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Making Space for Change

The Story of Manitoba's Rent Assist Benefit

By Josh Brandon and Jesse Hajer

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Introduction

In 2014 the Government of Manitoba announced a new income-tested housing benefit, substantially increasing government assistance for low-income renters in the private market. Through the Rent Assist program, families on social assistance saw significant increases in their shelter benefit, with some families seeing increases of 69 percent over a two-year period, amounting to increases of approximately $150 to $300 per month, depending on household size. The increase in shelter benefits under Rent Assist led to a large reduction in the gap between benefit levels and average market rents for these households. The gap for single individuals, for example, was reduced by more than half (see Table 1).

Rent Assist also drastically expanded the number of renters eligible to receive housing benefits in the private market. Previous housing assistance programs outside of social assistance were limited to certain family types and persons with a disability, with complicated eligibility distinctions depending on whether a household was receiving social assistance. Rent Assist created a single program with unified eligibly criteria based solely on income and family size.[1] Assistance for a single parent with two children not on social assistance went from being eligible for zero benefits to being eligible for up to $742 per month. By 2017, the amount allotted in the provincial budget for employment, income and rental assistance had increased by nearly $200 million to accommodate the higher rates and growing demand associated with increased benefits.

The introduction of Manitoba's Rent Assist program, the particular form it took, and how it evolved overtime, was a consequence of three key factors. First, community advocates ran a broad-based and sustained multi-year campaign to raise awareness of the inadequacy of the Employment and Income Assistance (EIA) shelter allowance and the common practice of recipients using their food allowance to pay for rent. This campaign not only gained support among all three political parties in the Manitoba legislature, it also raised public awareness about an issue that for several decades seemed off the radar for the broader general public. Secondly, the government in 2014 was broadly receptive to addressing the social housing needs of low-income Manitobans and had been recognized for its inclusive Community Economic Development approach, although resistant to simply increasing social assistance benefits. The third

TABLE 1 **The Monthly Impact of Rent Assist on Shelter Benefits for Employment and Income Assistance Recipients, Private Market Renters**

	2013 (Pre- Rent Assist)		2015 (Post Full Implementation of Rent Assist		Gap reduction, 2013–2015	
	Total Shelter Benefits	Average Rent	Total Shelter Benefits	Average Rent	$	%
Single adult	365	577	513	613	112	53
Single parent (two children)	430	967	742	1,043	236	44
Two parents (two children)	471	967	742	1,043	195	39

SOURCE Brandon, Josh, Jesse Hajer and Michael Mendelson (2017) and CMHC Housing Market Information Portal.

factor was the changing broader political and economic context both internationally and locally, which created opportunities for bolder policy change than was typical of a government which had been in power since 1999.

The specific structure and uniqueness of the Rent Assist program in Canada has been detailed elsewhere.[2] In this paper we document some of the organizing history leading up to implementation of the Rent Assist benefit, precursors and provincial policy context from which the Rent Assist program emerged, as well as changes to the Rent Assist program since the election of a new government in 2016. Rent Assist has been highlighted as a model for overcoming the deficiencies of existing housing benefit programs across Canada while addressing the needs of both social assistance recipients and low-income working households. Only time will tell if the model is taken up by other provinces or the Federal Government as it looks at improving housing support programs through its National Housing Strategy, which specifically calls for a new National Housing Benefit. What the experience of Rent Assist teaches us is that if such significant and costly improvements to social benefit programs are to occur, advocates may not be able to rely on sympathetic governments alone. In the case of Rent Assist, overcoming a long standing aversion to increasing direct benefits for EIA recipients required the advocacy, mobilization, and persistence of community based organizations working in partnership to raise awareness, build coalitions and demand change. It also required a new benefit that went equally to the low-income working poor as to those in the EIA program, so that it was not seen as an increase in social assistance — but in some sense seen as the opposite — creating an easier path for people to leave assistance.

While similar efforts may not have succeeded in all circumstances, the advocacy efforts locally in Manitoba, combined with a context of opportunity for meaningful reform, led to a radical and novel improvement in housing benefits for many low-income Manitobans.

Eroding Shelter Benefits and Community Advocacy for Change

Rent Assist came about as a result of community organizing to address a growing crisis of housing affordability in Manitoba. This crisis was affected by trends in declining availability of housing supply, rising prices and stagnant incomes of low-income households, especially those reliant on EIA. The contours of Manitoba's rental housing crisis are familiar to housing and poverty activists across Canada. Rising population, low interest rates and reduced rental supply pushed up housing prices dramatically, nearly doubling in less than a generation. For example, in Winnipeg, as shown in Figure 1, the rent paid for an average studio apartment increased from $339 in 2000 to $634 in 2016 and a two-bedroom went up from $589 to $1066, when shelter allowances remained effectively frozen for EIA participants. Figure 2 shows the same data but adjusted for price inflation (based on the consumer price index for Manitoba, putting all rents in terms of the purchasing power of 2018 dollars). As can be seen, rents rose faster then the general price level over the 2000–2018 period. From 2000–2016, average real (inflation-adjusted) rents in Winnipeg increased by 35 percent, while incomes only increased by just under 14 percent.[3] For working tenants then, rents on average had increased twice as fast as incomes. As a result, rents became increasingly unaffordable to a significant section of the Manitoba renter population. According the 2011 National Household Survey, more than half of all renters in Manitoba fell below one or more of the acceptable housing standards.[4]

For households relying on EIA the housing crisis was dire. EIA shelter benefit rates were far below average rents for all household types. A 2012 Winnipeg Free Press report showed that even rents for rooming houses in the inner city of Winnipeg were higher than benefit levels for a single individual.[5] Almost all recipients of EIA in private market rental housing had actual rents higher than the posted rates, meaning many had to take money from their meagre food and basic needs budgets to pay for inadequate shelter.

