



# WELFARE INCOMES 2008

## COUPLE WITH 2 CHILDREN AGED 10 AND 15

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) | \$12,798                | \$1,200             | \$6,372                   | \$667              | \$731      | \$200                  | \$21,968     |
| Prince Edward Island (PE)      | \$15,815                | \$350               | \$6,372                   |                    | \$731      |                        | \$23,267     |
| Nova Scotia (NS)               | \$12,360                | \$150               | \$6,372                   | \$1,090            | \$731      |                        | \$20,703     |
| New Brunswick (NB)             | \$10,653                | \$1,120             | \$6,372                   | \$500              | \$731      |                        | \$19,376     |
| Quebec (QC)                    | \$10,699                | \$1,159             | \$6,372                   | \$3,174            | \$731      |                        | \$22,134     |
| Ontario (ON)                   | \$12,992                |                     | \$6,372                   | \$600              | \$731      | \$521                  | \$21,215     |
| Manitoba (MB)                  | \$14,057                | \$160               | \$6,372                   |                    | \$731      |                        | \$21,319     |
| Saskatchewan (SK)              | \$14,933                | \$215               | \$6,372                   |                    | \$731      | \$375                  | \$22,626     |
| Alberta (AB)                   | \$13,242                | \$275               | \$6,462                   |                    | \$731      |                        | \$20,710     |
| British Columbia (BC)          | \$13,213                | \$290               | \$6,372                   |                    | \$731      | \$410                  | \$21,016     |
| Yukon (YT)                     | \$24,811                | \$685               | \$6,250                   | \$900              | \$731      |                        | \$33,377     |
| Northwest Territories (NT)     | \$26,512                |                     | \$5,826                   | \$660              | \$731      |                        | \$33,729     |
| Nunavut (NU)                   | \$49,008                |                     | \$3,226                   | \$660              | \$350      |                        | \$53,244     |

