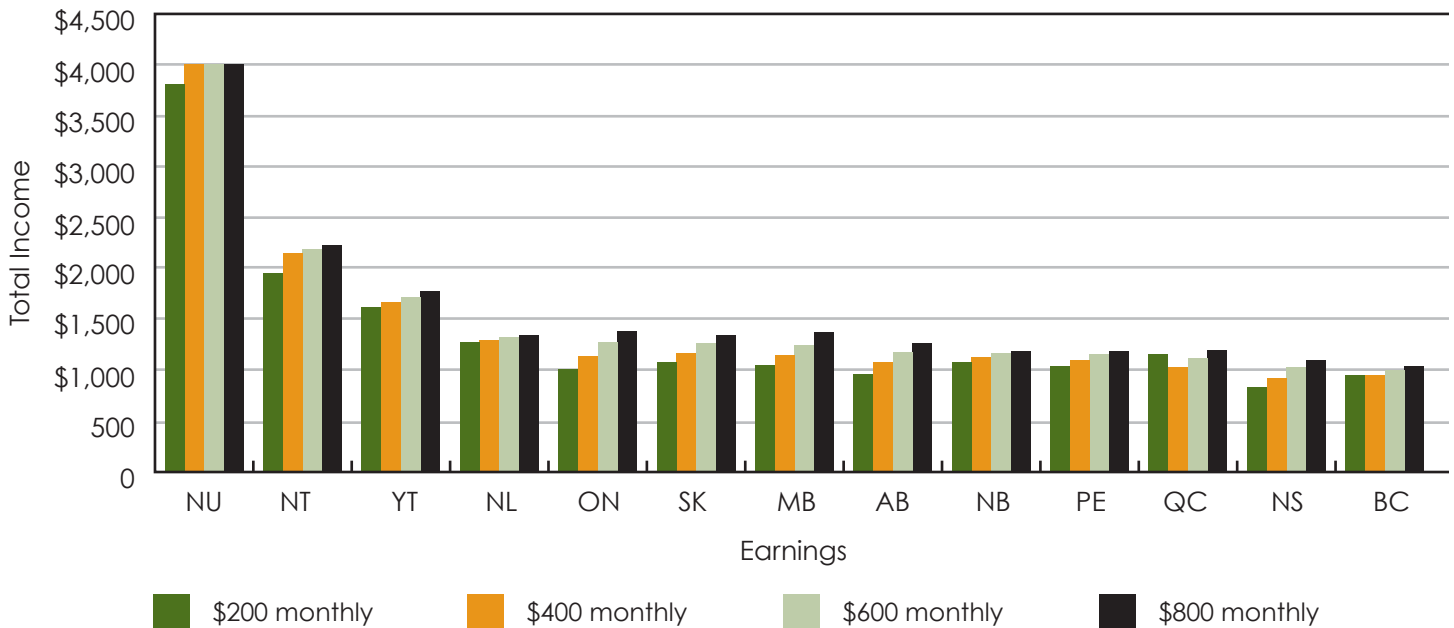
Earnings exemptions – that portion of earned income not clawback by welfare – as well as the federal Working Income Tax Benefit (WITB) and provincial or territorial work-related benefits or supplements not only allow recipients to increase their overall income, but they are intended to encourage work experience and the transition to the labour market. But you don't necessarily keep the worth of your earnings. It depends on welfare rules and rates where you live.



The worth of earnings varies



The total income from welfare and earnings also varies



To help understand the charts meet 'Mary'

Mary is a lone parent living on welfare in Winnipeg and considered employable by her provincial welfare ministry. In 2008 she received an estimated \$1,229 each month (\$804 welfare, \$375 federal child tax benefit and \$50 GST credit). If Mary worked while on welfare and earned \$600 monthly, how much was that extra income worth? First, her provincial welfare would be clawed back by \$280. Then Mary would gain an estimated \$70 from the federal WITB and \$50 as a provincial work benefit. In the end, her \$600 was worth \$440. This does not include work-related expenses like clothing or transport or child care. If Mary lived in any other province, she would keep less than \$440. With \$600 earnings, Mary would get the highest total income in Newfoundland and Labrador (\$1,319) and Ontario (\$1,277); she would get considerably less in Nova Scotia (\$1,025) and in British Columbia (\$995) as the second chart shows.

