Volume # 112

NATIONAL COUNCIL OF WELFARE REPORTS

WELFARE INCOMES 1999

Autumn 2000

Canada

NATIONAL COUNCIL OF
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Copies of this publication may be obtained from:

National Council of Welfare
2nd Floor, 1010 Somerset Street West
Ottawa, Ontario K1A 0J9
(613)957-2961
Fax: (613)957-0680
E-mail: ncw@magi.com
Web Site: www.ncwcnbes.net

Également disponible en français sous le titre:
Revenus de bien-être social, 1999

Cat. No. H68-27/1999E
ISBN 0-662-29325-8

Canadian Publications Mail # 1464418

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FOREWORD

Welfare Incomes is a regular report on the welfare rates in each province and territory in Canada. This report estimates welfare incomes for 1999 for four types of households: a single employable person, a single person with a disability, a single-parent family with a two-year-old child, and a two-parent family with two children aged ten and 15. The National Council of Welfare has published similar estimates since 1986.

The National Council of Welfare is grateful to the officials of provincial and territorial governments who took the time to review the factual material in this report and previous reports. The Council also appreciates the continuing support and co-operation of the Quantitative and Information Analysis Division of the Social Policy Directorate at Human Resources Development Canada, in particular the help of Anne Tweddle.

In all the years the Council has tracked welfare incomes, we have found that incomes in all parts of Canada fall well below the poverty line and represent a tiny fraction of average incomes. The fact that welfare programs continue to keep recipients - including children - in such deep poverty is deeply disappointing.

All levels of government have touted their intentions to help families with young children. Governments in several provinces and territories have also introduced programs to provide extra income supports for families with children. Unfortunately, many of these financial supports completely bypass those families that are forced to depend on welfare. As a result, very few children on welfare have seen their families' incomes improve.

Most disappointing is the effect of the federal government's massive investment in the Child Tax Benefit. Last year's version of this report showed the perverse impact of the clawback as of July 1998. This year's report shows the continuation of the pattern: the federal government gives and the provinces and territories take away. The federal government allowed the provinces and territories to claw back the increases in federal funds from families that relied on welfare.

The clawback has effectively frozen welfare incomes and dampened prospects for increases in the future. It has also made it possible for the provinces and territories to evade their responsibilities to the poorest of the poor while the federal government now shoulders a greater part of the cost.

WHAT IS WELFARE?

Social assistance or welfare is the income program of last resort in Canada. It provides money to individuals and families whose resources are inadequate to meet their needs and who have exhausted other avenues of support.

Until March 31, 1996, welfare was paid under the terms of the Canada Assistance Plan (CAP), an arrangement that allowed the cost to be shared by the federal government and the provinces and territories. On April 1, 1996, the Canada Health and Social Transfer (CHST) replaced CAP. Under the CHST, the federal government reduced its transfer payments to the provinces and territories for health, education and social services. As of July 1, 1998, the Canada Child Tax Benefit has covered some of the cost of welfare for families with children.

Although people talk about welfare as a single entity, there are really 13 welfare systems in Canada: one in each province and territory, including the new territory of Nunavut. Despite the fact that each of the 13 systems is different, they have many common features. They have complex rules which regulate all aspects of the system, including eligibility for assistance, the rates of assistance, the amounts of other income recipients are allowed to keep, and the way in which applicants and recipients may question decisions regarding their cases.

ELIGIBILITY

Eligibility for welfare is based on general administrative rules that vary widely throughout the country. For example, applicants must be of a certain age (usually between 18 and 65). Full-time students of post-secondary educational institutions qualify for assistance in some provinces and territories only if they meet stringent conditions. In other provinces and territories, students cannot apply for assistance without leaving their studies. Parents must try to secure any court-ordered maintenance support to which they are entitled. People who are disabled require medical certification of their conditions. Strikers are not eligible in most jurisdictions. Immigrants must try to obtain financial assistance from their sponsors.

Once applicants meet the administrative conditions, they go through a "needs test." The welfare department compares the budgetary needs of an applicant and any dependants with the assets and income of the household. Needs, assets and income are defined in provincial and territorial welfare laws. In general, welfare is granted when a household's non-exempted financial resources are less than the cost of regularly recurring needs that the welfare department considers acceptable, for example, food, shelter, household, personal needs and special needs.

First, the needs test examines applicants' fixed and liquid assets. In most provinces and territories, fixed assets such as a principal residence, furniture and clothing are

considered exempt. Most provinces and territories also exempt the value of a car, although some jurisdictions take into consideration factors such as the need for a private vehicle and the availability of public transportation. Property and equipment required for employment are generally considered exempt. Applicants are usually required to convert any non-exempt fixed assets into liquid assets and to use any non-exempt liquid assets for their ongoing needs before qualifying for welfare.

The limits on liquid assets (that is, cash, bonds and securities that are readily convertible to cash, and the cash value of life insurance in some provinces and territories) appear in Table 1. The amounts vary by household size and employability. Where a household's liquid assets are higher than the amounts in Table 1, that household is not entitled to welfare until the excess is spent on approved needs.

The amounts shown in Table 1 are the liquid asset exemption levels that were in effect in January 1999.

After welfare departments examine the fixed and liquid assets of welfare applicants, they identify all the sources of income for that household. Some types of income, such as the basic federal Child Tax Benefit (but not the supplement) and the federal GST credit, are normally considered exempt in the determination of eligibility for welfare. Welfare departments consider that income from other sources such as employment, pensions and unemployment insurance is fully or partially available for support of the household.

In most provinces and territories, welfare departments consider the supplement to the Canada Child Tax Benefit to be income that is deducted 100 percent from the family welfare cheque. Some provinces have reduced the amount of welfare they provide to families with children instead of treating the federal benefit as income. Only Newfoundland and New Brunswick allow families with children that are on welfare to keep the supplement to the Canada Child Tax Benefit.

Finally, welfare departments subtract all non-exempt income from the total needs of the household. Applicants qualify for welfare if their household's needs are greater than the household's resources or if there is a budget surplus that is insufficient to meet the cost of a special need such as medications or disability-related equipment.

The needs test was the central eligibility criterion required by the assistance provisions of the Canada Assistance Plan. The law authorized the federal government to share with the provinces and territories the costs of welfare only on behalf of households that qualified on the basis of need. Since the Canada Health and Social Transfer replaced the Canada Assistance Plan in April 1996, provinces and territories are no longer required to use a needs test to qualify for federal contributions to their welfare programs. As of the date of this report, however, no province or territory has replaced its needs test.

TABLE 1, LIQUID ASSET EXEMPTION LEVELS AS OF JANUARY 1999					
	UNEMPLOYABLE			EMPLOYABLE	
	SINGLE PERSON	SINGLE PARENT, ONE DEPENDANT	SINGLE PERSON WITH DISABILITY	SINGLE PERSON	FAMILY
NEWFOUNDLAND[1]	$1,500	$2,500	$3,000	$40	$100
PRINCE EDWARD ISLAND	**[2]	$1,200	$900	$50 to $200[3]	$50[4]
NOVA SCOTIA	$1,500[5]	$2,500	$3,000	Province generally requires applicants to expend liquid assets to meet basic needs.	
NEW BRUNSWICK	$1,000	$2,000	$3,000	$1,000	$2,000
QUEBEC[6]	$712	$1,037	$712	$712	Couple, two children: $1,478
ONTARIO[7]	$5,000	$7,500	$5,000	Single person: $520 Couple: $901 Couple, one child: $1,530 Adult, one child: $1,457	
MANITOBA[8]	$2,000	$2,000	$2,000	0	0
SASKATCHEWAN	$1,500	$3,000	$1,500	$1,500	$3,000[9]
ALBERTA	$1,500	$2,500	$1,500[10]	$50 cash plus the equivalent of $1,450 in cash assets	$250 cash plus the equivalent of $2,250 in cash assets
BRITISH COLUMBIA[11]	$500	$5,000	$3,000	$500	$5,000

TABLE 1, LIQUID ASSET EXEMPTION LEVELS AS OF JANUARY 1999					
	UNEMPLOYABLE			EMPLOYABLE	
	SINGLE PERSON	SINGLE PARENT, ONE DEPENDANT	SINGLE PERSON WITH DISABILITY	SINGLE PERSON	FAMILY
YUKON[12]	$500	$1,500	$1,500	$500	$1,000 for two people + $300 for each additional family member to a maximum of $1,500
NORTHWEST TERRITORIES	The director may determine that some assets should not be converted into cash for social or economic reasons and that they are therefore not considered as a personal resource.				
NUNAVUT	The director may determine that some assets (such as those used in traditional activities) should not be converted into cash for social or economic reasons and that they are therefore not considered as a personal resource.				

[1] On August 1, 1997, Newfoundland reduced the liquid asset exemptions for a single unemployable person from $2,500 to $1,500 and reduced the exemption for a single unemployable parent with one dependant from $5,000 to $2,500.

[2] In Prince Edward Island, single applicants were not considered unemployable unless they were disabled.

[3] For unemployed applicants who require assistance for less than four months, the exemption is $50 a month. For a single person on assistance for four months or more, the liquid asset exemption level is $200.

[4] This level applies to unemployed applicants with families who require assistance for less than four months. For persons with dependants who are on welfare for four months or more, liquid asset exemption levels are $1,200 to $2,400, depending on family size.

[5] This exemption applies to single persons over 60 years of age who are not eligible for the Old Age Security pension. Nova Scotia does not consider single applicants unemployable unless they are disabled. Married persons with a disabled partner may keep assets of $5,500.

[6] Quebec revised its test for liquid assets in 1998. Under the system in place from 1996 to 1998, liquid assets had to be below the monthly amount of welfare that a person would have qualified to receive. As of 1998, Quebec set standard maximum liquid asset amounts according to family size. If the applicant's assets – including expected income from other sources during the month of application – falls below the maximum, the welfare cheque for that month is calculated based on the rest of the days left in that month. Employment Insurance payments are exempt from the calculation. Heat and utility costs are subtracted from the total assets. Exemptions are uniform regardless of disability and work expectations.

[7] The "unemployable" category is the Ontario Disability Support Program; the "employable" category is Ontario Works, which underwent changes in 1998. Ontario may allow households applying for or in receipt of welfare to exceed the maximum exemption level if the savings will be used for an item Ontario deems necessary for the well-being of a member of the household, for example, a specially equipped van or an electric wheelchair.

[8] The provincial government has taken over the administration of welfare in the City of Winnipeg. The provincial Municipal Assistance Regulation does not allow any liquid asset exemption for applicants. In areas where the municipal government administers the program, it has the discretion to allow an exemption of up to $400 per person to a maximum of $2,000 per household, once a person or family has qualified for assistance.

[9] The level of $3,000 applies to a person with one dependant. There is an additional $500 liquid asset exemption for each additional dependant.

[10] This rate refers to people who receive welfare under the Supports for Independence program. Alberta grants an exemption of up to $3,000 if a person is severely and permanently disabled and has high needs because of the costs of personal support services. Most people with severe disabilities receive benefits under the Assured Income for the Severely Handicapped (AISH) program, rather than welfare. In October 1999, the asset limit for AISH was $100,000.

[11] These exemption levels apply to British Columbia welfare recipients under age 55. The liquid asset exemption for single recipients 55 and older is $3,000. There is an additional $500 liquid asset exemption for each additional dependant.

[12] The exemption level for employables applies to people on assistance for less than 90 days. Higher levels are permitted for those on assistance for more than 90 days.

RATES OF ASSISTANCE

Every province and territory uses a different method of calculating basic social assistance, which generally includes food, clothing, shelter, utilities, and an allowance for personal and household needs.

Applicants and recipients may be eligible for extra assistance in most provinces and territories if they have special needs such as medication, prosthetic devices, technical aids and equipment, special clothing or dental care. Welfare departments provide cash or "in kind" support in the form of vouchers, goods or services.

Sometimes applicants require assistance only for a special-needs item such as medication but they are able to provide for other basic needs from their own resources. In such cases, a province or territory may grant the specific amount that the household requires, provided that the applicants are eligible under the needs test.

Every province and territory has a list of special needs for which it will provide extra assistance. In some cases, only a portion of the cost of a particular item is paid. For example, the province may reimburse a certain percentage of dental costs, and the recipient is expected to pay the remaining amount.

Across Canada, welfare officials have some degree of discretion in deciding whether certain households qualify for special assistance under provincial or territorial welfare regulations. Discretion is both a strength and weakness of the welfare system. On one hand, welfare recognizes the fact that individuals may have ongoing or one-time special needs for which they require assistance. On the other hand, a person with special needs may be considered eligible for extra assistance by one welfare worker, but not by another.

Table 2 presents a national picture of estimated welfare incomes for 1999. The incomes shown are for the basic needs of four household types: a single employable person, a single disabled person, a single-parent family with a two-year-old child and a two-parent family with two children ten and 15 years of age. When we calculated the welfare incomes, we assumed that each of the households went on welfare on January 1, 1999 and remained on welfare for the entire calendar year.

The figures in the table must be interpreted with caution. They are estimates of what a particular family or a single person might receive. Welfare is a highly individualized program of income support, so every applicant could be eligible for a different amount of financial assistance because of the circumstances in his or her household.

It is especially important to understand the derivation of the social assistance figures in Column 1. These figures are both maximum and minimum amounts. They are maximum amounts in that they represent the highest level of welfare that a designated province or territory will provide to a given household unit for its basic living needs. These rates can be reduced in all provinces and territories for a number of reasons. For example, legislation in all jurisdictions allows welfare authorities to reduce, cancel or

suspend benefits if an employable recipient refuses a reasonable job offer, or quits a job without just cause. In Quebec, the welfare department sometimes considers the financial support of young people to be the responsibility of their parents. In those cases, Quebec will reduce the assistance rate and demand a contribution from the parents of the welfare recipient.

These figures are also minimum amounts in that they do not generally include special-needs assistance to which a given household may be entitled, such as costs related to a disability or the cost of searching for a job.

BASIC SOCIAL ASSISTANCE

The column called basic social assistance shows the basic welfare that eligible households are entitled to have. Basic assistance generally includes an amount for food, clothing, shelter, utilities, personal and household needs. The figures in the basic social assistance column also reflect the reduction in assistance caused by the clawback of the supplement to Canada Child Tax Benefit that began in July 1998.

To ensure to the greatest extent possible the comparability of the data, we made a number of assumptions in calculating basic assistance. These assumptions concerning recipient households include where people lived, the ages of the children, the employability of the household head, the type of housing and the case history.

A. RESIDENCE

The rates of social assistance shown for each province or territory are for the largest municipal area. This is because maximum shelter allowances vary by region in many jurisdictions. Households living in smaller municipalities often receive lower benefits because their shelter costs are lower than in large urban centres (and most shelter allowances are based on actual shelter costs). Some provinces and territories offer supplements to compensate welfare households living in remote areas for higher living costs.

B. AGES OF CHILDREN

Welfare rates for families with children in this report are based on the assumption that the child in the one-parent family is two years old and the children in the two-parent family are ten and 15 years old. Some provinces and territories vary a family's entitlement with the age of each child in the household.

C. EMPLOYABILITY OF THE HOUSEHOLD HEAD

In Table 2, we assigned short-term rates of assistance (which are generally lower than long-term rates) to single employable individuals and couples with children in all

jurisdictions. The rates for single parents are based on the employability classifications in each province and territory.

In all jurisdictions, we have based our calculations on the assumption that the disabled person received welfare, not payments for special, long-term disability programs. In Alberta, for example, people with severe and permanent disabilities may be eligible for a special program called Assured Income for the Severely Handicapped (AISH), providing they can supply the province with medical proof of the severity of their disability. In April 2000, 25,000 Albertans received support from AISH, while 8,500 people who were classified as "not expected to work" received support from the regular welfare program.

D. TYPE OF HOUSING

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

In Newfoundland, single able-bodied people are granted welfare only under room-and-board arrangements, which are much lower than the payments for renting an apartment. The monthly room-and-board rate is only $93 a month. Three-quarters of single employable people receiving welfare under the room-and-board rate receive extra payments because of extenuating circumstances as determined by the welfare department.

Where shelter allowances do not include the cost of utilities, we added the cost of utilities to the shelter rates. We used maximum shelter rates in all jurisdictions.

Saskatchewan paid welfare recipients the actual cost of their utilities up to a set maximum amount until 1993. After 1993, Saskatchewan paid the actual costs with no limits. In last year's version of this report, the figures showed the actual average amount the province paid to welfare recipients of each family type. In this year's edition, the rate is based on the actual December 1999 payment multiplied by twelve months.

One notable change occurred in the Northwest Territories. Until 1997, there were no maximum rates for shelter. The welfare department covered the cost of actual rents, and these varied widely in the North. As of January 1, 1997, the Northwest Territories created a new welfare program with maximum rents of $450 a month for the single employable and single disabled people, $1,100 for the single parent with one child, and $1,300 for the couple with two children. The Northwest Territories covers the actual cost of utilities, but the territorial government did not provide the National Council of Welfare with the typical amounts paid. The figures for basic assistance from 1997 and 1998 are therefore much lower than those for previous years. Officials from the Territories provided us with the actual average utilities payments for September 1999, so the 1999 figures represent the September payments multiplied by twelve.

E. CASE HISTORY

In order to "annualize" the rates for this report, we assumed that these four typical households started receiving welfare on January 1, 1999, and remained on assistance until the last day of each calendar year.

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

F. SPECIAL ASSISTANCE

Welfare departments provide two kinds of assistance for special needs. Some supplementary allowances are paid automatically to recipients in certain groups, such as people with disabilities or parents with school-age children. These are the amounts that appear in the second column in Table 2. Examples of this type of special assistance include extra assistance for people with disabilities, money for school expenses, winter clothing allowances and Christmas allowances. The footnotes explain the special assistance in each jurisdiction.

Welfare departments also provide a second kind of assistance for one-time special needs, including items such as funeral expenses, moving costs or emergency home repairs. We have not included this type of special assistance in this report because the special needs are established on a case-by-case basis by individual welfare workers. In some cases, approval is required from an administrator, director or designated professional such as a doctor.

We have incorporated special assistance in Column 2 of Table 2 only when welfare departments would automatically provide it to certain recipients. If the welfare recipient has to provide special reasons to qualify for this assistance, our figures exclude it.

CHILD TAX BENEFIT

The child tax benefit system changed radically in recent years. Successive federal governments have moved to "target" their financial support to families at the lower end of the income spectrum. The federal child tax benefit column shows the basic Child Tax Benefit and the supplement, including increases on July 1, 1999.

In 1999, the federal government paid a basic annual benefit of $1,020 for each child under age 18 in most parts of Canada. Quebec and Alberta asked the federal government for different calculations of the basic benefits. In Quebec, payments vary according to the ages and number of children in each family. In Alberta, payments vary according to

the ages of the children. In all provinces and territories, there was a supplementary annual benefit of up to $213 for each child under age seven.

As of July 1, 1998, the federal government provided all families with incomes under $20,921 with a supplement to the Canada Child Tax Benefit. If a family had one child, the supplement was $605 a year or $50.42 a month. Families with two children received a supplement of $1,010 a year or $84.16 a month. As of July 1, 1999, the supplement was $785 a year or $65.42 a month for a family with one child and $1,370 a year or $114.17 a month for a family with two children. Our calculations show the lower rate from January to June 1999 and the increase from July to December 1999.