\*Provincial/Territorial

### STAGNATION OF WELFARE INCOMES ADEQUACY

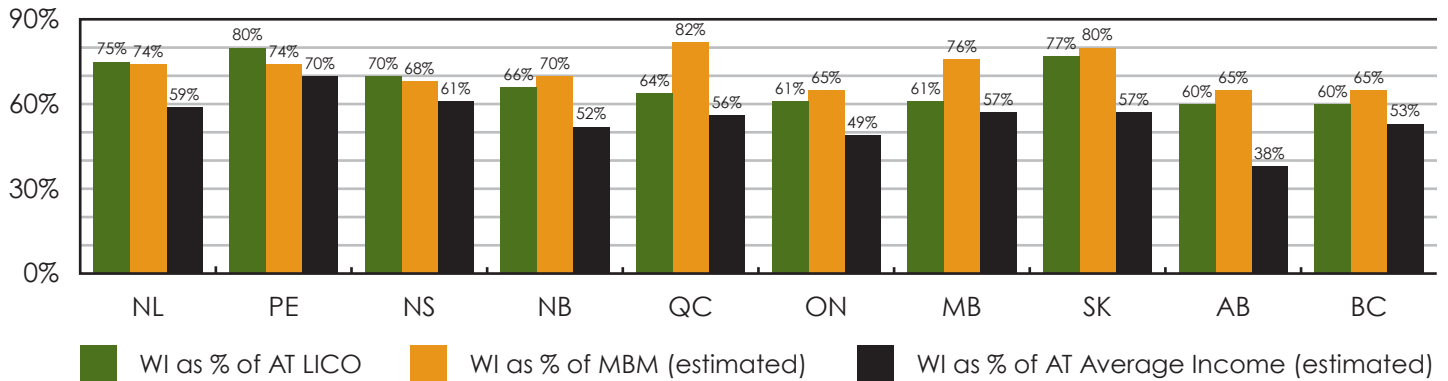
#### Welfare incomes comparison in \$

|           | Welfare Income | AT LICO  | MBM*     | Average AT Income* |           | Welfare Income | AT LICO  | MBM*     | Average AT Income* |
|-----------|----------------|----------|----------|--------------------|-----------|----------------|----------|----------|--------------------|
| <b>NL</b> | \$21,968       | \$29,378 | \$29,555 | \$36,942           | <b>ON</b> | \$21,215       | \$34,738 | \$32,476 | \$43,696           |
| <b>PE</b> | \$23,267       | \$29,013 | \$31,525 | \$33,360           | <b>MB</b> | \$21,319       | \$34,738 | \$27,871 | \$37,351           |
| <b>NS</b> | \$20,703       | \$29,378 | \$30,611 | \$33,872           | <b>SK</b> | \$22,626       | \$29,378 | \$28,358 | \$39,398           |
| <b>NB</b> | \$19,376       | \$29,378 | \$27,691 | \$37,351           | <b>AB</b> | \$20,710       | \$34,738 | \$31,948 | \$54,236           |
| <b>QC</b> | \$22,134       | \$34,738 | \$27,114 | \$39,398           | <b>BC</b> | \$21,016       | \$34,738 | \$32,518 | \$39,909           |

\*estimated



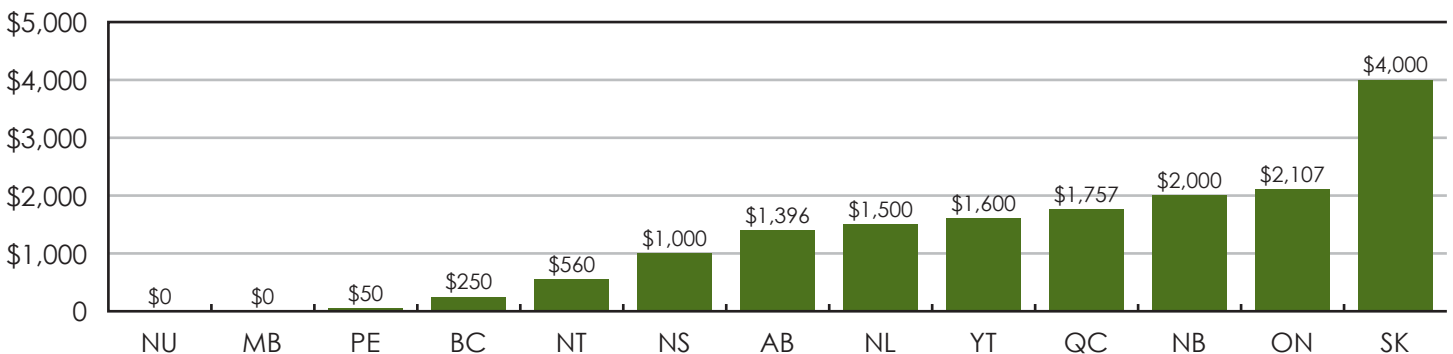
## Welfare incomes compared to after-tax LICO, MBM and after-tax average income (2008)



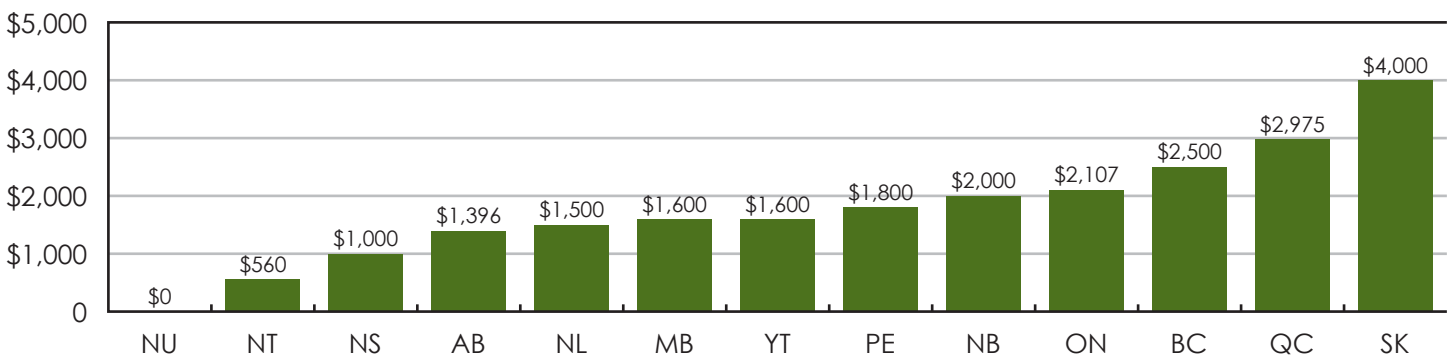
- The lowest welfare income was in Alberta and British Columbia at 60% of the AT LICO, 65% of the MBM and only 38% (AB) and 53% (BC) of AT average income.
- In Quebec it reached 82% of the MBM and in Prince Edward Island it reached 80% of the AT LICO. In Prince Edward Island it reached 70% of AT average 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