Low EIA rates had long been a priority issue for anti-poverty activists and researchers across Manitoba. Alternative Provincial Budgets for 2001 and 2006, organized and published by Cho!ces: A coalition for social justice, and the Canadian Centre for Policy Alternatives–Manitoba (CCPA-MB), called for the raising of EIA shelter benefits.[6] A petition by the Social Planning Council of Winnipeg in 2008 calling for higher EIA rates received 10,000 signatures, a demand also found

FIGURE 1 **Average Rents in Winnipeg, 1990 to 2018**

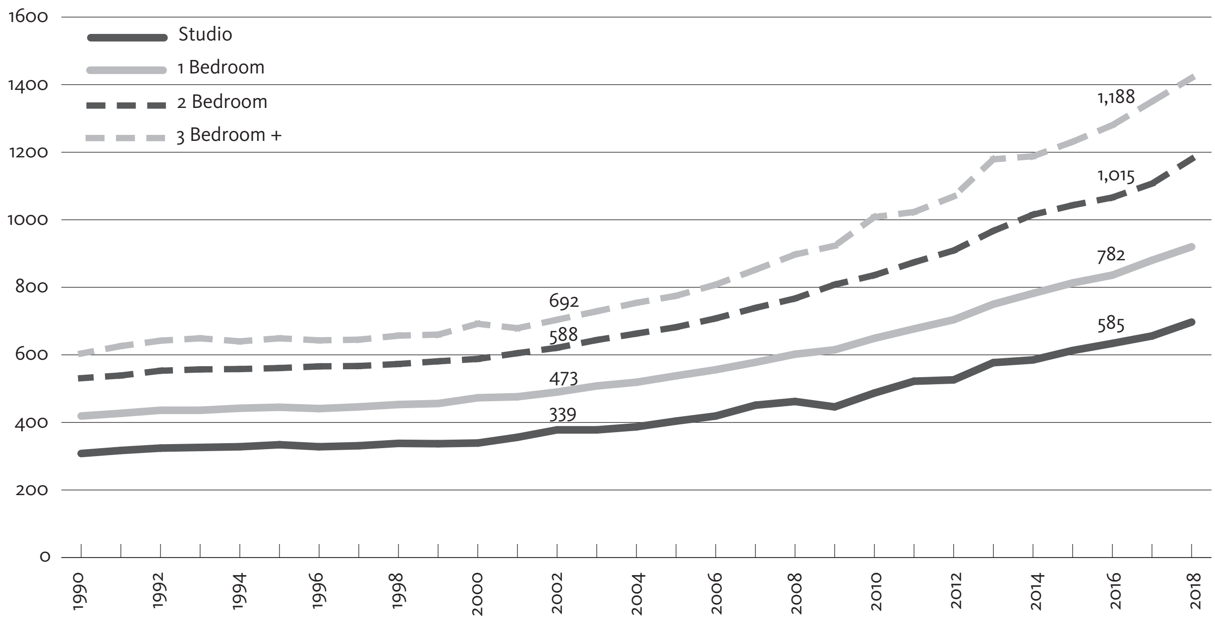
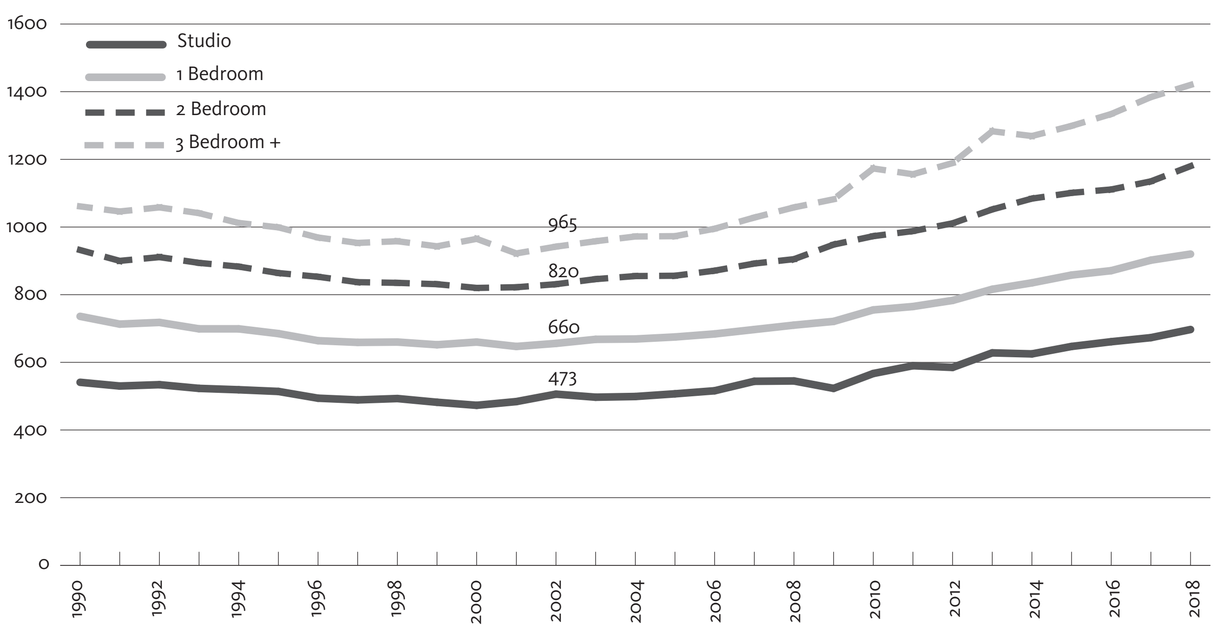