Only those families on welfare who lived in Newfoundland and New Brunswick saw an increase in their incomes because of the supplement to the Canada Child Tax Benefit. The other provinces and territories clawed the money back in different ways. In Prince Edward Island, Nova Scotia, Ontario, Manitoba, British Columbia, Yukon and the Northwest Territories, the welfare departments consider the supplement to be non-exempt income that triggers a cut in the families' welfare cheques. In Quebec, Saskatchewan and Alberta, the provincial governments have actually cut welfare benefits by the amount of the supplement to the Child Tax Benefit. In our calculations, we have shown the basic Canada Child Tax Benefit and the supplement under the column called Federal Child Tax Benefit and we have shown the deductions in the column for social assistance.

As a result of the clawback, the already complex system of welfare programs has become even more complicated. With all the new rules and variations in welfare across the country, it is now almost impossible for welfare recipients to be sure that they are receiving all the benefits to which they are entitled.

The National Council of Welfare is very concerned by the fact that the clawbacks under the Canada Child Tax Benefit discriminate against families on welfare. Our 1998 report, Child Benefits: Kids Are Still Hungry, estimated that only 36 percent of poor families with children would benefit from the Canada Child Tax Benefit. Fifty-nine percent of two-parent poor families but only 17 percent of poor single-parent families would be allowed to keep the benefit. As women head most single-parent families, we believe that this constitutes discrimination on the basis of gender.

PROVINCIAL AND TERRITORIAL CHILD BENEFITS

The Newfoundland and Labrador Child and Family Benefit began in August 1999. The single-parent family with one child receives $17 a month and the two-parent family with two children receives $43 a month.

Nova Scotia uses the money it claws back from the supplement to the Canada Child Tax Benefit to support the Nova Scotia Child Benefit for all families with net annual incomes below $16,000. Beginning in July 1998, families received $250 a year for their

first child and $168 for the second child. As of July 1999, families received $324 for the first child and $242 for the second child. Our calculations show the lower amount from January to June 1999 and the higher amount for July to December 1999.

In October 1997, New Brunswick introduced a provincial Child Tax Benefit worth $21 a child each month, retroactive to April 1997. There have been no increases to the Benefit since then.

Quebec provides a family allowance over and above the federal Child Tax Benefit. This was worth $81.25 a month for each child from January to July 1999, then $66.25 a month for each child from August 1999 on. Quebec also paid a special allowance to families worth $9.77 a month for the first child under six, a single-parent supplement and a supplement to the family allowance.

The Saskatchewan Benefit provided $75 a month for families with one child and $167 a month for families with two children until June 1999. In July 1999, Saskatchewan reduced this amount by the amount of the increase in the federal government's payment under the supplement to the Canada Child Tax Benefit. From July to December, these families received $60 a month and $137 a month respectively. Saskatchewan also provides an allowance of $35 a month to the single-parent family.

In July 1996, British Columbia introduced the BC Family Bonus as part of a package of initiatives known as BC Benefits. The Family Bonus is an income-tested monthly payment to all low-income families with children that have filed income tax returns for the previous year and have applied for the Child Tax Benefit. Families on welfare received $103 a month per child for January to June 1999 and $105 a month from July to December 1999 from the BC Family Bonus. This amount includes the federal government's contribution for the supplement to the Child Tax Benefit. BC reduced its basic welfare payment by the value of the BC Family Bonus.

Northwest Territories uses the money it claws back from the supplement to the Canada Child Tax Benefit to support the NWT Child Benefit for all families with net annual incomes below $20,921. Beginning in July 1998, families receive $330 annually for every child. The amount did not change in 1999.

The new territory of Nunavut adopted most of the welfare policies of the Northwest Territories. Its Nunavut Child Benefit provides $330 a year for each child.

Several provinces and territories also provide incentives to low-income workers with children. We have not included these programs in our calculations because we base our estimates on the welfare incomes of parents with no earned income.

GST CREDIT

The column for federal GST credit shows the federal refundable credit for the Goods and Services Tax or the federal portion of the Harmonized Sales Tax in the

Atlantic provinces. The GST credit is paid quarterly. The four payments received in 1999 were worth a maximum of $199 annually for each adult or the first child in a single-parent family. For other dependent children, the total was a maximum of $105 a year for each child.

Single adults, including single parents, also received an income-tested supplement to a maximum of $105 in 1999 if their 1998 incomes were higher than $6,456.

PROVINCIAL TAX CREDITS

The tax credits in Column 6 are the provincial government refund of the Harmonized Sales Tax in Newfoundland, the Sales and Property Tax Credits in Ontario and the Sales Tax Credit in British Columbia.

TABLE 2, ESTIMATED 1999 ANNUAL WELFARE INCOME BY TYPE OF HOUSEHOLD							
	BASIC SOCIAL ASSISTANCE	ADDITIONAL BENEFITS	FEDERAL CHILD TAX BENEFIT[1]	PROVINCIAL/ TERRITORIAL CHILD BENEFITS	FEDERAL GST CREDIT[2]	PROVINCIAL / TERRITORIAL TAX CREDITS	TOTAL INCOME
NEWFOUNDLAND[3]							
Single Employable[4]	$1,102				$199	$40	$1,341
Disabled Person[5]	$6,940	$1,500			$237	$40	$8,717
Single Parent, One Child[6]	$11,316		$1,928	$85	$495	$100	$13,924
Couple, Two Children[7]	$12,064		$3,230	$215	$608	$200	$16,317
PRINCE EDWARD ISLAND[8]							
Single Employable	$5,316				$199		$5,515
Disabled Person[9]	$7,116	$1,092			$234		$8,442
Single Parent, One Child[10]	$9,277		$1,928		$465		$11,670
Couple, Two Children[11]	$13,786	$175	$3,230		$608		$17,799
NOVA SCOTIA							
Single Employable[12]	$4,374				$199		$4,573
Disabled Person	$8,568				$241		$8,809
Single Parent, One Child[13]	$9,865		$1,928	$287	$478		$12,558
Couple, Two Children[14]	$12,586		$3,230	$209	$608		$16,633
NEW BRUNSWICK							
Single Employable	$3,168				$199		$3,367
Disabled Person	$6,696				$203		$6,899
Single Parent, One Child[15]	$8,772	$900	$1,928	$252	$467		$12,319
Couple, Two Children[16]	$9,828	$1,000	$3,230	$504	$608		$15,170
QUEBEC[17]							
Single Employable[18]	$6,024				$199		$6,223
Disabled Person[19]	$8,712				$239		$8,951
Single Parent, One Child[20]	$8,341		$1,928	$2,200	$488		$12,957
Couple, Two Children[21]	$10,243	$139	$2,210	$1,800	$608		$15,000

TABLE 2, ESTIMATED 1999 ANNUAL WELFARE INCOME BY TYPE OF HOUSEHOLD							
	BASIC SOCIAL ASSISTANCE	ADDITIONAL BENEFITS	FEDERAL CHILD TAX BENEFIT[1]	PROVINCIAL/ TERRITORIAL CHILD BENEFITS	FEDERAL GST CREDIT[2]	PROVINCIAL / TERRITORIAL TAX CREDITS	TOTAL INCOME
ONTARIO[22]							
Single Employable	$6,240				$199	$383	$6,822
Disabled Person[23]	$11,160				$293	$306	$11,759
Single Parent, One Child[24]	$10,789	$105	$1,928		$498	$385	$13,704
Couple, Two Children[25]	$13,378	$407	$3,230		$608	$507	$18,130
MANITOBA							
Single Employable	$5,352				$199		$5,551
Disabled Person[26]	$7,157	$870			$230		$8,257
Single Parent, One Child[27]	$8,941		$1,928		$459		$11,328
Couple, Two Children[28]	$12,867		$3,230		$608		$16,705
SASKATCHEWAN[29]							
Single Employable	$5,540				$199		$5,739
Disabled Person[30]	$7,140	$1,020			$225		$8,385
Single Parent, One Child[31]	$8,253		$1,928	$1,230	$466		$11,877
Couple, Two Children[32]	$11,713	$215	$3,230	$1,824	$608		$17,590
ALBERTA[33]							
Single Employable	$4,764	$60			$199		$5,023
Disabled Person[34]	$6,384	$474			$203		$7,061
Single Parent, One Child[35]	$9,019	$60	$1,843		$453		$11,375
Couple, Two Children[36]	$13,774	$210	$3,327		$608		$17,919
BRITISH COLUMBIA[37]							
Single Employable[38]	$6,046	$35			$199	$50	$6,330
Disabled Person[39]	$9,252	$35			$256	$50	$9,593
Single Parent, One Child[40]	$10,548	$80	$1,928	$553	$502	$50	$13,661
Couple, Two Children[41]	$12,396	$190	$3,230	$1,306	$608	$100	$17,830

TABLE 2, ESTIMATED 1999 ANNUAL WELFARE INCOME BY TYPE OF HOUSEHOLD							
	BASIC SOCIAL ASSISTANCE	ADDITIONAL BENEFITS	FEDERAL CHILD TAX BENEFIT[1]	PROVINCIAL/ TERRITORIAL CHILD BENEFITS	FEDERAL GST CREDIT[2]	PROVINCIAL / TERRITORIAL TAX CREDITS	TOTAL INCOME
YUKON[42]							
Single Employable[43]	$10,790	$155			$228		$11,173
Disabled Person[44]	$10,790	$1,655			$258		$12,703
Single Parent, One Child[45]	$15,198	$572	$1,928		$503		$18,201
Couple, Two Children[46]	$21,840	$685	$3,230		$608		$26,363
NORTHWEST TERRITORIES[47]							
Single Employable[48]	$8,299				$214		$8,513
Disabled Person[49]	$10,639				$261		$10,900
Single Parent, One Child[50]	$17,791		$1,928	$330	$503		$20,552
Couple, Two Children[51]	$22,152		$3,230	$660	$608		$26,650
NUNAVUT[52]							
Single Employable	$10,188				$214		$10,402
Disabled Person[53]	$12,288				$261		$12,549
Single Parent, One Child[54]	$25,381		$1,928	$330	$503		$28,142
Couple, Two Children[55]	$29,746		$3,230	$660	$608		$34,244

[1] The federal Child Tax Benefit figures include the $1,020 basic benefit and the $213 supplement for the child under seven in the single-parent family. The two-parent family with two children aged ten and 15 was eligible for $2,040 ($1,020 for each child). As of July 1, 1998, the single parent with one child received a supplement of $605 a year (or $50.42 monthly) and the couple with two children received a supplement of $1,010 a year ($84.17 monthly). On July 1, 1999, the value of the supplement rose to $785 a year (or $65.42 a month) for the single-parent family and $1,370 a year (or $114.17 monthly) for the couple with two children. All provinces and territories except Newfoundland and New Brunswick deducted the value of the supplement from the welfare payments to families. Further changes to the supplement will appear in future editions of this report. Quebec and Alberta asked the federal government to vary the amount of the Child Tax Benefit, so the figures for these provinces differ.

[2] The GST credit is paid in quarterly instalments. The special GST supplement for single persons and single-parent families is included in the totals for the year.

[3] As of 1997, Newfoundland allows all welfare recipients to keep the provincial refund for the Harmonized Sales Tax. Each adult receives $40 and each child receives $60.

[4] These rates apply to single able-bodied people under age 50. Rates of assistance to people over 50 are higher. Until June 1996, it was the practice of the Newfoundland welfare department to grant most single employable people welfare at room and board rates. The 1996 provincial budget made room and board the rule for all single employable people on welfare, except in exceptional cases. This rate has been calculated for a single employable person boarding with relatives in St. John's. On August 1, 1999, monthly room and board rates rose by two percent from $91 to $93. Three-quarters of single employable people receiving room and board rates on welfare receive extra payments because of extenuating circumstances. These figures do not include higher rates for special circumstances.

[5] The additional benefits column includes the flat-rate special allowance of $125 a month for a single person with a disability. It is paid only to individuals who are severely disabled and who require supportive services to aid independent living. When rents are greater than $149 monthly, the welfare department can provide a further $61 a month. On August 1, 1999, monthly welfare rates rose two percent from $401 to $409.

[6] On August 1, 1999, the monthly welfare rate rose from $494 to $539. When rents are greater than $149 monthly, the welfare department can provide a further $61 a month.

[7] On August 1, 1999, the monthly welfare rate rose two percent, from $618 to $630. When rents are greater than $149 monthly, the welfare department can provide a further $61 a month.

[8] As of 1997, Prince Edward Island considered the GST credit exempt income so the amount was not deducted from basic social assistance.

[9] Additional benefits include the special care allowance of up to $40 a month to help pay for the special needs arising from a disability and the personal comfort allowance of $51 a month for items of personal care.

[10] Prince Edward Island deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance.

[11] Prince Edward Island deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. The additional benefits column shows back-to-school benefits of $100 and $75 for the two children.

[12] Under special circumstances, Nova Scotia will allow single people to receive an additional $225 shelter allowance. These figures do not include the higher rate for special circumstances.

[13] Nova Scotia deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. The province then uses the money it claws back to support the Nova Scotia Child Tax Benefit. As of July 1, 1998, families receive $250 a year for their first child and $168 a year for their second child. On July 1, 1999, the payment rose to $324 a year for the first child and $242 for the second child.

To qualify for the Nova Scotia Child Tax Benefit, the family net annual income on federal tax returns must be lower than $16,000. Families do not have to have earned income. The Nova Scotia Child Tax Benefit appears in the provincial child benefits column.

[14] Nova Scotia deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. The province then uses the money it claws back to support the Nova Scotia Child Tax Benefit. As of July 1, 1998, families receive $250 a year for their first child and $168 a year for their second child. On July 1, 1999, the payment rose to $324 a year for the first child and $242 for the second child. To qualify for the Nova Scotia Child Tax Benefit, the family net annual income on federal tax returns must be lower than $16,000. Families do not have to have earned income. The Nova Scotia Child Tax Benefit appears in the provincial child benefits column.

[15] New Brunswick allows families to keep the supplement to the federal Child Tax Benefit. The additional benefits column shows the Income Supplement Benefit, a shelter subsidy that assists families with children paying high shelter costs. The maximum subsidy for eligible households is $90 per month from November to April and $60 per month from May to October. The provincial child benefits column shows the New Brunswick Child Tax Benefit of $21 a month.

[16] New Brunswick allows families to keep the supplement to the federal Child Tax Benefit. The additional benefits column shows the combined amount of the Income Supplement Benefit and the School Supplement ($50 a year per child). The provincial child benefits column shows the New Brunswick Child Tax Benefit of $42 a month beginning in April 1997.

[17] The value of the Quebec Sales Tax Credit is included in basic social assistance. The single disabled person is classified under the Financial Support Program. The single-parent family is classified as "unavailable" under the Work and Employment Incentives Program, and the others are classified as "non-participating."

[18] Basic assistance rates increased to $502 a month in January 1999. The actual assistance could be lower than the rates indicated here if Quebec deemed the recipient eligible for a "parental contribution" as defined by Quebec law.

[19] Basic social assistance for people with disabilities rose to $726 a month on January 1, 1999.

[20] Quebec reduces its payments for families with children by an amount equivalent to the supplement to the federal Child Tax Benefit by reducing the Family Allowance. The basic social assistance column shows the rate for the Work and Employment Incentives program, which Quebec increased on January 1, 1999. The figure also includes the payments for young children and for the first child of a single parent. The shelter subsidy for recipients with dependent children rose from $72 a month to $80 a month in October 1999. Quebec asked the federal government to vary the amount of the federal Child Tax Benefit according to the age of the child and the number of children in a family. The provincial child benefits column shows the Quebec Family Allowance and the Family Allowance Supplement for the first child in a family. Quebec reduced the value of the Family Allowance Supplement on August 1, 1999, by an amount equivalent to the increase in the supplement to the federal Child Tax Benefit.

[21] Quebec reduces its welfare payments for families with children by an amount equivalent to the supplement to the federal Child Tax Benefit. The additional benefits column includes the school expense allowance of $46 for each dependant attending primary school and

$93 for each dependant in secondary school. Quebec asked the federal government to vary the amount of the federal Child Tax Benefit according to the age of the child and the number of children in a family. The provincial child benefits column shows the Quebec Family Allowance.

[22] The provincial tax credits column shows the combined amount of the Ontario Sales Tax and Property Tax Credits for 1998 – which is paid in 1999 - based on the recipients' shelter costs.

[23] Assistance for a single disabled person is based on the Ontario Disability Support Program, formerly known as GAINS-D. Rates were last increased in April 1993.

[24] Ontario deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. The additional benefits column shows the winter clothing allowance of $105 for each dependent child.

[25] Ontario deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. The additional benefits column shows the combined amount of the back-to-school allowances ($69 for the ten-year-old child and $128 for the 15-year-old) and the winter clothing allowance of $105 per child.

[26] The additional benefits column shows the disability benefit which was $70 a month until October 1999 when it rose to $80 a month.

[27] Manitoba deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance.

[28] Manitoba deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance.

[29] Until 1993, Saskatchewan paid actual utility costs up to a maximum amount. After 1993, Saskatchewan paid actual costs with no limits. Previous editions of this report showed the maximum rates, although few welfare recipients actually received the maximum. In Welfare Incomes 1997 and 1998, the figure showed the actual average amount paid to welfare recipients of each family type. In Welfare Incomes 1999, the utility rate is based on the actual December 1999 rate multiplied by twelve.

[30] Additional benefits for people with disabilities in Saskatchewan include an allowance of $40 a month and a special care allowance of $25 a month for tasks they are unable to perform themselves. As of 1996, all disabled people on welfare are entitled to a special transportation allowance of $20 a month.

[31] On July 1, 1998, the supplement to the federal Child Tax Benefit began. Saskatchewan lowered its welfare rates by the amount of the supplement. The provincial child benefits column shows the Saskatchewan Child Benefit of $75 a month and the Saskatchewan Child Differential Allowance of $35 a month, both of which began in July 1998.

[32] On July 1, 1998, the supplement to the federal Child Tax Benefit began. Saskatchewan lowered its welfare rates by the amount of the supplement. The additional benefits column includes education-related expenses: $130 for children aged 14 and over and $85 for children

between the ages of six and 13. The provincial child benefits column includes the Saskatchewan Child Benefit of $167 a month beginning on July 1, 1998.

[33] The single employable person, the single-parent family and the two-parent family are classified under the Employment and Training Support program, and the single disabled person is classified under the Assured Support program. The additional benefits column shows a "co-payment allowance" of $5 a month for each adult.

[34] The additional benefits column shows a monthly supplement of $20 for January to September which was raised to $78 monthly in October 1999 for any person eligible for Assured Support, and a monthly "co-payment allowance" of $5 for each adult. People with severe and permanent disabilities are eligible for further assistance of $855 a month through the Assured Income for the Severely Handicapped (AISH) program. People with severe and permanent disabilities whose needs exceed the amount provided under the Assured Income for the Severely Handicapped program are also eligible for special allowances of up to $3,000 a month to help pay the costs of personal supports as well as a handicap allowance of $175 a month. In April 2000, 25,000 Albertans received support from AISH while 8,500 people who were classified as "not expected to work" received support from the Assured Support program.

