




Report summary
**Anti-poverty effect of Employment
Insurance program**





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Official title of the full report: Assessment of the anti-poverty effect of Employment Insurance Program

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Why this study

The goal of this study was to test the extent to which the Employment Insurance (EI) program helps prevent poverty among EI recipients. We examined this impact at the family level, as EI benefits also affect related family members. This project also investigated the anti-poverty effect of EI during the 2009 economic recession.

What we did

We applied a propensity-score matching method to the problem of estimating the income gains distributed from the EI program. This allows for varied impacts when forming a comparison group, while controlling for potential confounding factors. This included any behavioural effect.

We used data from:

- the Survey of Labour and Income Dynamics of 2009, and
- the Canadian Income Survey of 2015

To test the impact on poverty occurrence among EI recipients, we used the low-income measure defined before tax. We did not employ/use Canada's official poverty line or Market Basket Measure. The reason for this was to avoid limiting assumptions on the tax implication of the deduction of the estimated program gain from total income. Doing so could have affected the program impact estimate.

What we found

In 2015, the EI program pulled around 14,600 unemployed people out of poverty. Taking all family members into account, the number of individuals is estimated at 49,970. This is about 1% of the low-income population in Canada that year.

The anti-poverty effect of the EI program was higher in 2009. The last recession saw around 32,100 unemployed people taken out of poverty by the EI program. This is about 1.9% of the low-income population in Canada that year, when including their family members. Yet, the most vulnerable groups such as:

- unattached individuals
- single parent families
- individuals with disabilities, and
- Indigenous persons

weren't transitioned out of poverty with the EI program.

What it means

Although not designed for those with low income, this analysis shows that the EI program reduces the number of people living in poverty. Yet, the program does not reduce poverty among vulnerable groups such as:

- unattached individuals
- single parent families
- individuals with disabilities, and
- Indigenous persons

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