FIGURE 2 **Average Real (inflation adjusted, 2018 base year) Rents in Winnipeg, 1990 to 2018**



SOURCE: Author's calculation based on CMHC Housing Market Information Portal and Statistics Canada CPI data.

in a broadly supported comprehensive poverty plan published in 2009.[7] The rising costs of housing prompted a return to focus specifically on the housing portion of the EIA budget, which for households in private market housing generally made up more than half of total EIA support. The coalition Make Poverty History Manitoba, through a public awareness campaign, proposed raising shelter benefits to 75 percent of the median market rent, roughly equivalent in buying power to the level they were at in 1993. This target stemmed from research by the Canadian Centre for Policy Alternatives–Manitoba on poverty and the root causes of crime.[8]

While activists saw the core issue being that total EIA benefits were insufficient, a strategic decision was behind the shift to focus on housing benefits. According to one Make Poverty History Manitoba organizer: "We chose to focus on the rental allowance because we thought it would better resonate with the public (and therefore be more politically palatable). People don't like to give poor people money, but they get that they need a roof over their heads".[9] This shift of focus allowed activists to build a broad coalition and the campaign garnered widespread support. Hunger activists pointed to the stark choices food bank clients needed to make between paying rent and buying food. Organizations working with children leaving the foster care system noted that their clients struggled with affordable housing. More than 145 community organizations signed on as endorsers of Make Poverty History Manitoba's campaign to raise shelter benefits.[10] Creative protest actions, were also undertaken such as a daily drop of an increasing number of shoes on the front doors of the legislature in the lead up to the Christmas holiday.[11] Across the province, faith organizations posted signs outside their places of worship in support of raising the benefit. The coalition held rallies, organized a letter-writing campaign, met with elected officials, conducted research, extended its outreach through social media and gained traditional media coverage.

The low rate of shelter benefits provided a tangible focus for organizing compared to previous campaigns that called for general rate increases. With rising housing costs so far out of sync with shelter rate levels, advocates were more easily able to communicate the inequity of the rate structure. Support extended across the political spectrum including unlikely allies. A 2014 Association of Manitoba Municipalities policy recommended increasing shelter benefits "to ensure those in need are able to secure adequate and affordable accommodation".[12] Landlords called out for higher rates so that their tenants could afford accommodation. Steve LaFleur, analyst with the right leaning Frontier Centre for Public Policy, agreed, "We need to adjust rates to what things actually cost in the market."[13]

This effective organizing effort brought the issue of inadequate social assistance to the forefront of political debate in Manitoba. Within a year, the campaign gained the support of Manitoba's two opposition parties. Manitoba Liberal leader Jon Gerrard called raising the rental allowance rate "essential".[14] The Progressive Conservatives (PC) promised to raise the rates by up to $100 per month if they were elected.[15] Opposition members regularly criticized the government for low rates in the legislature and through the media. For the first time in over a decade, welfare rates became a mainstream public issue. Public pressure, media attention and opposition scrutiny combined to prompt the provincial government, which had long dodged the issue, but which relied on its close connections to social justice movements, to act.

Despite their success, organizers identified some risks with this approach of focusing on increasing shelter benefits. While the demand for increased rates was part of a longer-term goal for a comprehensive poverty reduction plan, the short-term focus on shelter benefits as an isolated demand risked taking pressure off the Province to respond with a multi-pronged approach to poverty reduction. Within a comprehensive plan, there is a close connection between the demand for increased social housing and the need for benefits. The more social housing is available, the less low-income households need to rely on income transfers. Poverty reduction advocates argued a need to invest in both, and the Province had been investing in social housing when Rent Assist was developed. However, as a market-based approach, income transfers appeal to property owners and other business interests, while social housing acts as competition for private landlords. This tension between social housing and Rent Assist has become heightened with a shift in government policy away from social housing under the new government that was elected in 2016.