[35] On August 1, 1998, Alberta reduced its basic social assistance rates for families with children by the amount of the supplement to federal Child Tax Benefit. Alberta varies the amounts of the federal Child Tax Benefit according to the age of the child. The additional benefits column shows the monthly "co-payment allowance" of $5 for each adult.

[36] On August 1, 1998, Alberta reduced its basic social assistance rates for families with children by the amount of the supplement to federal Child Tax Benefit. Additional benefits include education-related expenses: $100 for children aged 14 and over and $50 for children between the ages of 6 and 13. Alberta asked the federal government to vary the amounts of the federal Child Tax Benefit according to the age of the child.

[37] Provincial Tax Credits are the B.C. Sales Tax Credit, which is payable to low-income households through the income tax system. The amounts shown ($50 per person per year) were paid in 1999 for the 1998 tax year.

[38] As of January 1996, British Columbia imposed an "employable reduction" on single employable people in their second and subsequent months on welfare. Single employables receive $546 a month in their first month on welfare and $500 a month subsequently. The amount under "Additional Benefits" shows a Christmas allowance of $35 for a single person.

[39] The amount under "Additional Benefits" shows a Christmas allowance of $35 for a single person.

[40] On July 1, 1998, British Columbia reduced basic social assistance for families with children by an amount equivalent to the value of the supplement to the federal Child Tax Benefit. In July 1996, British Columbia introduced the B.C. Family Bonus. The Family Bonus is an income-tested monthly payment to all low-income families with children who have filed income tax returns for the previous year, and have applied for the federal Child Tax Benefit. Families on welfare receive $103 per child per month, which is deducted from their welfare, resulting in no change to the families' total income. The provincial child benefits column shows the B.C. Family Bonus. Previous editions

of Welfare Incomes showed B.C. Family Bonus under the additional benefits column. The amounts under "Additional Benefits" show a Christmas allowance of $70 for the single parent plus $10 for the child.

[41] On July 1, 1998, British Columbia reduced basic social assistance for families with children by an amount equivalent to the value of the supplement to the federal Child Tax Benefit. In July 1996, British Columbia introduced the B.C. Family Bonus. The Family Bonus is an income-tested monthly payment to all low-income families with children who have filed income tax returns for the previous year, and have applied for the federal Child Tax Benefit. Families on welfare receive $103 per child per month, which is deducted from their welfare, resulting in no change to the families' total income. The provincial child benefits column shows the B.C. Family Bonus. Previous editions of Welfare Incomes showed B.C. Family Bonus under the additional benefits column. The amounts under "Additional Benefits" show a Christmas allowance of $90, and school start-up fees of $42 for a child between the ages of six and 11 and $58 for a child 12 and older.

[42] Yukon last raised welfare rates in April 1991.

[43] Additional benefits include a Christmas allowance of $30 per person and a winter clothing allowance of $125 for adults and children 14 and older.

[44] Additional benefits include a Christmas allowance of $30 per person and a winter clothing allowance of $125 for adults and children 14 and older. Disabled welfare recipients also receive a supplementary allowance of $125 a month if Yukon considers them "permanent exclusions from the labour force."

[45] Yukon deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. Additional benefits include $6 a week for babysitting expenses, a $60 Christmas allowance and a $200 winter clothing allowance.

[46] Yukon deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. Additional benefits include school allowances of $50 for the 10-year-old and $65 for the 15-year-old, $120 for a Christmas allowance and $450 for winter clothing.

[47] In January 1997, the Northwest Territories redesigned its welfare system. Until then, Northwest Territories had paid actual shelter costs. Rates are now fixed, but the government pays the actual cost of fuel. Welfare recipients may be eligible for additional support if they undertake activities the territory considers "productive choices." "Productive choices" may include activities such as work, training, raising children under the age of three, and voluntary activities.

[48] Northwest Territories raised the monthly food allowance for single people from $152 to $162 in August 1998.

[49] Northwest Territories raised the monthly food allowance for single people from $152 to $162 in August 1998. Under special circumstances, Northwest Territories will pay higher shelter costs for welfare recipients with disabilities. This figure assumes that the person with disabilities did not receive the higher shelter payment.

[50] Northwest Territories deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. Northwest Territories then uses the money it claws back to support the NWT Child Tax Benefit. As of July 1, 1998, families with incomes below

$20,921 receive $330 a year for each child. Families do not have to have earned income. The NWT Child Tax Benefit appears in the provincial/territorial child benefits column. Northwest Territories considers that raising a child under three is a "productive choice," so the parent and child each get a clothing allowance. This is included in the basic social assistance column. Northwest Territories raised the monthly food allowance from $273 to $295 in August 1998.

[51] Northwest Territories deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. Northwest Territories then uses the money it claws back to support the NWT Child Tax Benefit. As of July 1, 1998, families with incomes below $20,921 receive $330 a year for each child. Families do not have to have earned income. This amount appears in the provincial/territorial child benefits column. Northwest Territories raised the monthly food allowance from $485 to $524 in August 1998.

[52] Nunavut Territory was created on April 1, 1999. Welfare policies were based on those of the Northwest Territories but with some modifications. Rates for Nunavut are based on the amounts granted to people living in Iqaluit. Under the administration of the Northwest Territories welfare system, rates for Iqaluit were often higher than rates in Yellowknife. Utility rates are based on actual average utility payments for September 1999. The shelter portion of Nunavut welfare can be raised under exceptional circumstances to cover the actual cost of housing, but the figures shown here include only the basic payment. Welfare recipients may be eligible for additional support if they undertake activities the territory considers "productive choices." "Productive choices" may include activities such as work, training, raising children under the age of five, and voluntary activities.

[53] People with disabilities receive a monthly disability allowance of $175 if they are over 60 or have a certificate from a doctor.

[54] Nunavut deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. Nunavut then uses the money it claws back to support the Nunavut Child Tax Benefit (a continuation of the NWT Child Tax Benefit). As of July 1, 1998, families with incomes below $20,921 receive $330 a year for each child. Families do not have to have earned income. The Nunavut Child Tax Benefit appears in the provincial/territorial child benefits column.

[55] Nunavut deducts the value of the supplement to the federal Child Tax Benefit from basic social assistance. Nunavut then uses the money it claws back to support the Nunavut Child Tax Benefit (a continuation of the NWT Child Tax Benefit). As of July 1, 1998, families with incomes below $20,921 receive $330 a year for each child. Families do not have to have earned income. The Nunavut Child Tax Benefit appears in the provincial/territorial child benefits column.

ADEQUACY OF BENEFITS

The incomes in Table 2 are abysmally low. To demonstrate just how low, we compared them with the estimated low income cut-offs of Statistics Canada for 1999. The results are shown in Table 3.

Each year, Statistics Canada calculates low income cut-offs for households of different sizes living in communities of different sizes. They approximate levels of gross income where people are forced to spend much of their income on food, shelter and clothing.

The National Council of Welfare regards the cut-offs as poverty lines. Like any poverty lines, they have their limitations, but they are widely accepted as a benchmark for judging income adequacy in Canada. Other studies of poverty, especially local surveys using a "market basket" approach, have produced comparable results.

Some provincial governments maintain that the poverty lines are an especially imperfect measure of poverty when it comes to welfare incomes, because the lines are based on pre-tax income and welfare benefits are not taxable. In reality, most of the incomes in Table 3 are so low that there is no difference between taxable and non-taxable income. For example, single employable people in Newfoundland with total incomes of $1,341 were abysmally poor by any standard. Even if they had earned income instead of receiving welfare income, they would have been exempt from income tax because their earnings were so low.

Some provinces and territories also contend that welfare is intended to provide only the bare necessities of life, while incomes at the level of the low income cut-offs are high enough to allow some discretionary spending as well. The National Council of Welfare has no sympathy for that argument. The fact is that the cut-offs already represent very low levels of income. The only "discretion" many welfare recipients have is how to cut back on food when the money starts running short toward the end of the month.

As Table 3 shows, no province had welfare rates consistently closer to the poverty lines than elsewhere. Rates in some provinces and territories, especially rates for single employables, are far below the lines. Welfare incomes which reach only one fifth or one third of the poverty line are unacceptably low and should be raised at the earliest possible date. How anyone manages to live on welfare rates of only nine percent of the poverty line - as a single employable person in Newfoundland is forced to do - is beyond our comprehension. Rates this low cannot be described as anything other than punitive and cruel.

Column 1 of Table 3 shows welfare incomes for different types of households in the ten provinces in 1999. None of the territories is included in this table because they are specifically excluded from the survey used to generate the low income cut-offs.

Column 2 indicates the estimated 1999 poverty lines (the low income cut-offs of Statistics Canada, 1986 base) for the largest city in each province. The poverty gap, or difference between total income and the poverty lines, is shown in the next column. The last column represents total welfare income as a percentage of the poverty line, that is, welfare income divided by the poverty line.

Welfare incomes for single employable people remained by far the least adequate during 1999. Rates ranged from nine percent of the poverty line in Newfoundland to 41 percent of the poverty line in Ontario.

The lowest benefits for single disabled people stood at 42 percent of the poverty line in Alberta. The highest rate was 70 percent of the poverty line in Ontario.

Welfare incomes for single-parent families ranged from a low of 50 percent in both Manitoba and Alberta to a high of 70 percent in Newfoundland.

For two-parent families with two children, welfare incomes ranged from 45 percent of the poverty line in Quebec to 62 percent in Prince Edward Island.

TABLE 3, ADEQUACY OF 1999 BENEFITS				
	TOTAL INCOME	POVERTY LINE	POVERTY GAP	TOTAL WELFARE INCOME AS % OF POVERTY LINE
NEWFOUNDLAND				
Single Employable	$1,341	$14,727	-$13,386	9%
Disabled Person	$8,717	$14,727	-$6,010	59%
Single Parent, One Child	$13,924	$19,963	-$6,039	70%
Couple, Two Children	$16,317	$29,211	-$12,894	56%
PRINCE EDWARD ISLAND				
Single Employable	$5,515	$14,386	-$8,871	38%
Disabled Person	$8,442	$14,386	-$5,944	59%
Single Parent, One Child	$11,670	$19,501	-$7,831	60%
Couple, Two Children	$17,799	$28,539	-$10,740	62%
NOVA SCOTIA				
Single Employable	$4,573	$14,727	-$10,154	31%
Disabled Person	$8,809	$14,727	-$5,918	60%
Single Parent, One Child	$12,558	$19,963	-$7,405	63%
Couple, Two Children	$16,633	$29,211	-$12,578	57%
NEW BRUNSWICK				
Single Employable	$3,367	$14,727	-$11,360	23%
Disabled Person	$6,899	$14,727	-$7,828	47%
Single Parent, One Child	$12,319	$19,963	-$7,644	62%
Couple, Two Children	$15,170	$29,211	-$14,041	52%
QUEBEC				
Single Employable	$6,223	$16,766	-$10,543	37%
Disabled Person	$8,951	$16,766	-$7,815	53%
Single Parent, One Child	$12,957	$22,726	-$9,769	57%
Couple, Two Children	$15,000	$33,262	-$18,262	45%

TABLE 3, ADEQUACY OF 1999 BENEFITS				
	TOTAL INCOME	POVERTY LINE	POVERTY GAP	TOTAL WELFARE INCOME AS % OF POVERTY LINE
ONTARIO				
Single Employable	$6,822	$16,766	-$9,944	41%
Disabled Person	$11,759	$16,766	-$5,007	70%
Single Parent, One Child	$13,704	$22,726	-$9,022	60%
Couple, Two Children	$18,130	$33,262	-$15,132	55%
MANITOBA				
Single Employable	$5,551	$16,766	-$11,215	33%
Disabled Person	$8,257	$16,766	-$8,509	49%
Single Parent, One Child	$11,328	$22,726	-$11,398	50%
Couple, Two Children	$16,705	$33,262	-$16,557	50%
SASKATCHEWAN				
Single Employable	$5,739	$14,727	-$8,988	39%
Disabled Person	$8,385	$14,727	-$6,342	57%
Single Parent, One Child	$11,877	$19,963	-$8,086	59%
Couple, Two Children	$17,590	$29,211	-$11,621	60%
ALBERTA				
Single Employable	$5,023	$16,766	-$11,743	30%
Disabled Person	$7,061	$16,766	-$9,705	42%
Single Parent, One Child	$11,375	$22,726	-$11,351	50%
Couple, Two Children	$17,919	$33,262	-$15,343	54%
BRITISH COLUMBIA				
Single Employable	$6,330	$16,766	-$10,436	38%
Disabled Person	$9,593	$16,766	-$7,173	57%
Single Parent, One Child	$13,661	$22,726	-$9,065	60%
Couple, Two Children	$17,830	$33,262	-$15,432	54%

WELFARE AND AVERAGE INCOMES

The low level of financial support provided by social assistance is also evident when measured against average incomes. Welfare provides only a portion of the level of income that most Canadians would consider normal or reasonable.

Table 4 compares the welfare incomes of our four typical households with average incomes for the appropriate household type in each province.

The averages for 1999 are based on data collected by Statistics Canada in the Survey of Labour and Income Dynamics, inflated by the Consumer Price Index.

For the single employable person and the single disabled person, we used average incomes in each province for unattached people under the age of 65. For single parents, we used the average incomes of single parents under 65 with children under 18. The size of the sample of single parents was too small to be reliable for Newfoundland and Prince Edward Island. For the two-parent family, we used the average incomes of couples under 65 with children under 18.

Welfare incomes are far, far below average. In 1999, a single employable person on welfare received from eight percent to 29 percent of the average income received by single people under 65. In 1999, the disabled person on welfare got 26 to 49 percent of the average. Single-parent families on welfare had incomes worth 38 to 61 percent of average incomes. It is worth noting that average incomes for single-parent families in general remain far below average incomes for couples with children. The two-parent family on welfare had income between 23 and 32 percent of average incomes.

TABLE 4, 1999 WELFARE INCOMES AS PERCENTAGE OF AVERAGE INCOMES			
	WELFARE INCOME 1999	ESTIMATED AVERAGE INCOME 1999	WELFARE INCOME AS % OF ESTIMATED AVERAGE INCOME
NEWFOUNDLAND			
Single Employable	$1,341	$17,643	8%
Disabled Person	$8,717	$17,643	49%
Single Parent, One Child	$13,924	---	---
Couple, Two Children	$16,317	$53,096	31%
PRINCE EDWARD ISLAND			
Single Employable	$5,515	$18,775	29%
Disabled Person	$8,442	$18,775	45%
Single Parent, One Child	$11,670	---	---
Couple, Two Children	$17,799	$56,291	32%
NOVA SCOTIA			
Single Employable	$4,573	$20,438	22%
Disabled Person	$8,809	$20,438	43%
Single Parent, One Child	$12,558	$20,711	61%
Couple, Two Children	$16,633	$60,416	28%
NEW BRUNSWICK			
Single Employable	$3,367	$20,927	16%
Disabled Person	$6,899	$20,927	33%
Single Parent, One Child	$12,319	$25,245	49%
Couple, Two Children	$15,170	$57,936	26%
QUEBEC			
Single Employable	$6,223	$23,475	27%
Disabled Person	$8,951	$23,475	38%
Single Parent, One Child	$12,957	$28,572	45%
Couple, Two Children	$15,000	$65,037	23%

TABLE 4, 1999 WELFARE INCOMES AS PERCENTAGE OF AVERAGE INCOMES			
	WELFARE INCOME 1999	ESTIMATED AVERAGE INCOME 1999	WELFARE INCOME AS % OF ESTIMATED AVERAGE INCOME
ONTARIO			
Single Employable	$6,822	$28,907	24%
Disabled Person	$11,759	$28,907	41%
Single Parent, One Child	$13,704	$33,644	41%
Couple, Two Children	$18,130	$78,214	23%
MANITOBA			
Single Employable	$5,551	$23,349	24%
Disabled Person	$8,257	$23,349	35%
Single Parent, One Child	$11,328	$26,197	43%
Couple, Two Children	$16,705	$61,714	27%
SASKATCHEWAN			
Single Employable	$5,739	$23,658	24%
Disabled Person	$8,385	$23,658	35%
Single Parent, One Child	$11,877	$28,260	42%
Couple, Two Children	$17,590	$63,085	28%
ALBERTA			
Single Employable	$5,023	$27,497	18%
Disabled Person	$7,061	$27,497	26%
Single Parent, One Child	$11,375	$30,250	38%
Couple, Two Children	$17,919	$75,128	24%
BRITISH COLUMBIA			
Single Employable	$6,330	$28,527	22%
Disabled Person	$9,593	$28,527	34%
Single Parent, One Child	$13,661	$30,844	44%
Couple, Two Children	$17,830	$71,669	25%

PROVINCIAL AND TERRITORIAL BENEFITS OVER TIME

No other program of income support is as erratic as welfare. Every year, there are gains and losses that vary from one category of recipient to another and one jurisdiction to another. Table 5 summarizes the ups and downs of recent years.

The figures consist of those benefits shown in Table 2 that are exclusively within provincial and territorial jurisdiction, in other words, total welfare incomes less the federal Child Tax Benefit and the GST credit. Comparable figures for other years were calculated from Welfare in Canada: The Tangled Safety Net and previous editions of Welfare Incomes.

Using the Consumer Price Index, all the dollar figures in Table 5 are expressed in constant 1999 dollars to factor out the effects of inflation and to show the real purchasing power of welfare benefits over time. The percentages in the last two columns show increases or decreases in real purchasing power.

The table provides comparisons of provincial and territorial benefits for 1986 to 1999 for the single employable person, the single-parent family and the two-parent family. The National Council of Welfare did not include a single person with a disability in its original calculations of welfare incomes for 1986, so the comparison for this group is available from 1989 only. The National Council of Welfare first estimated welfare incomes in the Northwest Territories in 1993, so the table shows comparisons only since that time.

Most welfare recipients in Canada saw further erosion of their already precarious financial situation in 1999. Between 1998 and 1999, the cost of living rose by 1.7 percent. Welfare benefits were frozen or decreased in most jurisdictions. When the change from 1998 to 1999 appears as -1.7 percent, it means that the welfare rates were frozen and welfare recipients lost 1.7 percent of their purchasing power to inflation.

In Newfoundland, small increases in welfare payments for single employable and disabled recipients kept the value of welfare incomes close to the previous year. However, even with the introduction of the Newfoundland and Labrador Child and Family Benefit, the provincial contribution to welfare for families with children failed to keep pace with the increase in the cost of living. Newfoundland redesigned its welfare programs in 1999, and reduced the welfare payments slightly.

In Prince Edward Island, the welfare incomes of the single employable and single disabled person dropped in value simply because of freezes in their provincial welfare benefits. The provincial portion of incomes for families with children dropped considerably, by 5.7 percent for the single parent, and by 6.3 percent for the couple with two children. This is because Prince Edward Island claws back the supplement to the federal Child Tax Benefit. While the federal government gives money to poor parents, the province takes it away. This results in a significant drop in the province's contribution to families.

