



Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

November 8, 2017

## Income Security to End Poverty in Manitoba

Income security programs in Manitoba and Canada are not keeping pace with the growing problem of poverty. Change is needed to ensure low income and vulnerable people and families do not become entrapped in a lifetime of poverty.

Canada's Income Assistance (IA) and Manitoba's Employment and Income Assistance (EIA) programs provide support to 115,000 Manitobans. These programs were started in the 1960s for people whose incomes were insufficient to meet their basic needs. During the 1990s, IA and EIA benefits were cut and have largely been frozen ever since. Make Poverty History Manitoba (MPHM) estimates that benefit levels for all categories of recipients are below the poverty line – as much as 44% and 33% for single individuals and people with disabilities respectively. It is no surprise that over 60,000 Manitobans accessed foodbanks in 2016.

The number of Manitobans who rely on income support programs is growing. Since 2013/14, the number of persons receiving EIA has increased by almost 10,000. Almost 50% of Manitobans living on First Nations reserves rely on federal IA benefits. Instead of delivering programs that leave people trapped in cycles of inter-generational poverty, we should be updating these programs to bring people out of poverty.

Based on research and interviews with service providers, poverty advocates, and government officials, the CCPA Mb paper, "Income Security to End Poverty in Manitoba," sets out recommendations

to reform Manitoba's income support programs to end poverty. In particular, I examine two areas where EIA and IA programs are failing - funding for basic needs and the gap in service between federal and provincial programs.

### The Basic Needs Budget

Income support programs include a budget for basic necessities, such as food, clothing, household items, transportation costs and other necessities. The basic-needs budget has not increased substantially since the early 90s. MPHM estimates that the basic-needs budget provides 40-60% of what it actually costs to eat healthy food. For example, the cost of food for a single individual is \$295.70/month, well above the \$195.00/month that EIA allocates for food, clothing, transportation, and other necessities. For a single parent with one child, the basic-needs budget leaves less than \$3.00/month to purchase all other necessities after the actual cost of food is subtracted. The introduction of the Canada Child Benefit will help families in need, but it does not remove the provincial responsibility to provide enough for basic needs. As a result of inadequate benefits, EIA recipients are forced to make choices that no one should have to make, such as putting food on the table or providing for other essential goods.

there is an alternative.

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## **Closing the gap between income assistance on and off reserve**

The IA program is funded by Indigenous and Northern Affairs Canada (INAC) and administered by First Nations through nation-to-nation agreements. In 2016-17, there were 43,455 Manitobans receiving IA – which is almost half (46.8%) of all people living on reserve. The Federal Government policy is supposed to match provincial benefit levels and eligibility requirements in the province where the recipient resides. This policy does not factor in that many First Nations are rural and remote communities where costs of living are much higher and the need for additional support to deal with the effects of residential schools, chronic housing shortages and other social problems.

I interviewed members of Manitoba's Social Development Advisors Technical Group (SDATG), a committee that is made up of representatives from seven Manitoba tribal councils, independent First Nations, and First Nations political organizations. The SDATG is mandated by the Assembly of Manitoba Chiefs to provide support to First Nations who administer the IA program in their communities. The Advisors raised concerns about underfunding for administration, caseloads in excess of 500 households per caseworker, outdated technology, cumbersome reporting requirements, and a punitive compliance review policy.

Another concern raised by the SDATG is that INAC is not living up to its policy to match provincial EIA benefit levels. Unlike Manitoba's policy, INAC caps funding for special needs at 3% of the basic needs budget. A further cap is placed on the amount INAC will pay for household items - for example, \$275 for a stove once every ten years. Many IA recipients are forced to divert money from their basic needs budget to cover funding shortfalls.

There is a gap in service for people on IA who move off the reserve. Since the 1960s, migration patterns in Manitoba have resulted in approximately 50%

of Indigenous people leaving reserve communities to live in cities. It is INAC's policy that as soon as a person leaves the reserve their IA benefits are terminated and they must apply to provincial EIA. Unlike Manitoba's policy, IA funding for moving and relocation costs are provided only in exceptional circumstances.

The Patient Advocate Unit of the Assembly of Manitoba Chiefs offers services to people who are moving from the reserve to the city through the Eagle Urban Transition Centre. They assist many on IA who have low education and literacy levels and struggle to navigate the EIA application process. The Unit's clients are often patients who have relocated to the city for medical treatment. INAC's policy is that once a person is living off reserve for three months, their benefits are cut-off. This policy places an unnecessary burden on people who are undergoing treatment.

## **Conclusion**

The number of Manitobans relying on inadequate federal and provincial income assistance support is growing. Reforming these programs to get people out of poverty should be a top priority for federal and provincial poverty reduction efforts. The basic needs component of the IA and EIA programs should be indexed to the poverty line and made into a portable benefit that is also available to low-income workers. This should be part of a comprehensive plan that includes improvements to social housing, minimum wage, mental health, addictions, and affordable child care.

The Federal Government should work with First Nations leadership and the Province to develop a coordinated approach to income support programs that addresses the service gap Indigenous people must overcome when moving off reserves.

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References available upon request.

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