There were also numerous policy challenges to overcome, and implementation of Rent Assist required careful adjustment to several interacting programs and policies. In the end, by addressing the government's concerns with raising the EIA shelter rate alone, the program the government designed and implemented went beyond what opposition critics and activists were calling for, by creating a portable benefit available to both EIA recipients and other low-income renters. Once introduced, Rent Assist had nearly unanimous political support, and all parties sought to obtain credit for it. In an opinion piece published shortly after the 2015 budget, then opposition leader Brian Pallister went so far as to claim ownership for the government's program: "Make Poverty History and our team of MLAs have been working towards this goal for years. And last month, we finally did it. Democracy can work, but there is still much more to do."[16]

Provincial Approaches to Poverty Reduction and Housing Before Rent Assist

The governments of Gary Doer and Greg Selinger had long been wary of the labour market and 'welfare wall' implications of raising EIA benefits,[17] with poverty reduction efforts being centered around promoting access to the labour market and transitions from 'welfare to work'.[18] This included improving access to childcare, education and training; increasing the minimum wage; generating targeted employment opportunities through strategic crown and government procurement; the promotion of local and cooperative forms of business; and supportive employment opportunities including with non-profit social enterprises. This was encapsulated in the Community Economic Development (CED) Framework, emphasizing a strength-based approach to promoting local employment in low-income communities.[19] Neighbourhoods Alive!, for example was a signature government initiative which saw significant resources being made available for community-led development in low-income areas.[20]

With respect to providing access to affordable housing, since 1999, prior to the implementation of Rent Assist, the provincial government emphasized supply-side measures by supporting the construction of building affordable housing units, initially through the Affordable Housing Initiative.[21] Later, in response to advocacy by the Right to Housing Coalition, multi-year commitments were made in 2009 NDP Leadership race to build additional social and affordable housing.[22] This was seen as a more direct way to increase the supply of affordable housing, as opposed to measures like increased social assistance benefits which some voices in government feared would simply lead to landlords increasing rents and provide no support for the working poor.

Benefit increases that were implemented for social assistance participants prior to Rent Assist were either specifically targeted to support the transition from 'welfare to work' or were primarily undertaken through measures other than EIA rate increases. The Manitoba NDP had long promoted the desirability of portable housing benefits outside of the social assistance system for those living in private rental accommodations.[23] Prior to the introduction of Rent Assist, housing benefit increases for EIA participants were mostly implemented through the less visible RentAid Program (previously the Manitoba Shelter Benefit program) rather than the EIA shelter benefit, with increases for EIA participants in 2008,[24] 2009,[25] and 2011,[26] which built on targeted measures launched through the 'Rewarding Work' strategy in 2007.[27] This allowed the government to increase benefits to social assistance recipients without actually raising welfare rates. It was also less costly to government as the benefit increase only applied to EIA renters in the private market, although this did not help social housing providers, as their tenants did not receive increased income for rent, despite rising costs.

The RentAid program had complicated eligibility criteria based on whether participants were social assistance recipients, disabled, and/or had children, and was initially only portable (when leaving social assistance for work) for disabled persons. In 2013, a new effort to simplify and expand the eligibility structure and a renewed commitment to portability, along with a rate increase, foreshadowed the launch of Rent Assist in 2014.[28]

The Manitoba government launched Rent Assist in response to community organizing to resolve the growing crisis in housing for low-income renters in Manitoba and to create a more transparent housing affordability benefit. In developing the program, government faced challenges in responding to community demands to increase shelter benefits for the lowest income Manitobans on social assistance, while at the same time maintaining work incentives and limiting the effect of 'the welfare wall'. To address this issue, the final Rent Assist program went well beyond increasing shelter benefits for EIA recipients and designed a program for all low-income renters in the private market. This benefit declined with income and assured that as households transitioned from EIA to work, they would not experience a drop in total income from an abrupt decline in government support.[29] Rent Assist also sought to provide equitable affordability across the income scale, ensuring the effective rent of low-income households not on EIA did not rise above 25 per cent of income.

A second challenge was to ensure that higher shelter benefits did not generate excess housing inflation, leading to higher profits for landlords but little real benefit for renters. This challenge was mitigated by not tying benefits to actual rent paid but to 75 percent of Median Market Rent, which made recipients the beneficiary of any rent savings. This created an incentive for renters to 'shop around' for the most affordable rents and left landlords with incomplete information regarding the total value of the subsidy being received by tenants.

Finally, the program also addressed inequity between low-income Manitobans in social housing and those in private market housing. In social housing, rents were tied to income and did not exceed 25 percent-27 percent of the renters' income. Rent Assist partially closed this gap.

