



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES - MANITOBA

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Government responds to calls to increase EIA shelter allowance

This past weekend, Theresa Oswald, Minister of Jobs and the Economy said she agreed with a long-standing anti-poverty goal. "We agree that 75 percent as a target is the right goal". The provincial government has finally heard the community cries to increase the Employment and Income Assistance (EIA) shelter allowance rate to 75 percent of the median market rent. The question is, now that the government agrees, how soon can we reach this goal? People struggling with poverty have been waiting too long and are caught in a system mired in bureaucracy.

Last year around this time, hundreds of heart-shaped messages stating "have a heart, raise the rental allowance" were signed by concerned citizens and displayed on the steps of the legislature. Leading up to the 2013 provincial budget, Make Poverty History Manitoba campaigned to raise the EIA rental allowance to 75 percent of the median market rent. While many improvements are needed to EIA, as documented in the 2010 Ombudsman's review of the EIA system and other community-based reports, raising the rental allowance is an important step towards addressing the inadequacies of EIA. Housing plays a fundamental role in addressing poverty; it is a precursor to good health, access to jobs and better educational outcomes for children.

The target of increasing the EIA shelter allowance to 75 percent of median market rents was first put forward in CCPA MB's

report *Bill C-10, the Truth About Consequences*. This report analyzes the federal government's 2011 crime bill to increase jail sentences and the resulting \$90 million dollar increased spending on jails; despite overwhelming evidence, a punitive approach does not deter crime or rehabilitate criminals. The report identifies how governments choose to spend money: on locking people up or investing in social development like the EIA shelter allowance and more social housing. The recently released Phoenix Sinclair Inquiry Report found that investments upstream help to prevent child welfare tragedies. Recommendation #51 of the Inquiry Report makes the same recommendation: to increase the EIA shelter allowance to 75 percent of median market rent.

The 75 percent of median market rent target emerged from a review of past EIA rates. In 1992, prior to government funding cuts and erosion of EIA by inflation, the housing allowance was equal to 75 percent of the median market rent. Rates have not increased substantially since 1992, however the government has introduced several programs like the portable shelter benefit for people with mental health challenges and the RentAid program, for individuals with disabilities, single people and couples without children. Parents with children receive other

there is an alternative.

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benefits like Canada Child Tax Benefit, National Child Benefit Supplement and Universal Child Care Benefits.

The following table looks at what it would take to make this possible, using 2013 median market rent:

Unit Size	Sample Household type	Median Market Rent 2013 (Winnipeg)	Current EIA Rental Allowance including RentAid where applicable	75% of Median Market Rent	Increase required to get to 75%
Bachelor	Single individual	\$523	\$365	\$392.25	\$27.25
1 Bedroom	Adult couple	\$724	\$467	\$543	\$76
2 Bedroom	Single parent, one child	\$916	\$430	\$687	\$257
+3 Bedroom	Two parents, three children	\$1088	\$488	\$816	\$328

Approximately 40 percent of EIA recipients live in social housing, where their rent is fixed to the EIA shelter allowance. Additionally, MB Housing prioritizes parents with children for public housing. Of the remaining EIA recipients, 47 percent live in private housing and 12 percent are in other of living arrangements (i.e. room and board). An EIA shelter increase to 75 percent of median market rent will create greater equity between recipients who are renting in the private market and those who are in social housing.

advocates in Manitoba. The provincial government has heard the dedicated campaign and repeated messages. It could not come too soon. The 2010 Ombudsman's report on EIA and the Phoenix Sinclair Inquiry both point to the need to significantly invest in EIA rates and simplify the welfare system so that people need not suffer the negative consequences of poverty in our province.

Molly McCracken is the Director of CCPA-MB.

It would cost the provincial government an estimated \$20 million to \$24 million to bring the EIA shelter allowance up to 75 percent of 2013 median market rent. The government is signaling that it has heard the community and is ready to make this a goal. This acknowledgement is an important step forward for anti-poverty

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