Nova Scotia also claws back the supplement to the federal Child Tax Benefit. Although the province gives families with children a payment under the Nova Scotia Child Benefit, the amount is much smaller than the amount the province takes from families on welfare. The result is that the provincial contribution to welfare incomes drops by 3.9 percent for the single parent with one child, and by 8.1 percent for the couple with two children. The incomes of single employable people on welfare in Nova Scotia dropped by 2.9 percent because of a change in welfare policy. As of 1999, welfare recipients are no longer eligible for a clothing allowance during their first three months on welfare. The single disabled person's welfare was frozen, so it simply dropped in value by the cost of living.

In New Brunswick, welfare incomes were frozen and dropped by the cost of living, 1.7 percent. New Brunswick does not claw back the supplement to the federal Child Tax Benefit, so the incomes of families with children lost only by the cost of living.

In Quebec, there were very slight increases in the payments to single employable and single disabled welfare recipients, which raised their incomes slightly higher than the cost of living. Quebec claws back the supplement to the federal Child Tax Benefit. Even with Quebec's programs for families with children, its provincial contribution to welfare incomes fell well below the cost of living, by 4.2 percent for the single parent and by 5.6 percent for the couple.

Ontario's single employable and single disabled welfare recipients lost by 1.7 percent, or the cost of living, because there were no increases in their provincial payments. The single parent and couple with children lost 4.9 percent and 6 percent respectively because Ontario claws back the supplement to the federal Child Tax Benefit.

Manitoba's single employable welfare recipients lost 1.7 percent of the value of their income because of a freeze in their provincial assistance. Single disabled recipients received a slight increase in their special benefits which reduced the erosion by the cost of living. Manitoba claws back the supplement to the federal Child Tax Benefit, so the families with children lost 5.8 percent of the value of provincial assistance for the single parent, and 6.6 percent of the income for the couple with two children.

In Saskatchewan, the figure for assistance for utilities is now based on the December 1999 rate. In previous years, this report used the September rate. This is a slightly higher figure, so it masks the fact that there were in reality no increases in the provincial payments to people on welfare. In reality, single employable and single disabled welfare recipients saw a decline in the value of their welfare incomes equivalent to the cost of living. Because Saskatchewan claws back the supplement to the federal Child Tax Benefit, the value of the provincial payments to families with children declined significantly.

In Alberta, value of the single employable welfare recipient's income declined by the cost of living. Alberta increased the Personal Needs Supplement for welfare recipients with disabilities, so the value of their incomes increased slightly. Because Alberta claws back the supplement to the federal Child Tax Benefit, the value of the provincial contribution to the income of the single parent declined by 2.8 percent, and the value

of Alberta's contribution to the income of the couple on welfare declined by 4.9 percent. This occurred even though Alberta increased the shelter allowance for both types of families with children.

In British Columbia, the single employable and single disabled person saw the value of their provincial incomes decline by the value of the cost of living. British Columbia claws back the value of the supplement to the federal Child Tax Benefit, so these families saw a decline of 4.9 percent and 6.1 percent respectively for the single parent and couple with children.

The incomes of single employable and single disabled welfare recipients in Yukon were frozen between 1998 and 1999. The two families with children saw a decrease in the value of Yukon's contribution to their incomes because Yukon claws back the supplement to the federal Child Tax Benefit.

The value of the Northwest Territories' contribution to welfare incomes appears to have increased significantly. This is because in the previous edition of this report, Northwest Territories was not able to provide an estimate of its payments for utilities. In fact, welfare incomes in the Territories have not increased, and the Territories claws back the supplement to the federal Child Tax Benefit. Although the Territories began the NWT Child Benefit in July 1998, this increase in its contribution did not entirely offset the decrease caused by the clawback.

The view of welfare incomes over the last decade is bleak. The purchasing power of welfare incomes fell everywhere in Canada for most of the 1990s.

Many of the welfare rates shown in Table 5 peaked in 1986 or 1989 and fell more or less steadily since then. In Alberta, for example, provincial benefits for single employable recipients as measured in 1999 constant dollars plummeted from $8,578 a year in 1986 to $4,824 in 1999, a decline of 43.8 percent. The peak years in Prince Edward Island were 1986 and 1989, followed by cuts year after year ever since.

The patterns were substantially different in Quebec, Ontario, Manitoba and British Columbia. In these provinces, welfare rates peaked in the early to mid-1990s. The end result was the same, however, as welfare rates declined further and further by the end of the decade.

In most cases, it was single employable people on welfare who suffered the most. Between 1986 and 1999, welfare benefits for a single employable person in Newfoundland dropped by a shocking 76.2 percent. A sizeable increase in Quebec resulted from a decision to raise abysmally low rates for single employable people under 30. Even then, a single employable person in Quebec received only $6,024 a year in 1999.

TABLE 5, 1999 PROVINCIAL AND TERRITORIAL WELFARE BENEFITS IN CONSTANT DOLLARS															
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% CHANGE 1986-1989	% CHANGE 1989-1999	% CHANGE 1998-1999
NEWFOUNDLAND															
Single Employable	4,795	4,628	4,599	4,528	4,753	4,694	4,685	4,586	2,610	1,138	1,143	1,142	-76.2%	-75.3%	-0.1%
Disabled Person		9,322	9,221	8,945	9,142	9,016	9,000	8,809	8,667	8,599	8,551	8,480		-9.0%	-0.8%
Single Parent, One Child	12,022	11,782	11,755	11,889	12,374	12,219	12,197	11,938	11,746	11,667	11,630	11,501	-4.3%	-2.4%	-1.1%
Couple, Two Children	13,907	13,630	13,592	13,159	13,391	13,222	13,197	12,917	12,710	12,744	12,688	12,479	-10.3%	-8.4%	-1.6%
PRINCE EDWARD ISLAND															
Single Employable	8,906	8,622	8,578	8,577	8,699	8,632	7,754	5,973	5,471	5,460	5,406	5,316	-40.3%	-38.3%	-1.7%
Disabled Person		10,034	9,928	9,788	9,905	9,817	9,695	9,326	8,595	8,430	8,348	8,208		-18.2%	-1.7%
Single Parent, One Child	12,277	11,886	11,974	11,882	12,067	11,991	11,761	11,198	10,682	10,241	9,834	9,277	-24.4%	-22.0%	-5.7%
Couple, Two Children	17,990	17,703	17,694	17,801	18,015	17,871	17,526	16,815	15,513	15,560	14,895	13,961	-22.4%	-21.1%	-6.3%
NOVA SCOTIA															
Single Employable	6,546	7,303	6,964	6,624	6,524	6,406	6,394	6,258	6,177	4,548	4,503	4,374	-33.2%	-40.1%	-2.9%
Disabled Person		9,613	9,548	9,411	9,282	9,114	9,253	9,082	8,936	8,799	8,714	8,568		-10.9%	-1.7%
Single Parent, One Child	11,336	11,685	11,594	11,458	11,457	11,249	11,407	11,194	11,014	10,845	10,559	10,152	-10.4%	-13.1%	-3.9%
Couple, Two Children	13,645	14,864	14,196	13,724	13,737	13,532	13,507	13,220	14,187	14,370	13,929	12,795	-6.2%	-13.9%	-8.1%

TABLE 5, 1999 PROVINCIAL AND TERRITORIAL WELFARE BENEFITS IN CONSTANT DOLLARS															
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% CHANGE 1986-1989	% CHANGE 1989-1999	% CHANGE 1998-1999
NEW BRUNSWICK															
Single Employable	3,226	3,493	3,438	3,366	3,368	3,320	3,340	3,282	3,267	3,254	3,222	3,168	-1.8%	-9.3%	-1.7%
Disabled Person		9,151	9,003	8,743	8,752	8,693	6,819	6,792	6,762	6,843	6,810	6,696		-26.8%	-1.7%
Single Parent, One Child	9,690	9,469	9,316	9,111	9,176	9,201	9,578	10,045	9,985	10,106	10,093	9,924	2.4%	4.8%	-1.7%
Couple, Two Children	10,482	10,244	10,064	9,972	10,296	10,321	10,696	11,244	11,172	11,465	11,525	11,332	8.1%	10.6%	-1.7%
QUEBEC															
Single Employable	3,396	4,366	6,191	6,431	6,623	6,640	6,498	6,360	6,258	6,070	5,980	6,024	77.4%	38.0%	0.7%
Disabled Person		7,848	8,136	8,370	8,626	8,619	8,759	8,573	8,624	8,614	8,689	8,712		11.0%	0.3%
Single Parent, One Child	11,428	10,607	11,295	10,339	11,738	12,221	12,485	12,220	12,024	11,391	11,007	10,541	-7.8%	-0.6%	-4.2%
Couple, Two Children	14,770	13,852	13,546	13,948	14,420	14,843	14,646	14,336	14,106	13,386	12,907	12,182	-17.5%	-12.1%	-5.6%
ONTARIO															
Single Employable	7,258	7,807	8,519	8,745	9,046	9,012	9,017	8,371	6,867	6,802	6,736	6,623	-8.7%	-15.2%	-1.7%
Disabled Person		11,272	12,018	12,286	12,489	12,412	12,418	12,154	11,959	11,776	11,661	11,466		1.7%	-1.7%
Single Parent, One Child	12,998	14,011	15,692	16,082	16,373	16,341	16,351	15,165	12,453	12,285	11,858	11,279	-13.2%	-19.5%	-4.9%
Couple, Two Children	16,179	17,681	20,589	20,978	21,433	21,369	21,186	19,527	16,091	15,875	15,207	14,292	-11.7%	-19.2%	-6.0%

TABLE 5, 1999 PROVINCIAL AND TERRITORIAL WELFARE BENEFITS IN CONSTANT DOLLARS															
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% CHANGE 1986-1989	% CHANGE 1989-1999	% CHANGE 1998-1999
MANITOBA															
Single Employable	7,201	7,476	7,568	7,479	7,631	7,504	6,984	6,846	6,331	5,497	5,443	5,352	-25.7%	-28.4%	-1.7%
Disabled Person		8,129	8,018	7,888	9,697	8,730	8,661	8,477	8,341	8,213	8,133	8,027		-1.3%	-1.3%
Single Parent, One Child	11,125	10,910	10,771	10,594	11,733	10,521	10,436	10,214	10,050	9,896	9,492	8,941	-19.6%	-18.0%	-5.8%
Couple, Two Children	16,855	17,706	19,038	19,050	19,604	17,866	18,177	17,780	15,930	14,616	13,782	12,867	-23.7%	-27.3%	-6.6%
SASKATCHEWAN															
Single Employable	6,028	6,036	5,896	5,722	5,939	6,250	6,238	6,106	6,008	5,414	5,378	5,540	-8.1%	-8.2%	3.0%
Disabled Person		9,837	9,519	9,156	9,072	8,984	8,967	8,777	8,886	7,945	7,943	8,160		-17.0%	2.7%
Single Parent, One Child	12,369	12,329	11,970	11,526	11,394	11,263	11,243	11,004	10,827	10,662	9,445	9,483	-23.3%	-23.1%	0.4%
Couple, Two Children	17,351	17,107	16,600	15,962	16,225	15,996	16,028	15,691	15,440	14,317	13,768	13,752	-20.7%	-19.6%	-0.1%
ALBERTA															
Single Employable	8,578	5,965	5,687	6,187	6,232	5,872	5,120	5,012	4,931	4,884	4,906	4,824	-43.8%	-19.1%	-1.7%
Disabled Person		7,377	7,033	7,409	7,359	7,141	7,113	6,983	6,871	6,795	6,798	6,858		-7.0%	0.9%
Single Parent, One Child	12,560	11,185	10,663	11,194	11,165	10,715	9,955	9,744	9,586	9,518	9,340	9,079	-27.7%	-18.8%	-2.8%
Couple, Two Children	18,674	16,480	15,710	17,326	17,344	16,698	15,673	15,499	15,251	15,089	14,712	13,984	-25.1%	-15.1%	-4.9%

TABLE 5, 1999 PROVINCIAL AND TERRITORIAL WELFARE BENEFITS IN CONSTANT DOLLARS															
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% CHANGE 1986-1989	% CHANGE 1989-1999	% CHANGE 1998-1999
BRITISH COLUMBIA															
Single Employable	6,127	6,727	6,872	6,766	6,970	6,991	7,164	7,035	6,395	6,297	6,235	6,131	0.1%	-8.9%	-1.7%
Disabled Person		9,283	9,595	9,378	9,786	9,849	10,077	9,897	9,738	9,589	9,496	9,337		0.6%	-1.7%
Single Parent, One Child	11,034	12,152	12,271	12,029	12,567	12,607	12,916	12,682	12,478	12,236	11,809	11,231	1.8%	-7.6%	-4.9%
Couple, Two Children	15,071	15,177	15,271	14,924	15,900	15,987	16,470	16,173	15,914	15,567	14,902	13,992	-7.2%	-7.8%	-6.1%
YUKON															
Single Employable	7,280	8,795	8,893	8,750	8,724	8,566	8,550	8,369	8,234	11,241	11,131	10,945	50.3%	24.5%	-1.7%
Disabled Person		9,838	9,888	9,693	9,652	9,477	9,460	9,959	9,799	12,781	12,6575	12,445		26.5%	-1.7%
Single Parent, One Child	13,075	14,536	14,615	14,496	14,489	14,227	14,200	13,899	13,676	16,910	16,437	15,770	20.6%	8.5%	-4.1%
Couple, Two Children	20,032	21,822	21,660	21,667	21,840	21,445	21,405	20,951	20,615	24,355	23,605	22,525	12.4%	3.2%	-4.6%
NORTHWEST TERRITORIES															
Single Employable						12,265	12,242	11,982	11,712	7,394	7,383	8,299			12.4%
Disabled Person						13,892	13,867	13,572	13,589	9,798	9,763	10,639			9.0%
Single Parent, One Child						20,793	20,755	20,314	19,894	17,414	17,216	18,121			5.3%
Couple, Two Children						24,608	24,601	24,079	23,568	22,341	22,362	22,812			2.0%

Most perverse of all the changes in provincial and territorial contributions to welfare incomes is the effect of the federal Child Tax Benefit on the incomes of those families with children that are forced to depend on welfare. When the federal government introduced the Benefit in 1998, it allowed provincial and territorial governments to claw back the supplement by reducing the welfare benefits of families by the value of the supplement. Only Newfoundland and New Brunswick refused to exercise this option.

The charts at the end of this section show the effect of the clawback on the total welfare income of a single-parent family with one child and on a couple with two children. We have calculated welfare incomes over time by adjusting the amounts to the cost of living as we did in Table 5. All the annual welfare incomes are expressed in 1999 dollars.

We have separated the portion of welfare incomes that is paid by the province or territory from the portion that is paid by the federal government. Each chart has a white bar that shows the contribution of the provincial or territorial government. The provincial or territorial contribution is the amount found in Table 5.

The black bar shows the federal government contribution to the welfare incomes of these families on welfare. This amount includes the GST, the federal Child Tax Benefit and its supplement. The federal portion of welfare incomes has grown every year because of increases in the federal government's support to low-income families. As of July 1, 1998, a single-parent family with one child received a supplement of $605 a year (or $50.24 a month) and the couple with children received $785 a year (or $65.42 a month). As of July 1, 1999, the supplement for the single-parent family increased to $785 a year ($65.42 a month) and for the couple with two children, $1,370 a year ($114.17 a month). On July 1, 2000, the federal government again increased the supplement, this time to $955 a year ($79.58 a month) for the single-parent family, and to $1,710 a year ($142.50 a month) for the couple.

Together, the white and the black bars show the total welfare income for the single-parent family with one child and for the couple with two children for the period since the National Council of Welfare began calculating welfare incomes in 1986. What these graphs show is that in those provinces and territories where the governments have clawed back the supplement to the federal Child Tax Benefit, the federal government is providing a larger and larger share of the welfare incomes, but the total welfare incomes of families with children have not improved. With few exceptions, the white bars that show the share of welfare incomes that is paid by the provinces and the territories become smaller as the years go on.

In Newfoundland, the total 1999 annual welfare income of a single-parent family with one child was $13,924. This was made up of a contribution of $11,501 from the province and $2,423 from the federal government. This is a very slight increase over the 1998 total income of $13,695, and is still well below the 1994 peak of $14,090. In 1994, the federal government contributed only $1,874. Even with the increase in the federal government's contribution, various cutbacks and freezes in the provincial contribution throughout the 1990s have brought the total welfare income down from the 1994 rate.

The increasing federal government contribution has brought the total welfare income up slightly, despite the fact that the province is contributing less to the welfare income than it has since the National Council of Welfare began to track welfare incomes.

The couple with two children had a total annual income of $16,317, up slightly from $15,464 in 1998. Almost all the increase in the welfare income is because of the increase in the federal government's supplement to the Child Tax Benefit. The Newfoundland and Labrador Child and Family Benefit began in August 1999, but is worth only $17 a month for a family with one child and $43 a month for a family with two children. The total 1999 welfare income of $16,317 is slightly lower than the 1986 total welfare income of $16,915, but in 1986, the federal government contributed only $1,504, while in 1999, it contributed $2,423. As in the case of the single-parent family, Newfoundland's contribution to this family's welfare income is less now than ever before, while the federal government's contribution is more than it has ever been.

New Brunswick is the only other province that does not take away the money the federal government gives families on welfare. The New Brunswick Child Tax Benefit has provided an extra $21 a month for each child since October 1997. As a result of these two measures, a single-parent family with one child saw modest gains in its total welfare income, from $12,125 in 1998 to $12,319 in 1999, and the couple saw its income rise from $14,731 in 1998 to $15,170. Because of a combined effort by the province and the federal government, the total welfare income of the single-parent family is now the highest it has been since the National Council of Welfare began to track welfare incomes. Both the federal government and New Brunswick now contribute more to the single-parent family's income than ever before.

Unlike Newfoundland and New Brunswick, which chose not to claw back the supplement to the federal Child Tax Benefit, Prince Edward Island reduced its welfare payments by the amount the federal government gave to parents on welfare. The province also failed to provide increases to welfare that might have helped welfare incomes to keep pace with inflation. As a result, the total welfare income of both a single-parent family with one child and a couple with two children in PEI declined even as the federal government pumped billions of dollars into a system intended for poor families. Their incomes were $11,875 in 1998 and $11,670 in 1999, and $18,102 in 1998 and $17,799 in 1999 respectively. For both families, this is a drop in total welfare incomes from a peak in the early 1990s.

The same pattern holds for Nova Scotia. The province clawed back the supplement to the federal Child Tax Benefit. Although Nova Scotia used that money to provide a provincial child benefit, it never gave families enough money to keep pace with the cost of living. Total welfare incomes declined very slightly for the single-parent family from $12,609 in 1998 to $12,558 in 1999, and for the couple with two children from $17,135 in 1998 to $16,633 in 1999. In the case of both types of families with children, the black portion of the bar in the chart is larger than ever, showing how the federal government is now contributing more than ever to family incomes.

For both family types in Quebec, the chart illustrates how total welfare incomes have declined very slightly each year from 1994, despite significant restructuring of Quebec's family benefits. All the while, the federal government's contribution to the family income increased. For the single-parent family, there was a decline from $12,995 in 1998 to $12,957 in 1999, and for the couple with two children, a decline from $16,079 to $15,000 between 1998 and 1999. Quebec asked the federal government to vary the amount of the Child Tax Benefit, so these numbers are not consistent from 1998 to 1999.