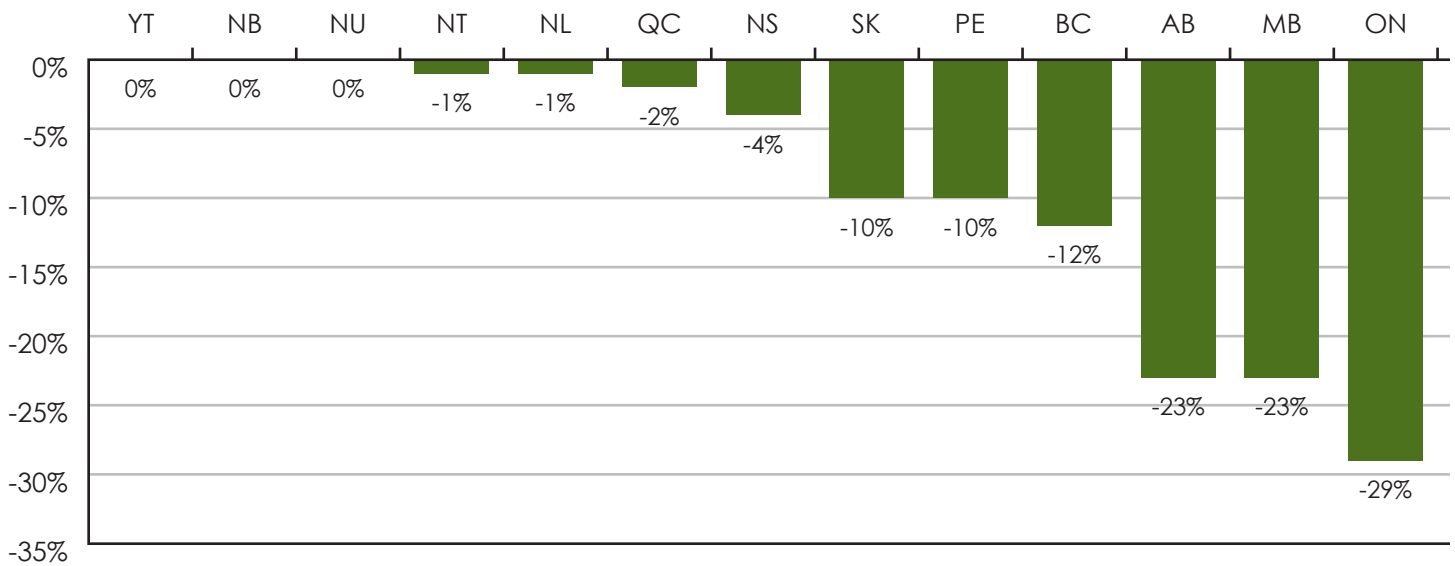
|    | 2008 Amount | Peak Year | Peak Amount* | \$ Change from Peak to 2008 | Low Year | Low Amount* | \$ Change from Low Amount to 2008 |
|----|-------------|-----------|--------------|-----------------------------|----------|-------------|-----------------------------------|
| NL | \$21,968    | 2007      | \$22,161     | -\$193                      | 1995     | \$19,329    | \$2,639                           |
| PE | \$23,267    | 1986      | \$25,807     | -\$2,540                    | 1999     | \$21,857    | \$1,410                           |
| NS | \$20,703    | 2001      | \$21,592     | -\$890                      | 1995     | \$19,701    | \$1,001                           |
| NB | \$19,376    | 2008      | \$19,376     | \$0                         | 1989     | \$15,808    | \$3,568                           |
| QC | \$22,134    | 2006      | \$22,639     | -\$505                      | 2000     | \$19,477    | \$2,657                           |
| ON | \$21,215    | 1992      | \$29,890     | -\$8,674                    | 2003     | \$20,503    | \$712                             |
| MB | \$21,319    | 1992      | \$27,642     | -\$6,323                    | 2000     | \$20,506    | \$813                             |
| SK | \$22,626    | 1986      | \$25,021     | -\$2,395                    | 2005     | \$20,603    | \$2,023                           |
| AB | \$20,710    | 1986      | \$26,808     | -\$6,099                    | 2008     | \$20,710    | \$0                               |
| BC | \$21,016    | 1994      | \$23,766     | -\$2,751                    | 2005     | \$19,684    | \$1,331                           |
| YT | \$33,377    | 2008      | \$33,377     | \$0                         | 1986     | \$28,316    | \$5,061                           |
| NT | \$33,729    | 1999      | \$33,905     | -\$176                      | 2007     | \$29,078    | \$4,651                           |
| NU | \$53,244    | 2008      | \$53,244     | \$0                         | 2007     | \$52,283    | \$961                             |

