



Canadian Centre for
Policy Alternatives
Manitoba Office

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Failure to act fails us all: Manitoba income supports needed during COVID

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Manitoba must help those being clobbered financially by the COVID-19 pandemic: it is the right thing to do, we can afford it and, as a diverse array of economists have noted, public spending is needed in a time of crisis. It is time to put the phrase “We are all in this together” into action. Those who need extra support now should get help so that we do not leave anyone behind during the pandemic.

People with fewer resources are more at risk of COVID. A second or third wave of COVID could very well result in higher rates of the virus and more deaths in racialized low- and moderate-income neighbourhoods, as seen now in the US. As NYC City Councilman Mark Levine said, “this disease does not discriminate but society does.” Manitoba’s economic and racial disparity is well documented and we are setting up a perfect storm as the only province not offering income supports. A lack of action is poor short-term thinking and will cost the province more in the long term by swollen social assistance rolls and lost consumer stimulus. Here are three things the province could do:

1. Top up federal income supports

The Canada Emergency Response Benefit (CERB) provides \$2,000 a month for those who’ve lost work. In

some European countries, workers’ incomes affected by COVID-19 are being replaced at rates of up to 90%, compared to Canada’s Employment Insurance replacement rate of only 55% up to only \$54,000 in insurable earnings. This means a maximum benefit of about \$2,300 per month. The Manitoba Government Employees Union has called for a provincial top-up to EI for impacted employees of 95%.

Instead, the Premier is asking public sector workers to reduce their incomes by up to three day’s worth per week. Part time, contract and casual workers may lose their jobs entirely. The Premier is lobbying the federal government to permit public sector workers to be eligible for EI for the work reduction, a move experts say will likely not be approved by the federal government. Workers wish to be redeployed to help with the COVID response, rather than having hours and pay cut.

BC and New Brunswick are providing support even if workers qualify for federal aid, and Manitoba should do this as a top-up to EI.

2. Adapt Rent Assist for COVID: Manitoba’s shelter benefit for those on assistance and the

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working poor provides a monthly benefit up to 75 per cent of CMHC's median market rent (MMR). Eligibility is based on last year's tax return. It is a good program, but a newly launched report by the Manitoba Non-Profit Housing Association and our office, Assisting Renters, found that the majority of private market renters on the Rent Assist program still face unaffordable rents. Additionally, changes made to eligibility for the program in 2017 mean that Rent Assist no longer brings a full time single adult working at minimum wage above the poverty line.

Lack of provincial support for renters during COVID forces tenants and landlords into an impossible situation. While evictions for late payment of rent have been banned by the province during COVID, a lack of income support will just delay the problem of amassed rental debt. At the end of COVID, many tenants could face bankruptcy and eviction, creating an even larger problem. Manitoba clearly has provincial jurisdiction in housing, and could easily create a rapid sign up process to enable people to qualify for Rent Assist now while increasing this benefit to 85 per cent of the median market rent to better meet housing affordability standards.

3. Emergency funding: Employment and Income Assistance (EIA) & Non-Profits and Charities

Single adults on EIA live just on \$800 a month for food and shelter. Inadequate social assistance rates are a public health liability. EIA doesn't cover cell phones or internet so folks can't call Healthlinks or a doctor. Those on social assistance who apply for the CERB may have their social assistance clawed back by the province, despite the federal government asking Manitoba not to do so. Ontario and BC are not clawing back the CERB. Make Poverty History Manitoba is asking our province to follow the lead of BC, who is providing \$300/ month COVID crisis supplement for those on provincial assistance and low income seniors during the pandemic.

Many EIA recipients survive thanks to community-based organizations, which, despite providing life-sustaining services during the pandemic, now face threatened funding claw-backs from the Province. The Province funds many family resource centres, youth-serving agencies, women's centres, shelters and other groups directly serving low income people. The Province should follow the lead of the Winnipeg Foundation and United Way of Winnipeg and provide emergency funding to these groups so

they can continue to provide take-away supplies to people, hire staff when volunteers have to self-isolate and have adequate safety equipment for staff.

How do we pay for it? Manitoba a relatively low debt to GDP ratio and has room to borrow to finance needed COVID income supports.

Notably the Province has found public money to pay for private sector responses to the COVID pandemic. Those announcements¹ signal that not only does Manitoba have money for items the Province deems a priority, the government is choosing to contract with the private sector and ignoring the incredible skills of the public sector to respond to the crisis.

Action at the provincial level is needed now to demonstrate that the phrase "We are all in this together" means that we will care for everyone impacted so that we can all recover together from COVID, and not leave some Manitobans destitute or let the impacts of COVID linger in low-income communities for years to come.

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¹ \$18 million to set up new private home child care, \$4.5 million to Morneau Shapell for Cognitive Behaviour Therapy, \$4 million for InTouch 24/7 call centre to sign Manitoba businesses up for federal benefits and funding for North Forge for a volunteer website.