The Ontario charts show the dramatic impact of the provincial government's decision to cut welfare incomes by 21.6% in October 1995. Although the federal portion of welfare incomes began to grow when the federal government introduced the Child Tax Benefit, the impact of the provincial government's draconian welfare cuts overshadows any increases in federal help. Ontario's decision to claw back the supplement to the federal Child Tax Benefit ensures that welfare families do not enjoy any improvement in benefits. The single-parent family received $13,928 in 1998 and $13,704 in 1999, and the couple with two children saw its income decline from $18,414 to $18,130 between 1998 and 1999. Again, the black part of each bar is larger each year, showing how the federal government's portion of welfare incomes has grown.

The Manitoba charts show how welfare incomes for both family types have declined through the 1990s. The single-parent family's income reached a peak of $13,567 in 1992, and the income of the couple with two children reached $22,492 that year. Incomes for both family types have declined steadily since then, though the federal government's contribution to the welfare income is now higher than ever.

Manitoba claws back the supplement to the federal Child Tax Benefit. The absence of increases in welfare payments has allowed the cost of living to erode the value of welfare incomes. For single-parent families, this meant a decline from $11,523 in 1998 to $11,328 in 1999. For the couple with two children, incomes dropped from $16,989 in 1998 to $16,705 in 1999. Manitoba has announced that as of July 2000, the province would no longer claw back further increases to the supplement of the federal Child Tax Benefit. The impact of this decision will be assessed in future editions of this report.

Saskatchewan claws back the supplement to the federal Child Tax Benefit by reducing the Saskatchewan Child Benefit by the value of the federal supplement. The clawback, combined with the erosion of inflation, has brought the value of welfare income down slightly. However, a change in the way Saskatchewan reported the payment of utilities for families on welfare in 1999 masks the changes in overall welfare income between 1998 and 1999. Because of the change in Saskatchewan's method of reporting welfare incomes for this report, the income of the single-parent rose from $11,492 in 1998 to $11,877 in 1999. The income of the two-parent family rose from $16,974 in 1998 to $17,590 in 1999.

For both family types in Saskatchewan, welfare incomes have dropped significantly since 1986 when the National Council of Welfare first began to track welfare incomes. In 1986, single-parent families received $13,873 and two-parent families received $20,359. This significant decline in total welfare incomes has occurred despite the fact

that the federal government has never given so much money directly to families on welfare.

The charts show how welfare incomes in Alberta have decreased since 1986. At that time, the single-parent family received $13,952 and the couple with two children received $21,814. A series of welfare reforms in Alberta caused the total incomes of these families to decline throughout the 1990s until they began to rise in 1998.

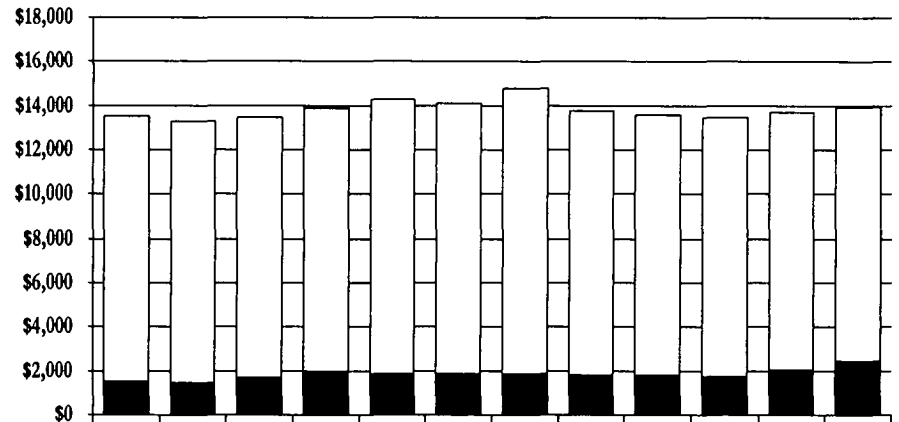
Alberta claws back the supplement to the federal Child Tax Benefit. However, the province made several small increases to portions of its welfare payments in 1998 and 1999. These helped the total welfare income of single parents to rise slightly, but did not make up for the cost of taking away the supplement. The shrinking white bars in the chart show how Alberta's contribution to the total welfare income of both families has dwindled each year from 1991 onward. The increase in the black bars shows how the federal government's share has grown. The single parent received a total of $11,276 in 1998 and $11,375 in 1999; the couple received a total income of $18,017 in 1998 and $17,919 in 1999.

Total welfare incomes for families with children in British Columbia have dropped steadily since 1994. This occurred both because of various small cuts and freezes in the welfare system and because of the clawback of the supplement to the federal Child Tax Benefit. Although the province created its own provincial child benefits package, the new BC Family Benefits have never been high enough to make up for its other welfare policy decisions. While a single-parent family had a welfare income of $14,795 in 1994, the income dropped to $13,882 in 1998 and to $13,661 by 1999. The couple with two children had a welfare income of $19,338 in 1994, but that income had eroded to only $18,109 by 1998 and $17,830 by 1999.

Yukon also claws back the supplement to the federal Child Tax Benefit. The charts show that total welfare incomes jumped between 1996 and 1997, but this was due to a change in the way Yukon reported the cost of utilities, not an actual increase in welfare payments. Since then, the cost of living has eroded the value of the overall welfare income, while the clawback to the federal Child Tax Benefit has increased the proportion of welfare income that is in fact paid by the federal government, not the Territory. The single-parent family had a welfare income of $18,510 in 1998 and only $18,201 in 1999. The couple with two children received $26,811 in 1998, which dropped to $26,363 by 1999.

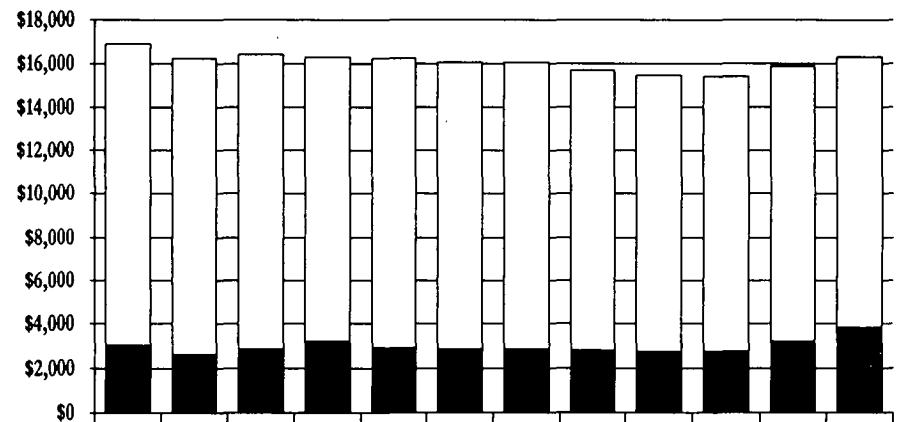
Northwest Territories claws back the supplement to the Child Tax Benefit, and the territory made no increases in welfare payments in 1999. However, the Territories changed the way it reported its welfare payments to cover utilities. As a result, the value of total welfare incomes for the single-parent family fell by the cost of living between 1998 and 1999, but due to the change in reporting of utilities the figures indicate a rise from $19, 289 in 1998 to $20,552 in 1999.

Newfoundland Welfare Income, Single Parent, One Child (1999 Dollars)



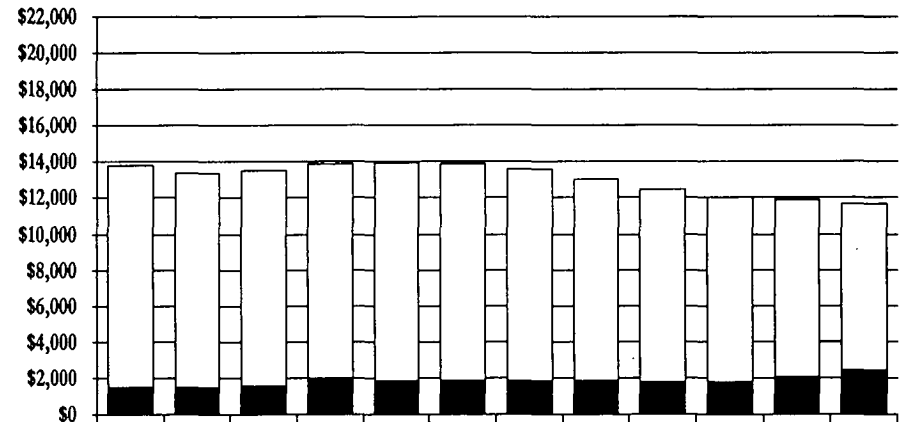
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$12,022	$11,782	$11,755	$11,889	$12,374	$12,219	$12,917	$11,938	$11,746	$11,667	$11,630	$11,501
■ Federal	$1,504	$1,480	$1,701	$1,965	$1,875	$1,871	$1,874	$1,831	$1,801	$1,774	$2,064	$2,423

Newfoundland Welfare Income, Couple, Two Children (1999 Dollars)



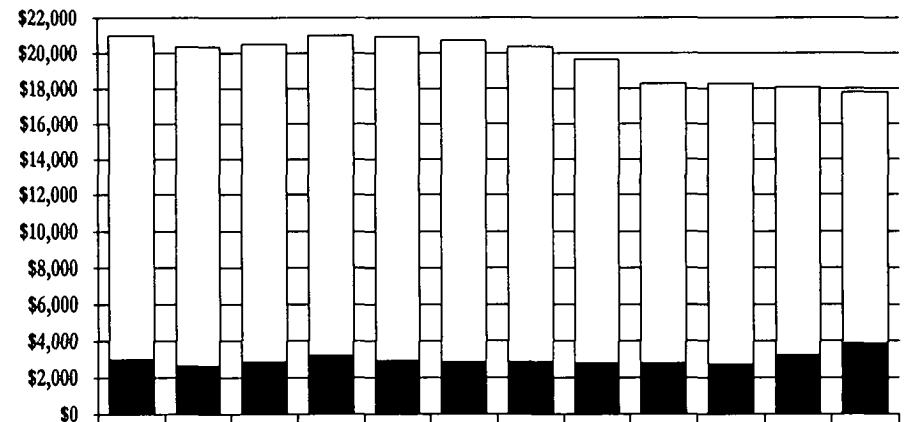
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$13,907	$13,630	$13,592	$13,159	$13,391	$13,222	$13,197	$12,917	$12,710	$12,744	$12,688	$12,479
■ Federal	$3,008	$2,631	$2,826	$3,179	$2,888	$2,863	$2,868	$2,807	$2,762	$2,719	$3,207	$3,838

PEI Welfare Income, Single Parent, One Child (1999 Dollars)



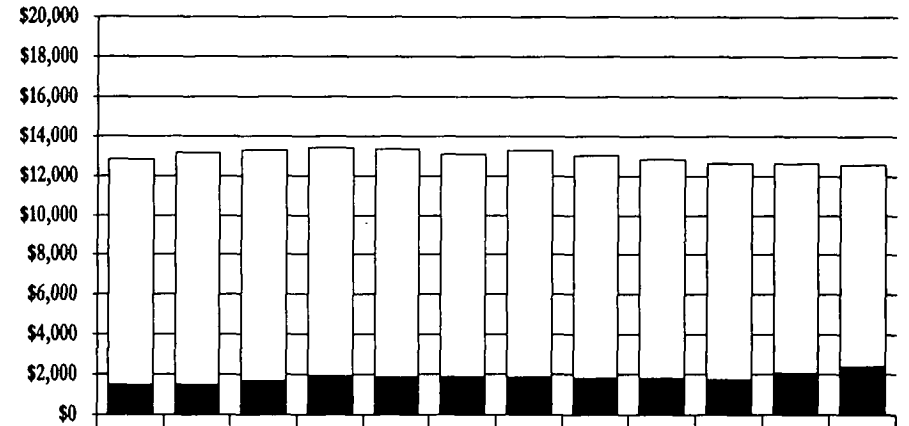
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$12,277	$11,886	$11,974	$11,882	$12,067	$11,991	$11,761	$11,198	$10,682	$10,241	$9,834	$9,277
■ Federal	$1,504	$1,480	$1,560	$1,967	$1,877	$1,867	$1,869	$1,824	$1,790	$1,756	$2,041	$2,393

PEI Welfare Income, Couple, Two Children (1999 Dollars)



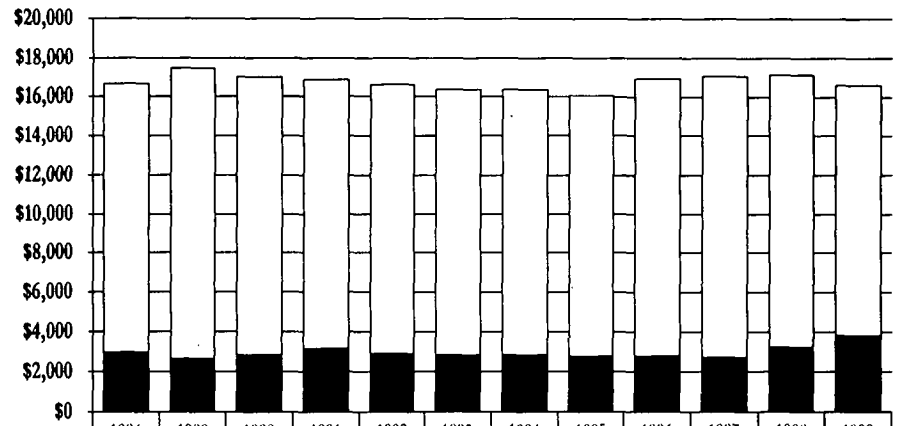
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$17,990	$17,703	$17,694	$17,801	$18,015	$17,871	$17,526	$16,815	$15,513	$15,560	$14,895	$13,961
■ Federal	$3,008	$2,631	$2,826	$3,179	$2,888	$2,863	$2,868	$2,807	$2,762	$2,719	$3,207	$3,838

Nova Scotia Welfare Income, Single Parent, One Child (1999 Dollars)



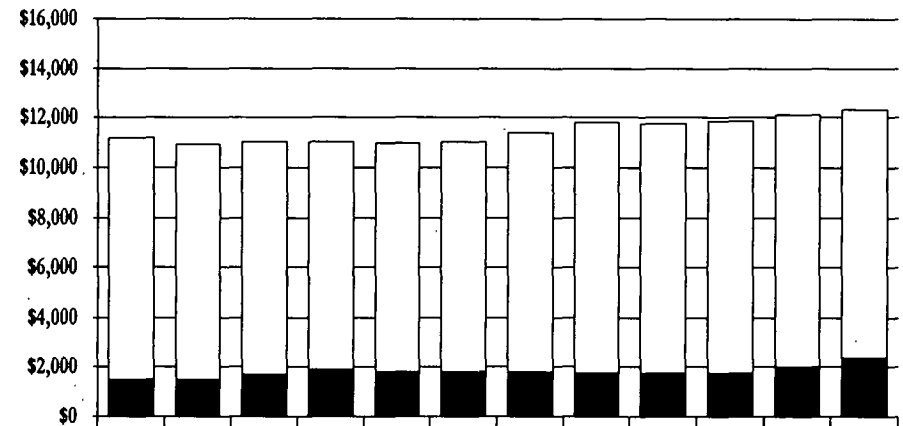
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$11,336	$11,685	$11,594	$11,458	$11,457	$11,249	$11,407	$11,194	$11,014	$10,845	$10,559	$10,152
■ Federal	$1,504	$1,480	$1,701	$1,962	$1,870	$1,857	$1,856	$1,814	$1,787	$1,759	$2,050	$2,406

Nova Scotia Welfare Income, Couple, Two Children (1999 Dollars)



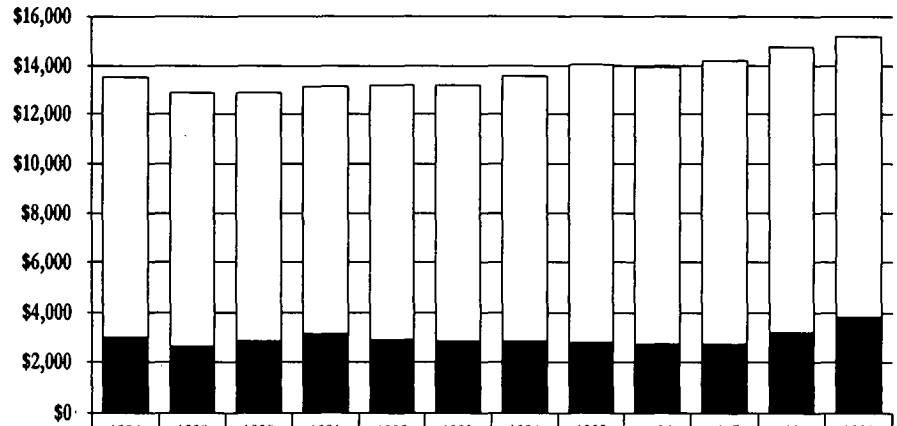
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$13,645	$14,864	$14,196	$13,724	$13,737	$13,532	$13,507	$13,220	$14,187	$14,370	$13,929	$12,795
■ Federal	$3,008	$2,631	$2,826	$3,179	$2,888	$2,863	$2,868	$2,807	$2,762	$2,719	$3,207	$3,838

New Brunswick Welfare Income, Single Parent, One Child (1999 Dollars)



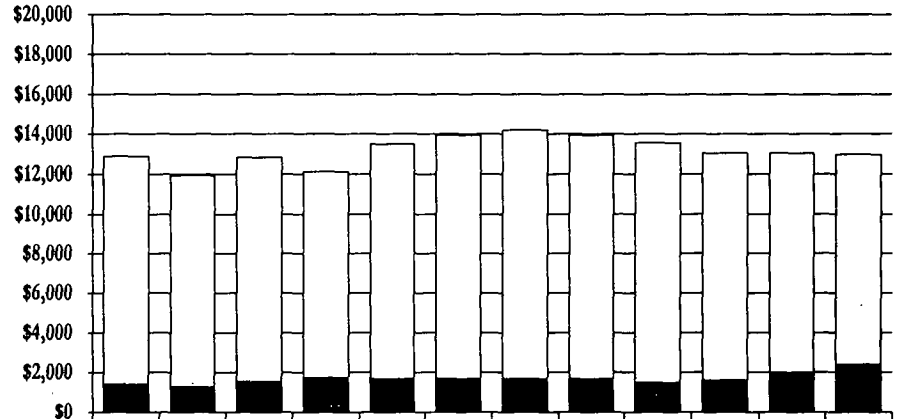
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$9,690	$9,469	$9,316	$9,111	$9,176	$9,201	$9,578	$10,045	$9,985	$10,106	$10,093	$9,924
■ Federal	$1,504	$1,480	$1,690	$1,931	$1,825	$1,812	$1,813	$1,776	$1,757	$1,738	$2,033	$2,395

New Brunswick Welfare Income, Couple, Two Children (1999 Dollars)



