



Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

May 8, 2013

## Policy and Poverty in Manitoba – Budget 2013

It was a welcome change to hear politicians of all stripes talking about poverty in the lead up to the 2013 provincial budget and in the analysis that followed. Unfortunately much of the chatter will serve the interests of politicians more than those most affected by government decisions.

The anti-poverty community has long advocated for a comprehensive plan to end poverty. In 2009, approximately 70 organizations endorsed a comprehensive plan in *The View From Here: Manitobans call for a poverty reduction plan*. It included a package of recommendations that would go far to reduce poverty in Manitoba. Since that time the Manitoba government has made some progress through its All Aboard Strategy.

But Make Poverty History Manitoba (MPHM), a coalition of community organizations has called for a stronger commitment. In 2012 the Coalition chose to focus on an issue that people living in the deepest poverty repeatedly identify as most pressing – the inadequate income they receive to cover the cost of housing while on Employment and Income Assistance (EIA). The rental allowance has fallen so far behind what is needed that it has become a daily struggle for households to meet their basic needs. This makes it much more challenging to participate and succeed in education and employment opportunities, which makes it near impossible to move out of poverty.

MPHM called upon the Manitoba government to increase the EIA rental allowance to 75% of median market rents. This campaign has received a great deal of support. Over 145 organizations from across Manitoba have signed on. The Manitoba Liberal party endorsed the campaign early on and the Liberal leader has long been vocal in his support for a long-term comprehensive strategy that includes targets and timelines. Shortly before the budget was announced the leader of the official opposition announced that if elected, he would increase the rental allowance to the 75% target. That took many antipoverty activists by surprise—the Tories have previously said very little about this issue. . Until Mr. Pallister's party delivers a complete and comprehensive strategy to address poverty, the cynical among us will see his one-off promise as little more than a strategic political move. While MPHM has energized the community around this specific policy move, the Coalition has been clear that an increase in EIA alone will not solve poverty. We mustn't lose sight of this.

*The View From Here* calls for comprehensive action in the areas of housing, income security, education, neighbourhood and community development, transportation, disability supports and health. It also calls for targets and timelines so that the community can measure the progress

there is an alternative.

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being made. So when we examine how well the government is doing in the fight against poverty in this year's budget, there is much to consider.

Budget 2013 included a few measures to help address the affordable housing crisis across Manitoba. It responds to the need for more affordable rental units (defined as median market or below) and to the need for more social housing. Changes to tighten up provincial rent regulations are planned to help ease the burden on tenants created by large rent increases linked to renovations.

The Province announced further investments in the restoration of existing social housing units. Increasing and rehabilitating the supply is critical because social housing keeps rents affordable by ensuring tenants do not pay more than 30% of their income.

A new tax credit was introduced to stimulate the construction of rental housing and to increase the supply of affordable units. This tax credit will put some new affordable units in the market, however these units won't be affordable to low income renters and landlords are only required to keep those units affordable (at the median market rate) for five years.

Despite these measures, we remain far from having enough housing units affordable to the lowest-income Manitobans. Therefore we must ensure that our most vulnerable citizens have enough income to afford rent in the private market. Increasing the rental allowance to 75% of median market rent would help. Instead, Budget 2013 provides \$20 more per month and only to EIA recipients who are eligible for the RentAid program, less than half of the EIA caseload. In addition, some EIA participants who are transitioning into employment will now receive \$60 more per month for up to two years. This reflects the government's focus on education and employment as the best pathway out of poverty.

However, success in education and employment requires safe and affordable housing. It can also require access to childcare and supports to address other barriers. Budget 2013 commits \$25 million to build new, or expand existing, child-care facilities and provides additional funding for 2,000 child care spaces by 2015. It also announces a new sustainable employment strategy to address other barriers to employment. These are positive steps.

At the same time that the budget fell far short of increasing the rental allowance to the level that the community called for, the Province made other choices including the elimination of the education tax for low-income seniors with a promise to eliminate education taxes for all seniors by 2015. This policy promise, with a target and timeline, and the loss of revenue that will result, is a bit hard to swallow when the lowest income renters are told the cupboards are bare and targets and timelines on poverty reduction are not possible.

There isn't an anti-poverty advocate who would claim that the Manitoba government has not done anything about poverty in this and previous budgets. But the government of Manitoba could have done far better in this budget and we will continue to call upon it to do so.

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