The Rent Assist program built on previous rental allowances and was to be delivered in stages over four years. In a clear reflection of the demands of the community campaign, the Rent Assist benefit explicitly incorporated the target of raising shelter benefits to 75 percent of Median Market Rent. This goal was achieved directly for the lowest income participants and social assistance recipients, but the 75 percent MMR also used to calculate the Rent Geared to Income formula for all participants, including low-income renters not receiving social assistance. Initially when the program was launched in 2014, the government committed to a four year timeline to increase the benefit to 75 percent of MMR, but in response to community pressure and facing a potential loss of government, the province ended up implementing the full benefit in 2015.[30]

Changing Context and the Focus of Inequality

The apparent reluctance of Premier Gary Doer to increase EIA rates would not have put him out of step with other political leaders when he became Manitoba's 20th Premier in 1999. Bill Clinton, a Democratic president, had a few years earlier fulfilled his election commitment to overhaul the US welfare benefits system. These reforms included making it harder for families to qualify for assistance, adding in work requirements, and setting time limits on receiving benefits, along with harsh penalties for violating terms of participation. Tony Blair, the Prime Minister of the UK at the time had taken a similar stance on welfare reform. Painting the left as "weak on responsibilities" when it came to welfare, he emphasized "a welfare state that… gets people into work" as the primary means of addressing working age poverty.[31] In Canada, the federal Liberal government was at the tail end of its austerity agenda, initiated in large part in its 1995 budget and based on reduced transfer to the provinces. This included the elimination of the Canada Assistance Plan, as a separate funding stream for supporting cash transfers to individuals, including for welfare programs, merging support into the new Canada Health and Social Transfer. Where the Canada Assistance plan was a cost shared program with the federal government matching provincial spending, the new Health and Social Transfer resulted in a persistent inflation-adjusted drop in federal support for health and social services.[32] The shift also marked the end of national standards, paving the way for regressive reforms including workfare programs. In Manitoba, the previous provincial government in the 1990s took a particularly aggressive approach to welfare reform, including 'snitch lines', workfare, and significant benefit reductions.[33]

Modeled after Tony Blair's 'third way, new labour' government in the United Kingdom, Gary Doer and the Manitoba NDP positioned themselves as a centrist party, breaking in some ways with previous NDP governments and more reluctant to explicitly challenge powerful interests.[34] Previous NDP governments had introduced legacy public sector initiatives such as public auto insurance, and the expansion of public Medicare to include long term care facilities and homecare. Under Gary Doer's NDP, campaign commitments focussed on better resourcing existing public services, especially health, but also education, infrastructure, and justice. Steady economic growth allowed substantial new spending in these areas while abiding by many policy constraints typical of neoliberalism, including corporate and personal tax cuts, balanced budgets and an aversion to social assistance increases. Like New Labour in the UK, with respect to policy towards poverty, the focus of the Doer government was on promoting labour market attachment though education, training and job search assistance, rather than restoring welfare benefits. Targeted measures were emphasized and were based on a combination of contracting out to local community and non-profit organizations as means to support social inclusion.[35]

The strong economic performance in Canada, the US and the UK in the years following allowed governments to claim victories in their welfare reforms, and in Canada and the UK paralleled expansion of broad based transfers to families with children. In the UK with the election of the labour government, this took the form of a reform and large increase to the existing Child Benefit program. In Canada, in 1998 existing programs were merged into the Canda Child Tax Benefit, eventually becoming the Canada Child Benefit in 2016, based on a Liberal Party of Canada election commitment to make the benefit more progressive. Part of the rationale of these programs was to transfer benefits outside of restrictive welfare programs into broader entitlement based programs accessed through the tax system, supporting transitions from welfare to work.[36] By providing benefits outside of social assistance, these child benefits help break down the 'welfare wall'.

The 2010s saw some notable shifts in the political and economic discussions around poverty, inequality and the role of government in addressing these social challenges. In the late 2000s, a global economic crisis and its aftermath shook confidence in the neoliberal economic governance models which underpinned the previous era of welfare reform. The economic success of the 2000s, which had facilitated low unemployment and stabilized or reduced poverty rates, turned out to be fuelled by a massive credit bubble out of the US, masking high and growing economic inequality and increasingly precarious circumstances for lower-income households. High unemployment, bailouts for banks, and subsequent austerity has led to the rise of inequality as a pressing topic of concern. This motivated vocal and visible activist social movements such as Occupy Wall Street and others to advocate for more traditional social democratic approaches including increases in the minimum wage, high taxes on the rich and greater income redistribution. Although left-wing governments have yet to win national elections in the three countries noted, in this new environment established centre-left parties in all three countries appear to be moving towards adopting more socialist policies, or at least are engaging with them in a serious way. This is happening as public attitudes are changing, with the rise income inequality as a growing topic of public concern. The political viability of Rent Assist can be understood as part of this broader international context.

This specific local political context and leadership also likely played an important role. It is unclear that a government under Premier Doer, characterized generally as a relatively conservative New Democrat, would have made such large scale and costly change. The post-financial crisis context likely provided the Selinger government, which despite initially governing more in the tradition of Doer then earlier NDP leaders, with space for a policy more consistent with Selinger's community development background and housing commitments.[37] Initially the Selinger government committed to a four year timeline to increase the benefit to 75 percent of MMR that would have carried over into the term of the next government, raising uncertainty regarding full implementation. There were a variety of local political factors, in addition to the broad support built by Make Poverty History Manitoba, created additional pressures and in a sense opportunities for the government to implement the full benefit sooner. Issues facing the government during the 2012–2015 period, stemming back to the rollout of a 1 percent PST increase, likely contributed to the opportunity for meaningful increases to EIA and low-income housing benefits that had been resisted for over a decade.