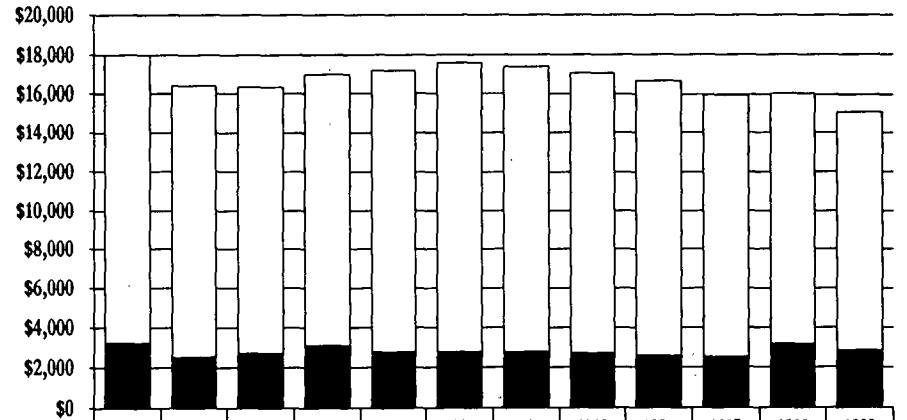
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$10,482	$10,244	$10,064	$9,972	$10,296	$10,321	$10,696	$11,244	$11,172	$11,465	$11,525	$11,332
■ Federal	$3,008	$2,631	$2,826	$3,179	$2,888	$2,863	$2,868	$2,807	$2,762	$2,719	$3,207	$3,838

Quebec Welfare Income, Single Parent, One Child (1999 Dollars)



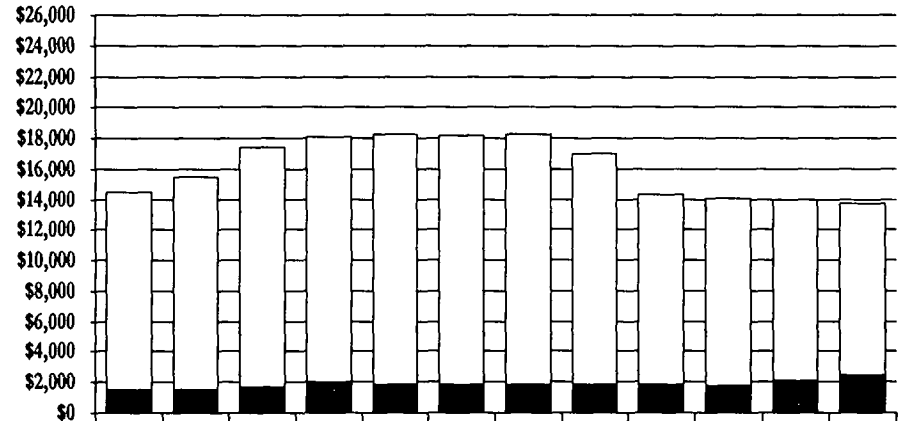
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Provincial	$11,428	$10,607	$11,295	$10,339	$11,738	$12,221	$12,485	$12,220	$12,024	$11,391	$11,007	$10,541
Federal	$1,450	$1,304	$1,525	$1,773	$1,695	$1,689	$1,699	$1,671	$1,493	$1,622	$1,988	$2,416

Quebec Welfare Income, Couple, Two Children (1999 Dollars)



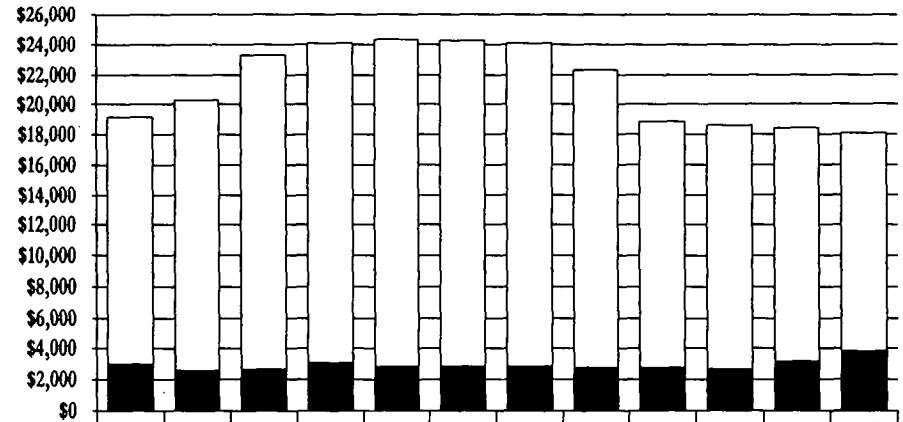
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Provincial	$14,770	$13,852	$13,546	$13,948	$14,420	$14,843	$14,646	$14,336	$14,106	$13,386	$12,907	$12,182
Federal	$3,247	$2,551	$2,749	$3,105	$2,813	$2,790	$2,794	$2,734	$2,566	$2,544	$3,172	$2,818

Ontario Welfare Income, Single Parent, One Child (1999 Dollars)



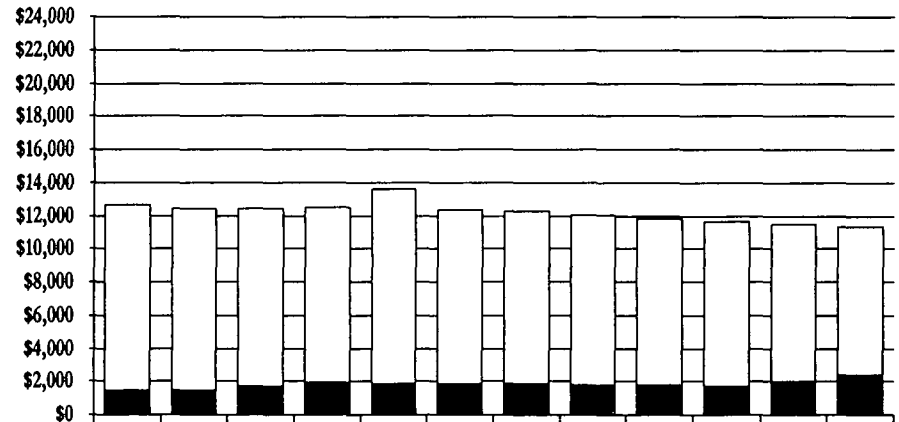
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Provincial	$12,998	$14,011	$15,692	$16,082	$16,373	$16,341	$16,351	$15,165	$12,453	$12,285	$11,858	$11,279
Federal	$1,504	$1,480	$1,709	$1,980	$1,890	$1,875	$1,880	$1,840	$1,811	$1,782	$2,071	$2,426

Ontario Welfare Income, Couple, Two Children (1999 Dollars)



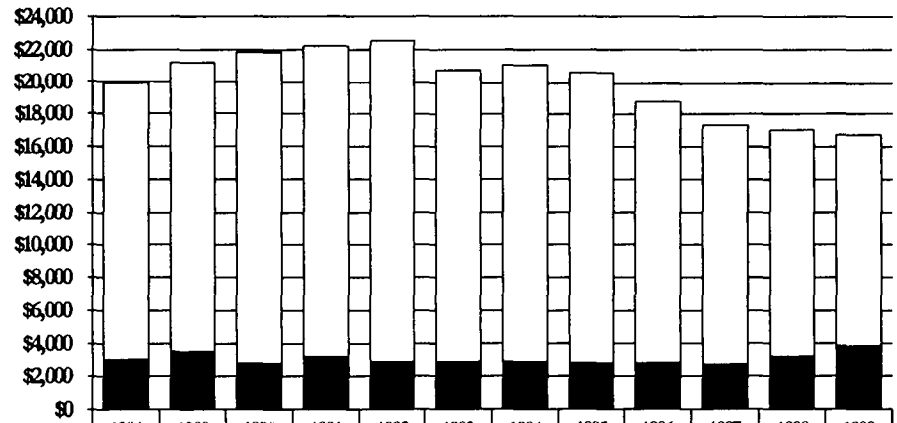
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Provincial	$16,179	$17,681	$20,589	$20,978	$21,433	$21,369	$21,186	$19,527	$16,091	$15,875	$15,207	$14,292
Federal	$3,008	$2,631	$2,724	$3,114	$2,888	$2,863	$2,867	$2,807	$2,762	$2,719	$3,207	$3,838

Manitoba Welfare Income, Single Parent, One Child (1999 Dollars)



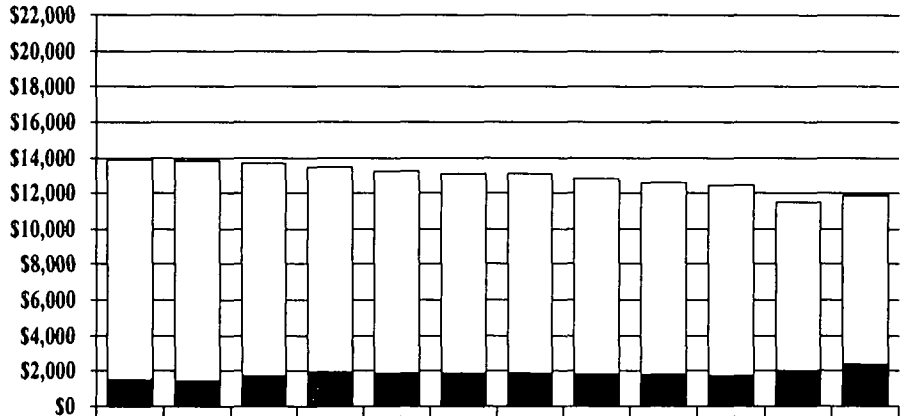
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Provincial	$11,125	$10,910	$10,771	$10,594	$11,733	$10,521	$10,436	$10,214	$10,050	$9,896	$9,492	$8,941
Federal	$1,504	$1,480	$1,692	$1,935	$1,834	$1,832	$1,841	$1,797	$1,768	$1,740	$2,031	$2,387

Manitoba Welfare Income, Couple, Two Children (1999 Dollars)



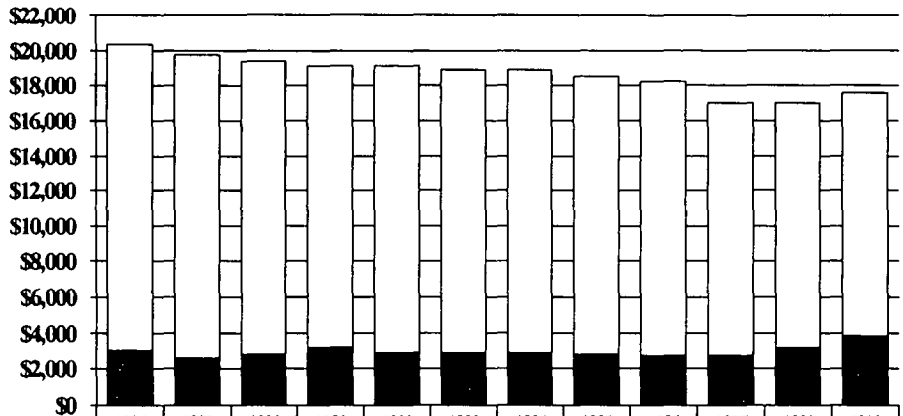
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Provincial	$16,855	$17,706	$19,038	$19,050	$19,604	$17,866	$18,177	$17,780	$15,930	$14,616	$13,782	$12,867
Federal	$3,008	$3,525	$2,826	$3,179	$2,888	$2,863	$2,868	$2,807	$2,762	$2,719	$3,207	$3,838

Saskatchewan Welfare Income, Single Parent, One Child (1999 Dollars)



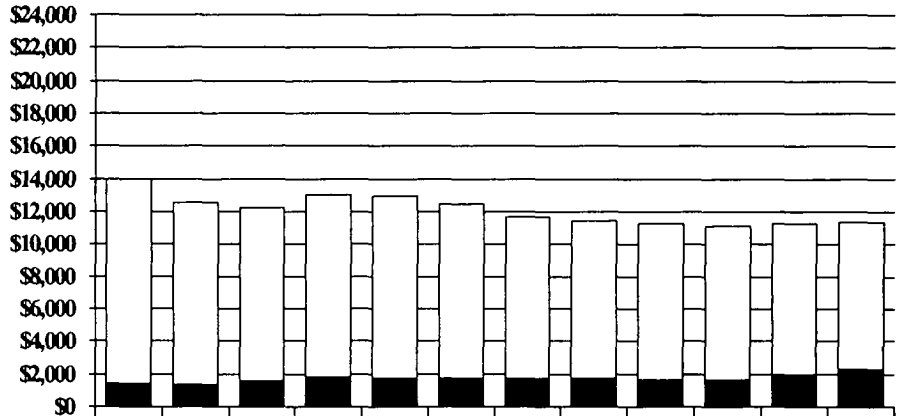
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$12,369	$12,329	$11,970	$11,526	$11,394	$11,263	$11,243	$11,004	$10,827	$10,662	$9,445	$9,483
■ Federal	$1,504	$1,480	$1,704	$1,969	$1,874	$1,857	$1,855	$1,812	$1,784	$1,756	$2,046	$2,394

Saskatchewan Welfare Income, Couple, Two Children (1999 Dollars)



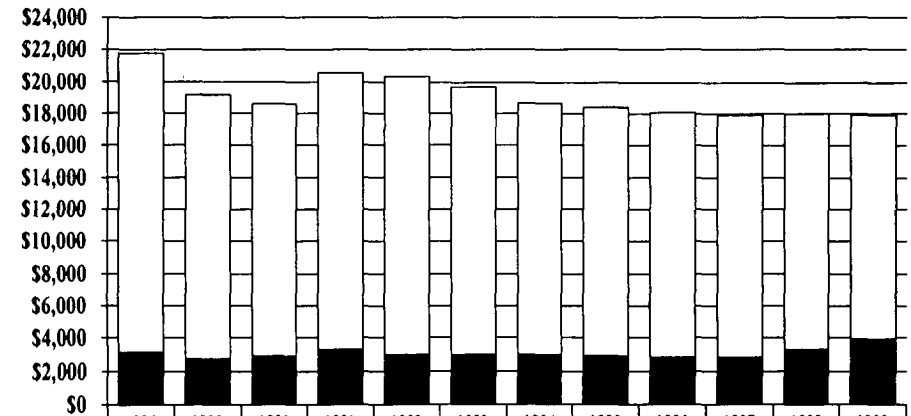
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$17,351	$17,107	$16,600	$15,962	$16,225	$15,996	$16,028	$15,691	$15,440	$14,317	$13,768	$13,752
■ Federal	$3,008	$2,631	$2,826	$3,179	$2,888	$2,863	$2,868	$2,807	$2,762	$2,719	$3,207	$3,838

Alberta Welfare Income, Single Parent, One Child (1999 Dollars)



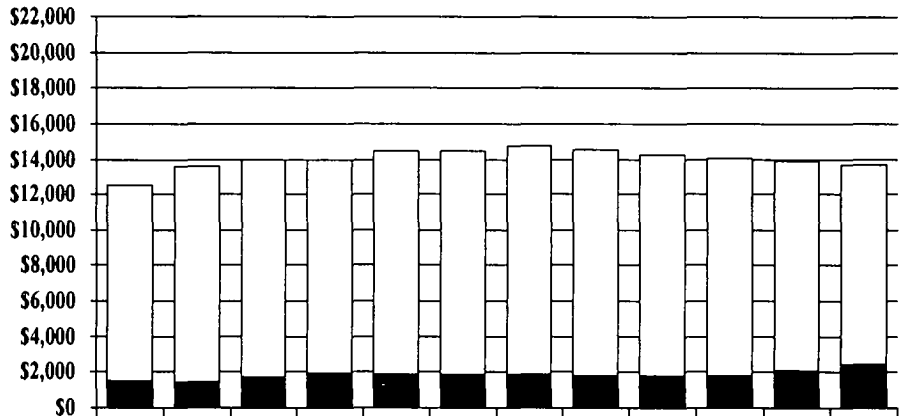
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$12,560	$11,185	$10,663	$11,194	$11,165	$10,715	$9,955	$9,744	$9,586	$9,518	$9,340	$9,079
■ Federal	$1,392	$1,377	$1,599	$1,854	$1,760	$1,756	$1,753	$1,704	$1,671	$1,644	$1,936	$2,296

Alberta Welfare Income, Couple, Two Children (1999 Dollars)



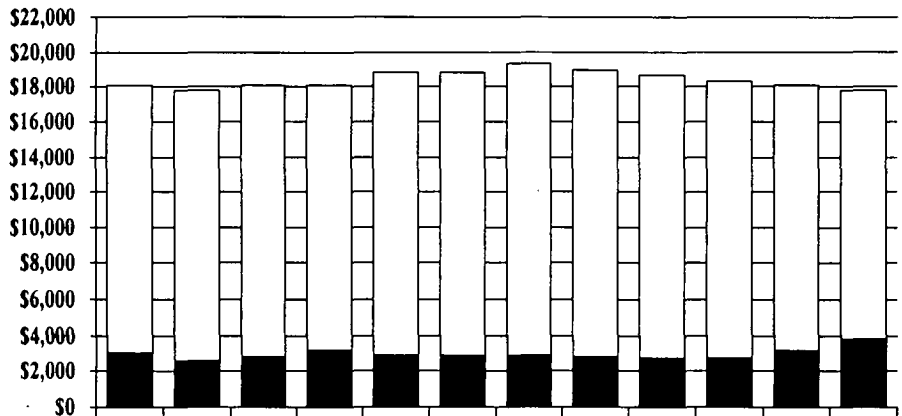
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$18,674	$16,480	$15,710	$17,326	$17,344	$16,698	$15,673	$15,499	$15,251	$15,089	$14,712	$13,984
■ Federal	$3,140	$2,735	$2,929	$3,280	$2,990	$2,964	$2,971	$2,910	$2,863	$2,819	$3,305	$3,935

BC Welfare Income, Single Parent, One Child (1999 Dollars)



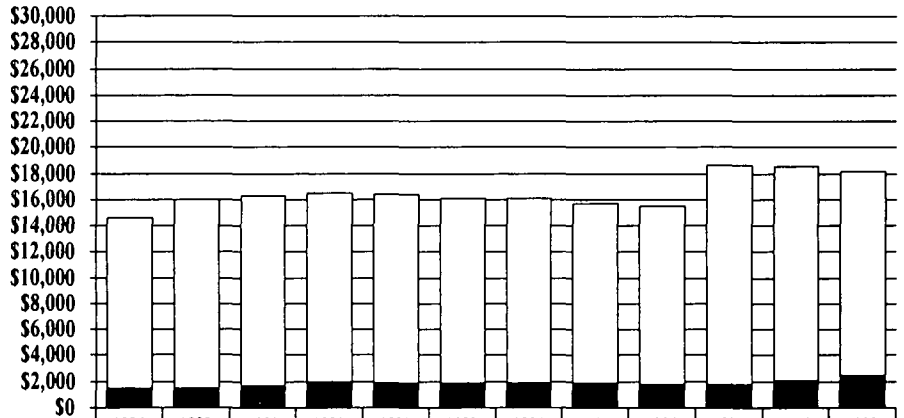
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$11,034	$12,152	$12,271	$12,029	$12,567	$12,607	$12,916	$12,682	$12,478	$12,236	$11,809	$11,231
■ Federal	$1,504	$1,480	$1,703	$1,971	$1,881	$1,873	$1,879	$1,839	$1,811	$1,783	$2,073	$2,430

BC Welfare Income, Couple, Two Children (1999 Dollars)