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

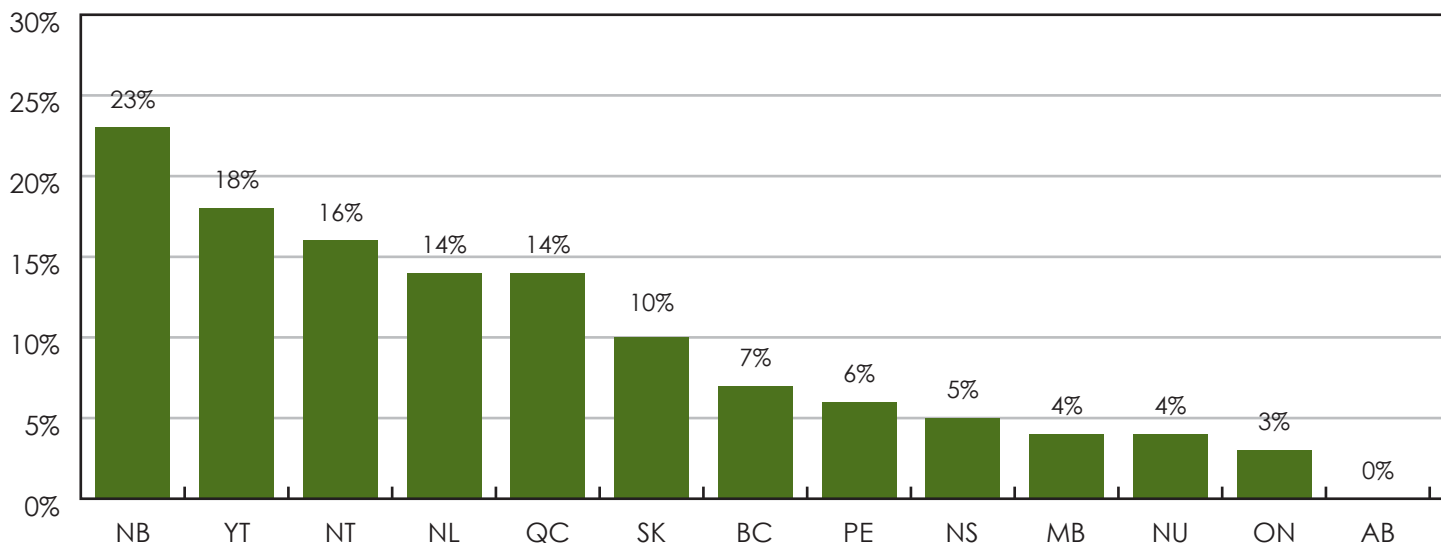
- In only 3 cases, was 2008 the peak year.
- The majority of welfare incomes peaked many years ago.
- The amount of the decrease in total welfare incomes is sometimes severe.



### 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 New Brunswick, the 2008 amount represented more than a 20% increase compared to the lowest year's amount.

## BRIDGING FROM WELFARE TO PAID EMPLOYMENT

The adults in the couple with two children are, like other family types, able to earn income while on welfare. The value of those earnings—the amount you can keep—varies across the country. There is in fact, so much variability in the circumstances of this 2 adult family type that we are not able to do reasonable estimates.