Changes to Rent Assist Since 2015

Community organizations like Make Poverty History Manitoba, Right to Housing and Campaign 2000 successfully put poverty reduction on the political agenda in the 2016 provincial election.[38] Rent Assist and the increase of shelter benefits to 75 percent median market rent earned support from each of the elected political parties.[39] The provincial Official Opposition had come to recognize that shelter benefits for those on EIA had become unhinged from the actual cost of housing. Pallister wrote in support of the introduction of Rent Assist: "The skyrocketing rents in Winnipeg have disproportionately hurt these low-income families as they saw their rent increase, but their rental allowance stayed the same, month after month, year after year".[40]

However, parties differed on how it should be implemented. The sitting government had designed Rent Assist as a step towards a broader and transformative social assistance, employment, and housing strategy. Premier Selinger outlined what he saw as a significant difference between these approaches in a response in Question Period to Pallister's accusations his government had waited three years before raising shelter allowances:

"The Rent Assist program is not only available to people on social assistance, it's also available to working people, people that are participating in the economy, people going to school and getting an education or training. Under their model, if they brought their approach in, the minute somebody got a job or went off to get some training they would be cut off... Their approach is narrow. Their approach is exclusive. Their approach keeps people trapped on social assistance. Our approach helps people get jobs."[41]

The legislation implementing Rent Assist established the principle of 'portability of shelter assistance'. This meant that shelter benefits would extend beyond those temporarily in need of assistance or without financial resources, to the broader working poor population. It mandated the department to "ensure that a person who receives shelter assistance while receiving income assistance or general assistance continues to receive shelter assistance even if he or she no longer qualifies for income assistance or general assistance, provided that he or she continues to meet the applicable eligibility requirements."[42] As one senior civil servant expressed it at the time, with Rent Assist, "we are dipping our toes into the idea of basic income".[43]

In contrast, the new government's policy on Rent Assist is best understood through the lens of welfare reform, making EIA more liveable but retaining its disciplinary function as a program of 'last resort'. While wishing to demonstrate a more caring form of conservativism, the Pallister government has remained focused on what it saw as its core mandate of lower taxes and reducing the deficit while maintaining frontline services. Changes made to Rent Assist after the new government was elected in 2016 reflected these diverging ideological approaches.

The new government, however, was equivocal towards the broader policy objectives of support for the working poor and overcoming the welfare wall. Pallister in opposition did not provide clear support for the principle of portability, referring instead to increasing the EIA shelter allowance.[44] Moreover, the actual dollar amounts of Rent Assist once implemented, exceeded the amounts Pallister had committed to prior to the election. So while in 2013, the call to raise benefits for single individuals from $285 to $385 per month posed a challenge to the government, by 2016, when Pallister came into office, Rent Assist had reached $513 for a single individual and $742 for families of three to four people. Beyond their 2013 statement in support of increased benefits for single individuals, Pallister had not offered specific dollar amounts for other household types. Anti-poverty organizations were concerned that the new government might abolish Rent Assist in entirety.

The contradictions inherent in these positions have come to light in changes made to the program since the current government came to power in 2016. On the one hand, core features of the program including an annual escalator tying the benefit to 75 percent median market rent, have for the most part remained in place. However, it has introduced substantial cuts to the program, particularly on the non-EIA side. These regulatory changes give insight to the more limited and market oriented approach that informs the new government's policy on Rent Assist and poverty reduction.

It its first year in office, the Pallister government did not make significant changes to Rent Assist policy, maintaining their commitment to keep Rent Assist at 75 percent median market rent. Budget 2017 saw an $87 million increase in funding for EIA, as a result of several factors. EIA case levels were surging in 2016 and 2017 for factors unrelated to rent assist, including lingering effects of an economic slowdown, higher than normal unemployment and the phasing out of federal support for a wave of refugees admitted in 2016. Community promotion efforts also boosted enrollment. Due to legislation indexing the benefit, an annual increase in July 2017 raised maximum support by $30 for single person households and larger amount for larger families.[45] Because income eligibility thresholds were proportional to maximum support levels, themselves indexed to median rents, as rents increased, more families also became eligible.

However, already in 2016 the government had begun signalling that it was contemplating changes to the program. A quarterly financial update blamed a persistent structural deficit on "expenditure increases in Families, primarily due to pressures inside Employment and Income Assistance and Rent Assist programs".[46] With a $1 billion dollar deficit and a government committed to cutting provincial sales taxes, finance minister Cameron Friesen ordered a review of the program. "We want to make sure that program is doing what it is designed to do, and we have some concern about that… There has been a significant increase in the subscription inside Rent Assist, and we need to determine all the factors for that," he told CBC.[47]

The resulting study was included as a volume of the Manitoba Fiscal Performance Review, a wide-ranging evaluation of core government departments, excluding health, by the auditing firm KPMG.[48] The report warned Rent Assist costs were poised to balloon. The report depicted costs as out of control noting that the costs were up $72.9 million or 463 percent since 2013/14.