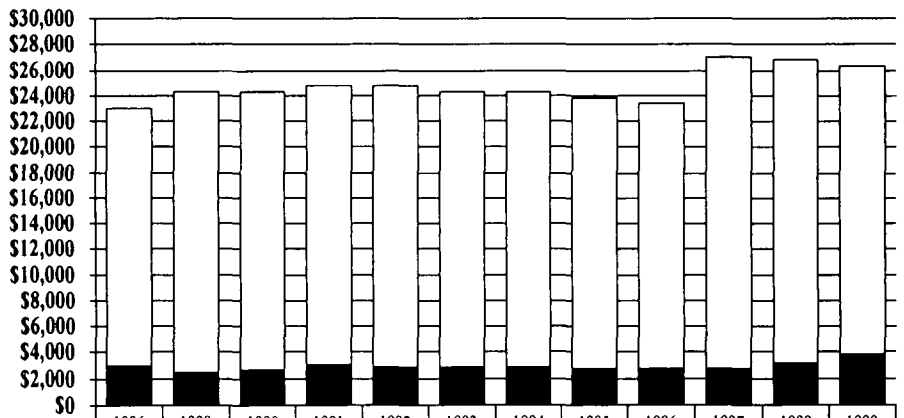
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$15,071	$15,177	$15,271	$14,924	$15,900	$15,987	$16,470	$16,173	$15,914	$15,567	$14,902	$13,992
■ Federal	$3,008	$2,631	$2,826	$3,179	$2,888	$2,863	$2,868	$2,807	$2,762	$2,719	$3,207	$3,838

Yukon Welfare Income, Single Parent, One Child (1999 Dollars)



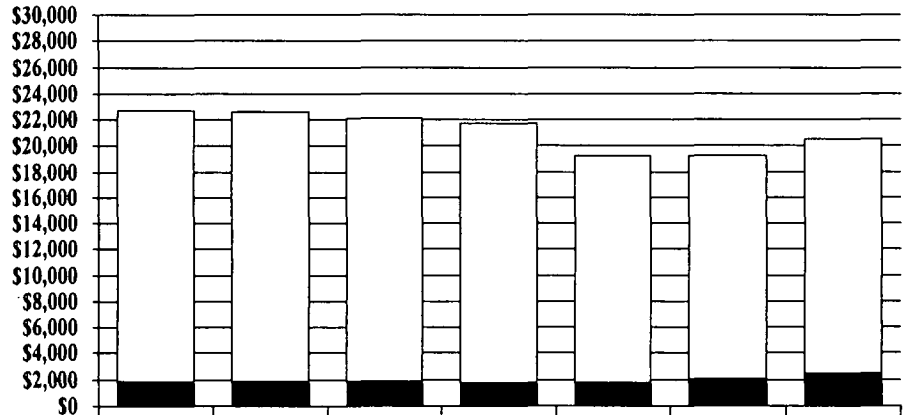
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$13,075	$14,536	$14,615	$14,496	$14,489	$14,227	$14,200	$13,899	$13,676	$16,910	$16,437	$15,770
■ Federal	$1,504	$1,480	$1,709	$1,980	$1,890	$1,875	$1,880	$1,840	$1,811	$1,783	$2,073	$2,431

Yukon Welfare Income, Couple, Two Children (1999 Dollars)



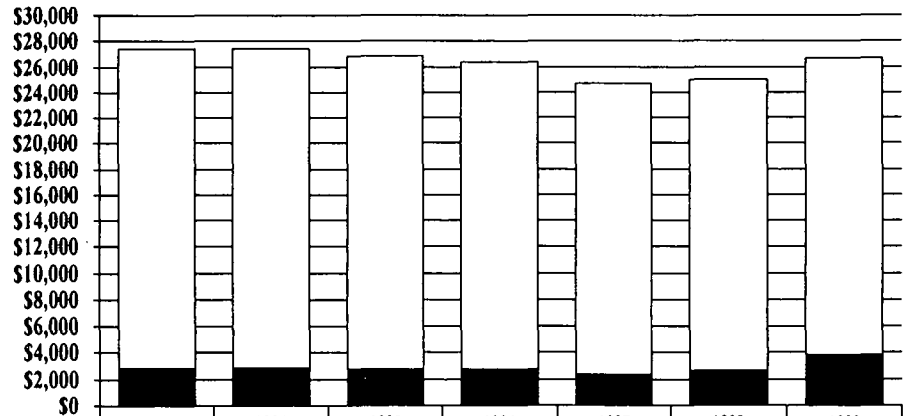
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$20,032	$21,822	$21,660	$21,667	$21,840	$21,445	$21,405	$20,951	$20,615	$24,355	$23,605	$22,525
■ Federal	$3,008	$2,484	$2,643	$3,055	$2,888	$2,863	$2,868	$2,807	$2,762	$2,719	$3,207	$3,838

NWT Welfare Income, Single Parent, One Child (1999 Dollars)



	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$20,793	$20,755	$20,314	$19,894	$17,414	$17,216	$18,121
■ Federal	$1,876	$1,880	$1,840	$1,811	$1,783	$2,073	$2,431

NWT Welfare Income, Couple, Two Children (1999 Dollars)



	1993	1994	1995	1996	1997	1998	1999
□ Provincial	$24,608	$24,601	$24,079	$23,568	$22,341	$22,362	$22,812
■ Federal	$2,863	$2,868	$2,807	$2,762	$2,377	$2,649	$3,838

WELFARE INCOMES AND POVERTY OVER TIME

In the years in which the National Council of Welfare has been examining welfare rates, provincial and territorial governments have frequently made changes to their welfare programs. Table 6 examines the impact these changes had on the adequacy of welfare incomes in the period from 1986 to 1999. We have used the total income of welfare recipients, including assistance from provincial governments, federal and provincial child benefits, GST credits and provincial tax credits. For each year, the incomes are shown as a percentage of the poverty line. This calculation ensures that the comparisons take into consideration factors such as the size of families and communities. This also allows us to make comparisons across provinces.

The territories are not included in this table because they are excluded from the Statistics Canada survey that is used to generate the low income cut-offs. The National Council of Welfare did not include a single person with a disability in its original calculations of welfare incomes for 1986, so the figures for disabled people begin in 1989.

The last column shows that between 1998 and 1999, the standard of living for people on welfare did not improve for most cases. In both Newfoundland and New Brunswick, the two families with children saw their welfare incomes come closer to the poverty line. This is because these two provinces have allowed all families with children to keep the supplement to the Canada Child Tax Benefit when all the other provinces and territories took the extra money away from families on welfare.

The single parent in Nova Scotia saw a very slight improvement in benefits.

In Quebec, families with children also made a slight gain on the poverty line.

In Saskatchewan, all cases saw an improvement in benefits, but this is largely due to the change in the way the Saskatchewan government reported utility rates for this report.

In Alberta, the disabled person and the single parent with one child saw slight improvements.

The column showing changes between 1986 and 1999 shows that in only nine cases were there improvements in the welfare rate as it compares to the poverty line. In Newfoundland, the adequacy of welfare incomes for single employable people dropped by a shocking 257.7 percent.

At no point between 1986 and 1999 did any province or territory provide welfare benefits which allowed welfare recipients to reach the poverty line. As Table 6 shows, the highest rates ever achieved were still substantially below the poverty line. In 1989, Prince Edward Island provided benefits for single employable people which reached 66 percent of the poverty line, and for couples with children which reached 78 percent of the poverty line. In 1992, 1993 and 1994, Ontario provided welfare incomes to single

parents which reached 80 percent of the poverty line. In all cases, these incomes have since deteriorated significantly.

Table 6 also illustrates the disparity in incomes between the different types of families in need of assistance. The poorest of all welfare recipients in Canada are always single employable people. Newfoundland now has the dubious distinction of providing incomes far below the worst incomes in other provinces and territories.

The adequacy of incomes for people with disabilities has remained relatively stable in comparison to the incomes of other welfare recipients. During recent welfare reforms in the 1990s, provinces and territories frequently exempted people with disabilities from cuts to benefits. The value of the incomes ranged from a high of 77 percent of the poverty line in Prince Edward Island in 1989, where the incomes for people with disabilities dropped to 60 percent of the poverty line in 1998. The least adequate assistance for disabled people was in Alberta from 1996 onward, where incomes reached only 42 percent of the poverty line. We note that in Alberta, people with severe and permanent disabilities are eligible for further assistance through the Assured Income for the Severely Handicapped program.

The maximum welfare income a single parent received was 80 percent of the poverty line in Ontario in 1992, 1993 and 1994. The value of the income received by a single parent with one child was only 49 percent of the poverty line in Alberta in 1997.

The lowest welfare income in Canada for a couple with two children on welfare was 44 percent of the poverty line for families in New Brunswick in 1989 and 1990. The highest income for families on welfare was 78 percent of the poverty line in Prince Edward Island in 1989.

TABLE 6, 1999 WELFARE INCOME AS PERCENTAGE OF THE POVERTY LINE															
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% CHANGE 1986-1999	% CHANGE 1989-1999	% CHANGE 1998-1999
NEWFOUNDLAND															
Single Employable	33%	32%	32%	33%	34%	33%	33%	33%	19%	9%	9%	9%	-257.7%	-251.4%	-0.4%
Disabled Person		64%	63%	63%	64%	63%	63%	62%	61%	60%	60%	59%		-8.1	-0.9%
Single Parent, 1 Child	68%	66%	67%	69%	71%	71%	70%	69%	68%	67%	69%	70%	2.8%	5.4%	1.6%
Couple, 2 Children	58%	56%	56%	56%	56%	55%	55%	54%	53%	53%	54%	56%	3.7%	-0.3%	2.5%
PRINCE EDWARD ISLAND															
Single Employable	62%	66%	60%	62%	62%	62%	56%	43%	40%	39%	39%	38%	-61.5%	-72.2%	-1.8%
Disabled Person		77%	70%	70%	71%	70%	69%	67%	67%	60%	60%	59%		-31.2%	-1.9%
Single Parent, 1 Child	71%	75%	69%	71%	71%	71%	70%	67%	64%	62%	61%	60%	-18.1%	-25.3%	-1.8%
Couple, 2 Children	74%	78%	71%	73%	73%	73%	71%	69%	64%	64%	63%	62%	-18.0%	-25.1	-1.8%
NOVA SCOTIA															
Single Employable	44%	50%	48%	47%	46%	45%	45%	44%	43%	32%	32%	31%	-43.2%	-61.0%	-3.0%
Disabled Person		66%	66%	66%	65%	64%	65%	63%	62%	61%	61%	60%		-10.3%	-1.8%
Single Parent, 1 Child	64%	66%	66%	67%	67%	66%	67%	65%	64%	63%	63%	63%	-2.3%	-4.9%	0.5%
Couple, 2 Children	57%	60%	58%	58%	57%	56%	56%	55%	58%	59%	59%	57%	-0.1%	-5.4%	-3.6%
NEW BRUNSWICK															
Single Employable	22%	24%	24%	25%	24%	24%	24%	24%	24%	23%	23%	23%	4.2%	-5.0%	-1.8%
Disabled Person		63%	62%	62%	61%	61%	61%	48%	47%	48%	48%	47%		-34.5%	-1.8%
Single Parent, 1 Child	56%	55%	55%	55%	55%	55%	57%	59%	59%	59%	61%	62%	9.1%	10.9%	1.5%
Couple, 2 Children	46%	44%	44%	45%	45%	45%	46%	48%	48%	49%	50%	52%	11.1%	15.3%	2.8%
QUEBEC															
Single Employable	20%	31%	48%	41%	41%	41%	40%	39%	39%	37%	37%	37%	45.4%	16.5%	0.6%
Disabled Person		47%	49%	53%	53%	53%	54%	53%	53%	53%	53%	53%		12.0%	0.2%
Single Parent, 1 Child	57%	54%	58%	54%	59%	60%	62%	61%	60%	57%	57%	57%	0.6%	5.3%	-0.4%
Couple, 2 Children	54%	54%	59%	52%	52%	53%	52%	51%	51%	48%	48%	45%	-20.1%	-19.7%	-7.3%

TABLE 6, 1999 WELFARE INCOME AS PERCENTAGE OF THE POVERTY LINE															
	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% CHANGE 1986-1999	% CHANGE 1989-1999	% CHANGE 1998-1999
ONTARIO															
Single Employable	43%	47%	52%	54%	55%	55%	55%	51%	42%	42%	41%	41%	-6.4%	-15.5	-1.8%
Disabled Person		68%	72%	75%	76%	76%	76%	74%	73%	72%	71%	70%		3.0%	-1.8%
Single Parent, 1 Child	64%	68%	76%	79%	80%	80%	80%	75%	63%	62%	61%	60%	-5.8%	-12.8%	-1.7%
Couple, 2 Children	58%	61%	70%	72%	73%	73%	72%	67%	57%	56%	55%	55%	-5.9%	-11.9%	-1.7%
MANITOBA															
Single Employable	43%	40%	46%	46%	47%	47%	44%	42%	39%	34%	34%	33%	-29.7%	-20.8%	-1.8%
Disabled Person		43%	49%	49%	59%	53%	53%	52%	51%	50%	50%	49%		12.7%	-1.4%
Single Parent, 1 Child	56%	50%	54%	55%	60%	54%	54%	53%	52%	51%	51%	50%	-11.5%	-0.3%	-1.8%
Couple, 2 Children	60%	60%	65%	67%	68%	63%	64%	62%	56%	52%	51%	50%	-18.9%	-19.5%	-1.8%
SASKATCHEWAN															
Single Employable	41%	42%	41%	41%	42%	44%	44%	43%	42%	38%	38%	39%	-5.1%	-7.8%	2.7%
Disabled Person		67%	65%	65%	63%	63%	63%	61%	62%	56%	56%	57%		-17.7%	2.4%
Single Parent, 1 Child	70%	69%	68%	68%	66%	66%	66%	64%	63%	62%	58%	59%	-16.8%	-16.0%	3.2%
Couple, 2 Children	70%	68%	66%	65%	65%	65%	65%	63%	62%	58%	58%	60%	-15.8%	-12.9%	3.4%
ALBERTA															
Single Employable	51%	36%	35%	39%	38%	36%	32%	31%	31%	30%	30%	30%	-70.8%	-20.2%	-1.4%
Disabled Person		44%	43%	60%	45%	44%	44%	43%	42%	42%	42%	42%		-4.5%	0.7%
Single Parent, 1 Child	61%	55%	53%	57%	57%	54%	52%	50%	50%	49%	50%	50%	-22.7%	-9.9%	0.8%
Couple, 2 Children	66%	58%	56%	62%	61%	59%	56%	55%	55%	54%	54%	54%	-21.8%	-7.7%	-0.6%
BRITISH COLUMBIA															
Single Employable	37%	41%	42%	40%	43%	43%	44%	43%	39%	39%	38%	38%	3.2%	-8.6%	-1.8%
Disabled Person		56%	58%	58%	60%	60%	61%	61%	60%	59%	58%	57%		2.1%	-1.8%
Single Parent, 1 Child	55%	60%	61%	62%	64%	64%	65%	64%	63%	62%	61%	60%	8.2%	0.2%	-1.7%
Couple, 2 Children	54%	53%	54%	54%	56%	57%	57%	57%	56%	55%	54%	54%	-1.4%	1.1%	-1.7%

As the graphs on the next page illustrate, there is wide variation in the adequacy of welfare incomes even within regions. Among the five eastern provinces, the most consistently low welfare incomes for single employable people were once the New Brunswick welfare payments. Single employable people on welfare in New Brunswick received grossly inadequate assistance ranging from a low of 22 percent of the poverty line in 1986 to 25 percent of the poverty line in 1991. In 1996, the Newfoundland government imposed a severe cut to the welfare rates of single employable people, bringing those incomes down to only nine percent of the poverty line.

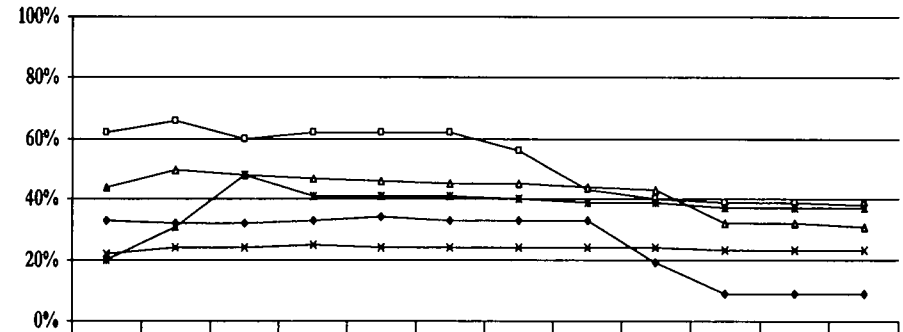
The highest welfare income in Canada for single employable people was 66 percent of the poverty line in Prince Edward Island in 1989. By 1999, welfare incomes in PEI had deteriorated to 38 percent of the poverty line. In Quebec, welfare incomes reached 48 percent of the poverty line in 1990, but eroded to 37 percent for 1997, 1998 and 1999. Nova Scotia's incomes dropped to only 31 percent of the poverty line by 1999.

Changes in the welfare incomes in the five western provinces also differed significantly. Manitoba's incomes dropped from a high of 47 percent in 1992 and 1993, to only 33 percent in 1999. Saskatchewan's incomes rose and fell slowly throughout the period. British Columbia incomes remained more constant but low.

In Ontario, changes in the welfare system brought incomes from 43 percent of the poverty line in 1986 to a peak of 55 percent in the early 1990s. By 1998 and 1999, Ontario's support for single employable people had dropped to 41 percent of the poverty line. In Alberta, incomes dropped from a high of 51 percent in 1986 to 30 percent from 1997 on.

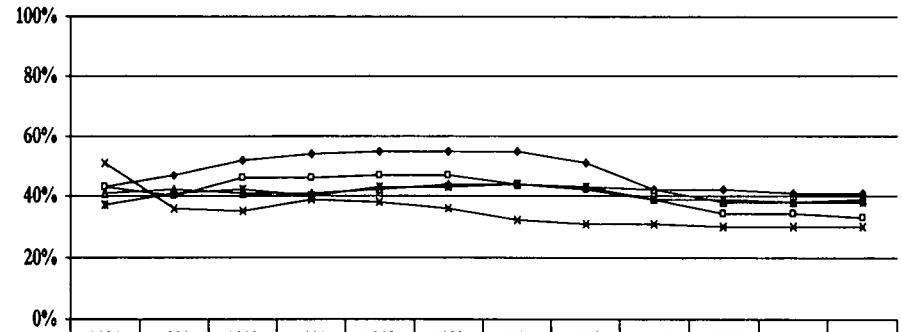
Welfare incomes in all the provinces are grossly inadequate. Yet instead of improving the living standards of people on welfare, the provinces have imposed freezes and cuts to welfare rates. The National Council of Welfare is extremely concerned about this trend. Incomes which provide adequate standards of living covering the cost of the necessities of life must be a goal of welfare programs.