"From our review of Families documentation, it is unclear if and when the caseload growth will slow".[49] According to departmental figures at the time, caseload was expected to reach an average of 9,800 per month without changes.[50] KPMG made several recommendations to limit benefits within the program. These included: increasing the percent of income paid by recipients from 25 to 30 percent, freezing the legislated indexation of benefits and capping the number of recipients, ending Rent Assist as an entitlement benefit.[51] Longer term, KPMG recommended Rent Assist could play a role in phasing out government-owned social housing, with the province providing only demand side interventions in the housing market. This is a long departure from the vision of housing advocates who saw Rent Assist as a supplement to help bridge the gap in available social housing in the province.

Poverty advocates panned the KPMG study for its narrow focus on cutting costs.[52] KPMG ignored the decades long austerity in social assistance that left shelter allowances hundreds of dollars below actual market rents. The primary purpose of Rent Assist was to bring rates closer in line with median rental costs. Proposals such as freezing or de-indexing rates would undermine this goal. Moreover, KPMG failed to grasp the path breaking elements of Rent Assist that encouraged labour market participation by making it a universal benefit available to low wage workers and recipients of EIA alike. Instead, KPMG put forward a plan based on private market solutions for housing and off-loading of government responsibilities. As Jim Silver pointed out: "We are to be taken down a long, complex and convoluted road, for which KPMG admits there is no reliable roadmap and the sole purpose of which is to cut costs".[53]

Claims of out of control costs were largely exaggerated. Comparing Rent Assist to its predecessor programs missed the point that it was new program, which was bound to have an initial surge of uptake. The escalating number of recipients would inevitably plateau given the limits of the eligible population. Their worst case caseload predictions never materialized. Average caseload reached an average of 7,210 through 2017/18,[54] 2,600 lower than the budget had estimated. By November 2018, this had only increased 4 percent to 7,518 cases.[55] Consequentially, the department was under budget in 2017/18. The EIA and Rent Assist budget for 2018/19 actually decreased from $523 million to $511 million (2.5 percent). It appears that Rent Assist has reached the limit of eligible participants, so that the financial sustainability of the program was much less at risk than KPMG and the government had implied.

To date, the Manitoba government has only partly implemented the recommendations of the KPMG report. The government has not yet opened the legislation to enable it to de-index rent assist rates. This is likely a result of the political commitment and extent they linked rent assist to the PC party in the lead up to the 2016 election. Sustained community organizing and pressure from groups like Right to Housing and Make Poverty History Manitoba, and continued interest generated in the media is also likely playing a role. A third contributing factor is that uniquely among provinces, indexing is written into the Manitoba Assistance Act legislation, rather than as a regulation or policy directive. This means that any change to the Act is open to scrutiny in the legislature. By contrast regulatory changes can be implemented with little notice or debate.

The PC government has taken advantage of this lack of legislative oversight by making regulatory changes introducing cuts to non-EIA Rent Assist. Over two years they increased the percentage of income deductible from 25 to 30 percent. The income deductible is calculated as the amount a recipient would pay after receiving rent assist for a unit costing 75 percent of median market rent. For example, if a household in a two-bedroom earns $2,000 per month, a 25 percent deductible would be $500. If 75 percent of median market rent is $861, the amount of Rent Assist the family receives would be $361 ($861–$500). As the deductible is increased to 30 percent, the deductible increases and the amount of rent assist received drops by $100 to $261.

The Manitoba government increased the deductible over the course of two years, first from 25 percent to 28 percent, then from 28 to 30 percent. The cuts were implemented to coincide with mandatory annual index increases in Rent Assist levels, which normally occur on July 1 each year. This timing masked their impact. "Recipients with the lowest incomes will benefit due to the increase in maximum benefits, while those with higher incomes may experience a reduction in benefits due to changes in the formula," according to a government statement in 2017.[56] However, if one separates out the annual indexing that had been in place since the original legislation was passed in 2015, the effect of the regulatory changes represented significant cuts for almost all Rent Assist recipients in the non-EIA stream.

Table 2 below shows the impact of the cuts for several family types including a single minimum wage worker at part-time based on 20 hours worked per week, and full-time, as well as for a single parent family of three and a two-parent family of five with income at the Market Basket Measure of poverty for the previous year. The chart shows what each household would have received in Rent Assist in 2017, prior to the regulatory changes, as well as what they would have received in 2017 and 2018 after the deductible was increased. It also shows what their Rent Assist would have been had the deductible not increased.

As can be seen, the indexing median market rent has partially offset the reduction in benefits from increasing deductibles for some of the lowest income households. For example, for a single part-time minimum wage worker, Rent Assist provided a benefit of $324 in June 2017. By July 2018, with the changes introduced, their benefit decreased by $27 dollars per month (to $297). Similarly, the benefit for a family of five with income at the Market Basket Measure of poverty had a benefit of $25 per month in July 2017, which decreased by $16 (to $4 per month in July 2018). However, the rationale of indexing the benefits is that these benefits should have been keeping up with rent increases. Had the pre-2017 regulations been maintained, keeping the Rent Assist deductible at 25 percent, both households would have seen increases in their Rent Assist amounts, a $59 per month increase (to $363 per month) in the case of a part-time minimum wage earner, and a $169 per month increase (up to $194 per month) for the family of five. These changes to Rent Assist resulted in significant reductions in benefits for all families in the non-EIA stream compared to that they would have received without the increase in deductibles.

Although the Manitoba government has not thus far opened the legislation for Rent Assist, changes in 2019 come the closest yet to undermining the original purpose of the Act. In May 2019, the Province made amendments, effective July 1, that will create a new tier of Rent Assist, affecting single individuals under the age of 55 and individuals without dependent children who are on general assistance. For these recipients, maximum Rent Assist will be tied to 75 percent the median rate for a bachelor unit, rather than an average of bachelor and one bedroom units.[57] This will effectively freeze rates for some of the most vulnerable recipients for several years.[58]

While keeping the substance of Rent Assist in place, the current government government has made changes to the program that have undermined its effectiveness as well as much of the original intent of the program. Rather than seeing Rent Assist as part of an overall program of poverty reduction while encouraging employment through diminishing the "welfare wall" for those transitioning into the workforce, they have taken a minimalist approach to Rent As-

TABLE 2 Changes to Rent Assist for Various Family Types, 2017 to 2018

Family type	Rent Assistance					
Income	**Actual June 2017**	**July 1, 2017 under original regulation***	**July 1, 2017 actual**	**July 1, 2018 under original regulation***	**July 1, 2018 actual**	**Change – New vs Old regulation**
Single minimum wage worker: (part-time and full-time)†						
20 hours per week	$324.00	$354.08	$306.58	$363.33	$296.88	**–$66.46**
40 hours per week	$95.00	$124.92	$49.92	$131.04	$18.13	**–$112.92**
Single parent; 2 children, at MBM‡:						
MBM Winnipeg	$123.79	$152.96	$54.50	$174.92	$23.00	**–$151.92**
2 parents; 3 children, at MBM:						
MBM Winnipeg	$25.71	$155.46	$34.17	$194.48	$4.18	**–$190.30**

***** Rent Assist under original regulation calculated as: (MMR*0.75) - (Income*0.25/12) + $20; Calculation for 2017 regulation: (MMR*0.75 - (Income*0.28/12); Calculation for 2018 regulation: (MMR*0.75 - (Income*0.3/12)

† Minimum wage $11 per hour in July 2017, $11.15 in July 2018.

‡ Based on MBM for Winnipeg in the previous year.

sist, while continuingly monitoring it through an accountant's eye with a view to finding places to cut. While the cuts made have been substantial, the fact that the program remains substantively intact suggests that the design is relatively robust, in the sense that more universal programs are more difficult from a political perspective to cut across the board.

Conclusion

The introduction of Rent Assist in 2014 and its full phasing-in 2016 led to a fundamental change in benefits for low-income private market renters in Manitoba. Most importantly for those participating in the income assistance program, the level of support provided under Rent Assist led to a large increase in the money received to help pay for rent. This increase was the result of a sustained and broad-based grassroots campaign led by Make Poverty History Manitoba coalition that mobilized support well outside the traditional advocacy groups and led to cross-party support for raising rates.

The result of their campaign however was different than the specific policy request that was being requested. Instead of raising social assistance shelter benefit rates to 75 percent of median market rents, the Government of Manitoba instituted a fundamentally different approach to supporting the housing needs of low-income renters. The introduction of Rent Assist met the request of advocates but also led to a population-wide program with substantial benefits outside of the EIA system. This shifted a portion of the social safety net away from a 'program of last resort' model where one must demonstrate need and asset poverty to qualify, to an income-tested entitlement program. Somewhat paradoxically, this even more robust result came about to address concerns of broadly sympathetic government that had been highly reluctant to raise EIA rates, given concerns with the 'welfare wall', and see the relative value of work decline. A combination of advocacy, a sympathetic government and leader, and a changing political and economic context, both locally and abroad, all supported a final outcome that exceeded the expectation of many of those pushing for the change.

A change in government has raised questions about the future of the Rent Assist program. Government has instituted several changes that have undermined the extent of coverage and attacked Rent Assist's core principles of portability and entitlement of benefits. Moreover, if the KPMG study is seen as a blueprint for future changes to the government's housing and assistance policies, Rent Assist could be rolled back even further.

Nonetheless, Rent Assist remains one of the most robust shelter allowance programs in Canada. Benefit levels, especially in comparison to market rents are higher than other jurisdictions and coverage is less restricted. The achievement and maintenance of Rent Assist represents a major victory for anti-poverty organizers in Manitoba. Their success offers lessons for housing and social assistance advocates across Canada.

Endnotes

1 Prior to Rent Assist, non-disabled seniors without children were ineligible, and for those not participating in the social assistance program, the maximum monthly shelter benefit was capped as $240 per year. A non-disabled single person under the age of 65 not receiving social assistance, who had no access to benefits under the old system, now had access to support of up to $513 per month.

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