Welfare Incomes Over Time As % of Poverty Line
Single Employable People



	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
NF	33%	32%	32%	33%	34%	33%	33%	33%	19%	9%	9%	9%
PEI	62%	66%	60%	62%	62%	62%	56%	43%	40%	39%	39%	38%
NS	44%	50%	48%	47%	46%	45%	45%	44%	43%	32%	32%	31%
NB	22%	24%	24%	25%	24%	24%	24%	24%	24%	23%	23%	23%
QB	20%	31%	48%	41%	41%	41%	40%	39%	39%	37%	37%	37%

Welfare Incomes Over Time As % of Poverty Line
Single Employable People



	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
ON	43%	47%	52%	54%	55%	55%	55%	51%	42%	42%	41%	41%
MB	43%	40%	46%	46%	47%	47%	44%	42%	39%	34%	34%	33%
SK	41%	42%	41%	41%	42%	44%	44%	43%	42%	38%	38%	39%
AB	51%	36%	35%	39%	38%	36%	32%	31%	31%	30%	30%	30%
BC	37%	41%	42%	40%	43%	43%	44%	43%	39%	39%	38%	38%

EARNINGS EXEMPTIONS

The figures in the tables in this report do not take into account the fact that welfare incomes may be higher if recipients have earnings. Each province and territory allows welfare recipients to retain a certain amount (a flat-rate sum, a percentage of earnings or a combination of both) without any reduction in their welfare cheques. The National Council of Welfare did not include these extra amounts in the tables because it is not certain that recipients could actually increase their incomes by these levels. They may be unable to work or unable to find jobs.

Table 7 shows the allowable earnings exemptions for January 1999 in each province and territory. The exemptions vary by family size and sometimes by employability. All provinces and territories recognize work-related expenses, including childcare expenses in most cases. Welfare recipients are allowed to deduct all or some of these costs when declaring their earnings for welfare purposes. In effect, that means that the actual earnings exemptions in some provinces and territories are more generous than they appear at first glance. They also provide a greater incentive for people to take paying jobs.

Earnings exemptions are important because they provide a means for welfare recipients to improve the quality of their lives, at least marginally. These exemptions also encourage individuals to get experience in the labour market and to gain sufficient confidence to leave the welfare system.

No one would disagree that sensible earnings exemption policies offer genuine incentives for people on welfare to improve their financial situation by taking a job. But earnings exemptions, no matter how generous, are no substitute for adequate welfare rates. It is disheartening to note that Canada's two largest provinces have opted for higher earnings exemptions instead of increases in welfare benefit levels.

As part of its welfare reforms of 1989, Quebec introduced the concept of "threshold of recognized needs" based on a Statistics Canada study of the cost of living of the lowest ten percent of working households in Canada. Quebec welfare rates are set as different proportions of this threshold based on the recipient household's classification. The amount of monthly earnings that may be exempted is equal to the difference between the threshold of recognized needs and the benefit level payable to the household. In April 1997, Quebec increased its earnings exemptions while reducing payments under the Property Tax Refund program. Employable people, including single parents with children of school age, have to find work to get the same total income. Finding a decent job is hard enough today with the high unemployment in Quebec. But for people on welfare, there is the added barrier of insufficient training and, despite the efforts of the Quebec government, a shortage of quality affordable child care continues to pose an obstacle for parents.

As of April 1996, Yukon granted an additional earnings exemption to people who had been on assistance for three months. Recipients are now permitted 25 percent of net earnings exceeding the flat-rate exemptions.

The National Council of Welfare feels that it is fair to require some effort on the recipient's part towards self-sufficiency wherever possible. Job search and training requirements have always been a condition of eligibility for employable welfare applicants. But we also feel that welfare rates should be based on the cost of a reasonable basket of goods and that recipient households should receive the full amount. Paying decent welfare rates and improving incentives to work by increasing earnings exemptions is sound social policy. Cutting benefits is not.

TABLE 7, MONTHLY EARNINGS EXEMPTIONS AS OF JANUARY 1999		
	UNEMPLOYABLE	EMPLOYABLE
NEWFOUNDLAND[1]	Adults on social assistance for reasons other than unemployment (excluding disability): $30 + 50% of allowable income over $30 and up to $80 a month (maximum monthly exemption of $55) Disabled adults: up to $95 a month Families of two or more (no disabled members): $150 Families with disabled member(s): up to $190 a month	Unemployed adults: 50% of allowable income up to $80 a month (maximum monthly exemption of $40) Families of two or more (no disabled members): $150
PRINCE EDWARD ISLAND[2]	$50 for a single person or $100 for a family plus 10% of the balance of net wages for both households	
NOVA SCOTIA[3]	Single persons: $100 + 25% of gross earnings or vocational training allowances Families: $200 + 25% of gross earnings or vocational training allowances Single people with disabilities who are in an approved education program: $275 + 25% of monthly training allowances	Single person: $50 (net wages) Families: $100 (net wages)[4]

TABLE 7, MONTHLY EARNINGS EXEMPTIONS AS OF JANUARY 1999		
	UNEMPLOYABLE	EMPLOYABLE
NEW BRUNSWICK	Single person: $150 Families: $200	Single person: $150 Families: $200 If welfare officials decide a recipient has high employment potential, exemptions are increased. For a single person: an additional monthly amount of $250 for two months. For a family: an additional $200 a month for two months and $100 for the third month. Two-parent employable families are eligible for the $200 exemption for six months with allowable extensions.
	Welfare recipients are eligible for the Extended Wage Exemption when their earnings are high enough that the application of the extended wage exemption is to their benefit, and where the employment seems likely to lead to self-sufficiency (that is, is not temporary or seasonal). The Extended Wage Exemption lasts for twelve months only. Recipients' exemptions then revert to the established exemption minimum. Single people and couples without children: 30% of net earned income for the first six months, 25% of net earned income for the next six months, then flat exemption of $150 or $200 a month. Families with children: 35% of net earned income for the first six months, 30% of net earned income for the next six months, then flat exemption of $200 a month.	
QUEBEC	Single person or family: $100	Single person: $200 Single parent: $200 Two-parent family: $300

TABLE 7, MONTHLY EARNINGS EXEMPTIONS AS OF JANUARY 1999		
	UNEMPLOYABLE	EMPLOYABLE
ONTARIO[5]	Single person: first $143 + 25% of remainder of earnings Single parent, one child: first $275 + 25% of remainder of earnings and child care Couple, two children: first $346 + 25% of remainder of earnings and child care	
MANITOBA	The greater of $50 a month of net earnings, 70 cents for each hour worked or 30% of gross monthly earnings. Newly-enrolled applicants and self-employed persons: $50 a month up to $600 a year	Single persons, childless couple and two-parent families with children: $100 for each earner + 25% of net earnings Single parent: $115 + 25% of net earnings
SASKATCHEWAN[6]	Single disabled person: first $100 of monthly earned income + 20% of excess (maximum exemption $175) Two-adult family, no children: first $125 of monthly earned income + 20% of excess (maximum exemption $250) Family with children in which the adult is disabled: $250 monthly. Earnings over $250 monthly are eligible for the Saskatchewan Employment Supplement.	Single person: first $25 of monthly earned income + 20% of excess (maximum exemption $100) Two-adult family, no children: first $50 of monthly earned income + 20% of excess (maximum exemption of $175) Family with children: $125 monthly. Earnings over $125 monthly are eligible for the Saskatchewan Employment Supplement.
ALBERTA	Adults in family: $115 plus 25% of net income earned by all adults. First $350 of earnings of each child in the family plus 25% of income over $350 earned by the children.[7]	

TABLE 7, MONTHLY EARNINGS EXEMPTIONS AS OF JANUARY 1999		
	UNEMPLOYABLE	EMPLOYABLE
BRITISH COLUMBIA	Disability Benefits Level 1 (temporarily unemployable): no earnings exemption. Disability Benefits Level 2 (permanently unemployable): $200 plus 25% of remaining amount. No time limit for earnings exemptions.	25% of any income earned after recipient has been on welfare for three months. The exemption is available for only twelve months during a 36-month period. The twelve months need not be consecutive.
YUKON	For first three months on welfare, $50 for a single person, $100 for a family. In fourth month, an additional exemption of 25% of further income. No exemption on net income from full-time employment (more than 20 hours a week). Earnings exemption on part-time employment is the greater of 50% of net earnings (not exceeding 25% of the total of items of basic requirements necessary to maintain an applicant and dependants) or $5 a month for a single person, $10 a month for a family of two and $15 a month for a family of three or more. In lieu of an earnings exemption, full-time workers get additional payments of $50 a month: $25 for clothing and $25 for transportation. People considered to be permanently excluded: $25 for a single person; $50 for a married couple from sale of handicrafts or hobby materials. After three months on welfare, Yukon grants an additional exemption of 25% of net earnings exceeding the flat rate exemptions.	
NORTHWEST TERRITORIES[8]	$150 (no dependants) $300 (dependants)	
NUNAVUT	$150 (no dependants) $300 (dependants)	

[1] As of October 1998, Newfoundland allows the deduction from earnings of babysitting or day care costs up to a maximum of $325 a month for one child and a further $125 a child for other children if necessary for employment. The same exemptions apply to applicants for welfare. Newfoundland revised its earnings exemptions for families in June 1998. Revisions to the exemptions for single adults began in June 1999 and will be reflected in later versions of this report.

[2] The earnings exemptions for welfare recipients also apply to applicants for welfare. A maximum of $25 a week may be deducted from net income where applicants or beneficiaries must travel to and from work.

[3] There is a total exemption of earned income for the first month of full-time employment for unemployable recipients on provincial welfare (the disabled person and the single parent). Training allowances for full-time participants are also exempt during the first month. The Director may include as a budgetary requirement up to $200 a month for child care, transportation and special clothing if needed for participation in an approved employment, education or rehabilitation program.

[4] These are the earnings exemptions for the Halifax Regional Municipality (called the City of Halifax until April 1996). In April 1998, the provincial government took over the administration of all welfare in Nova Scotia.

[5] Ontario changed its earnings exemption policies in 1995. Further changes effective October 1999 will be reflected in future versions of this report.

[6] Earnings exemption levels vary by family size. The earnings exemptions apply to fully employable individuals only after they have been in receipt of assistance for at least the preceding three consecutive months. Recipients in the 'disabled' or 'not fully employable' categories are entitled to the earnings exemption from the time they receive income from employment. The Saskatchewan Employment Supplement is a monthly payment for parents on welfare who work for pay or receive maintenance payments. The Supplement is paid at a rate of 25 to 45 percent of income depending on the size of the family to a maximum of $315 extra a month for a family with five or more children.

[7] Persons who qualify for the Assured Income for the Severely Handicapped program have higher earnings exemptions. Single persons get an exemption of $200 a month plus 25 percent of additional earnings, and families have an exemption of $775 monthly.

[8] Northwest Territories changed its earnings exemptions in 1997.

CONCLUSION

The National Council of Welfare has tracked welfare rates since 1986. In all those years, we have had very little opportunity to announce any good news. From the beginning, the Council was concerned about how low welfare incomes were. Welfare incomes have never reached the poverty line for any family type at any time anywhere in Canada.

But the news got worse. In 1990, the federal government opened the door with its infamous "cap on CAP," cutting the federal transfer program that supported the welfare system in Ontario, Alberta and British Columbia. In the early 1990s, the economic recession opened the door a little further. The federal, provincial and territorial governments took the opportunity to make wholesale cuts to the welfare system. By the mid-1990s, several provincial and territorial governments embarked on a series of welfare reforms that made the system more demeaning for even less support. Despite increasing awareness of the importance of early child development and the damaging effects of child poverty, families with children on welfare were not spared when governments cut social programs.

The one ray of hope was the federal government's investment in the Child Tax Benefit. The Council was encouraged to see that the federal, provincial and territorial governments identified income support for poor families with children as one of its priorities when it issued its Report to Premiers of the Ministerial Council on Social Policy Reform and Renewal in March 1996. We were encouraged to learn that the two levels of government were prepared to put aside their differences and create a new system for improving the situation of families with children.

We were very pleased to learn that the federal government's investment in this new program would be substantial. When the new Child Tax Benefit was announced in 1997, the federal government committed $850 million a year. The 1998 budget announced a further $425 million a year beginning in July 1999 and another $425 million beginning in July 2000. As of July 2000, the total commitment by the federal government is worth $1.7 billion a year.

After years of cuts to social programs, the Child Tax Benefit represented a major effort to improve the conditions of poor families with children. Unfortunately, the new arrangement came with a condition that allowed the federal government's support to bypass the families that needed the money the most: those families with children that were forced to rely on welfare. What the federal government gave, the provinces and territories could take away.

When the Child Tax Benefit was negotiated with the provinces and territories, the federal government allowed the provincial and territorial government to take part of the money away from those low-income families that rely on welfare. The money the provincial and territorial governments claw back must be reinvested in programming related to children, but the criteria for these reinvestment programs is loose. Programs that are funded by the money that is clawed back from families on welfare do not necessarily reach families on welfare. Another condition was that those families whose welfare income was clawed back by the amount of the supplement to the Child Tax Benefit were supposed to be no worse off.

Only Newfoundland and New Brunswick decided not to exercise the option of taking money away from families on welfare. Manitoba announced that it would no longer take awat increases in the supplement to the Child Tax Benefit as of July 2000.

This year's edition confirmed our fears about the clawback. Welfare incomes for families with children have declined across the country – except in the two provinces that chose not to claw back the supplement to the Child Tax Benefit. In all cases, the federal government is now paying a greater share of welfare incomes than ever before, but welfare incomes remain far, far below the poverty line. While the federal government poured money into efforts to reduce child poverty, the provinces and territories were allowed to syphon it off.

Not only did the money bypass the families that needed it the most, the value of welfare incomes for families declined. No provincial or territorial government that cuts its welfare costs by letting the federal government pick up more of the tab was going to raise welfare rates for families with children. Inflation eroded the value of welfare incomes and families ended up worse off than before.

The Council has seen no convincing evidence that taking money away from the poorest of poor families provides will motivate parents to enter the work force. What we know helps parents to provide for their children are a series of family supports such as job training, better minimum wages, and labour policies that help parents to balance their responsibilities to their children with their responsibilities to their jobs. Good, integrated family policy must also include early child development programs that provide the best possible early education for children while providing the dependable, affordable child care that allows parents to participate in job training and to take jobs.

The National Council of Welfare has expressed its deep concern about the clawback on many occasions. In our opinion, any program that is intended to support poor families, but bypasses the poorest families has missed the boat. Until the federal government puts a stop to the clawback, the value of the federal government's enormous investment in this important source of family support is badly compromised. The National Council of Welfare still has hope that the National Children's Agenda can plug this leak.

When the federal budget was announced in February 2000, we were disappointed that the federal government chose to defer action on the Children's Agenda until the end of this year. When the Children's Agenda is finally announced – and we hope that this will be soon – the National Council of Welfare will be looking to see that supports go to the families who need help the most, those families with children who are so poor that they are forced to depend on welfare. Ending the clawback to the Child Tax Benefit should be among the first items of business in any serious effort to provide family supports.

TABLE 8, ESTIMATED NUMBER OF PEOPLE ON WELFARE								
	MARCH 31, 1993	MARCH 31, 1994	MARCH 31, 1995	MARCH 31, 1996	MARCH 31, 1997	MARCH 31, 1998	MARCH 31, 1999	% CHANGE 1998-1999
NEWFOUNDLAND	68,100	67,400	71,300	72,000	71,900	64,600	59,900	-7.8%
PRINCE EDWARD ISLAND	12,600	13,100	12,400	11,700	11,100	10,900	9,800	-11.2%
NOVA SCOTIA	98,700	104,100	104,000	103,100	93,700	85,500	80,900	-5.7%
NEW BRUNSWICK	78,100	73,500	67,400	67,100	70,600	67,100	61,800	-8.6%
QUEBEC	741,400	787,200	802,200	813,200	793,300	725,700	661,300	-9.7%
ONTARIO	1,287,000	1,379,300	1,344,600	1,214,600	1,149,600	1,091,300	910,100	-19.9%
MANITOBA	88,000	89,300	85,200	85,800	79,100	72,700	68,700	-5.8%
SASKATCHEWAN	68,200	81,000	82,200	80,600	79,700	72,500	66,500	-9.0%
ALBERTA	196,000	138,500	113,200	105,600	89,800	77,000	71,900	-7.1%
BRITISH COLUMBIA	323,300	353,500	374,300	369,900	321,300	297,400	275,200	-8.1%
YUKON	2,500	2,400	2,100	1,700	2,000	2,100	1,700	-23.5%
NORTHWEST TERRITORIES	11,100	11,000	12,000	11,800	12,800	10,700	11,300	5.3%
CANADA	**2,975,000**	**3,100,300**	**3,070,900**	**2,937,100**	**2,774,900**	**2,577,500**	**2,279,100**	**-13.1%**

Source: Social Program Information and Analysis Division, Social Policy Directorate, Human Resources Development Canada

TABLE 9, POVERTY LINE, 1999 ESTIMATE

NATIONAL COUNCIL OF WELFARE ESTIMATES OF STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 1999

FAMILY SIZE	COMMUNITY SIZE				
	CITIES OF 500,000+	100,000-499,999	30,000-99,999	LESS THAN 30,000	RURAL AREAS
1	16,766	14,727	14,386	13,115	11,414
2	22,726	19,963	19,501	17,775	15,474
3	28,888	25,375	24,787	22,595	19,666
4	33,262	29,211	28,539	26,017	22,642
5	36,339	31,918	31,180	28,424	24,741
6	39,446	34,643	33,845	30,852	26,855
7+	42,426	37,265	36,404	33,186	28,884

Based on inflation of 1.7%.

TABLE 10, POVERTY LINE, 2000 ESTIMATE

NATIONAL COUNCIL OF WELFARE ESTIMATES OF STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 2000

FAMILY SIZE	COMMUNITY SIZE				
	CITIES OF 500,000+	100,000-499,999	30,000-99,999	LESS THAN 30,000	RURAL AREAS
1	17,068	14,992	14,645	13,351	11,619
2	23,135	20,322	19,852	18,095	15,752
3	29,408	25,832	25,234	23,001	20,020
4	33,861	29,737	29,053	26,485	23,050
5	36,994	32,492	31,741	28,936	25,186
6	40,156	35,267	34,454	31,407	27,338
7+	43,190	37,936	37,059	33,783	29,404

Based on estimated inflation of 1.8%

MEMBERS OF THE NATIONAL COUNCIL OF WELFARE

Mr. John Murphy (Chairperson)
Canning, Nova Scotia

Mr. Armand Brun (Vice-Chairperson)
Shediac, New Brunswick

Ms. Doris Bernard	Radisson, Quebec
Ms. Olive Crane	Mt. Stewart, Prince Edward Island
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Ms. Allyce Herle	Regina, Saskatchewan
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Mr. David Northcott	Winnipeg, Manitoba
Ms. Marilyn Peers	Halifax, Nova Scotia
Ms. Shaunna Reid	Mount Pearl, Newfoundland
Mr. Abdi Ulusso	Etobicoke, Ontario

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Director: Joanne Roulston

Administration and Information Officer: Carole Lanthier

Administrative Assistant: Louise Gunville

NATIONAL COUNCIL OF WELFARE

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

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

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

On peut se procurer des exemplaires en français de toutes les publications du Conseil national du bien-être social, en s'adressant au Conseil national du bien-être social, 2^{e} étage, 1010, rue Somerset ouest, Ottawa K1A 0J9.