

# SOCIAL POLICY

## COLLABORATIVE

**Improving the effectiveness of income supports**

**A policy brief from members of the  
Calgary Social Policy Collaborative – July 2019**

## Social Policy Collaborative Background

The Calgary Social Policy Collaborative (SPC) is a group of about 40 community organizations and funders. Representatives have expert level knowledge of social service areas and many offer direct service to individuals and families living in poverty.

Eleven SPC members have pooled resources to financially support the work of social policy researchers at the University of Calgary's School of Public Policy. The report, *Measuring and Responding to Income Poverty: Concepts and Possibilities*<sup>1</sup>, adds clarity to our understanding of the prevalence of poverty in Alberta. This policy brief addresses the key recommendations of the report as well as related opportunities to support vulnerable Albertans in a more fiscally responsible way.

### About the authors

A group of eleven organizations from the Calgary Social Policy Collaborative are:

- Calgary Counselling Centre
- Calgary Food Bank
- Carya Society of Calgary
- Catholic Family Services
- CUPS
- Max Bell Foundation
- Momentum
- United Way of Calgary and Area
- Vibrant Communities Calgary
- Women's Centre of Calgary
- YWCA of Calgary

This group aims to bring a clear and collective voice to government in order to enhance understanding of social issues among key stakeholders, including elected representatives and civil servants.

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1. Kneebone and Wilkins (2019). Measuring and Responding to Income Poverty: Concepts and Possibilities <https://www.policyschool.ca/wp-content/uploads/2019/02/Income-Poverty-Kneebone-Wilkins.pdf>

# Issues & Recommendations

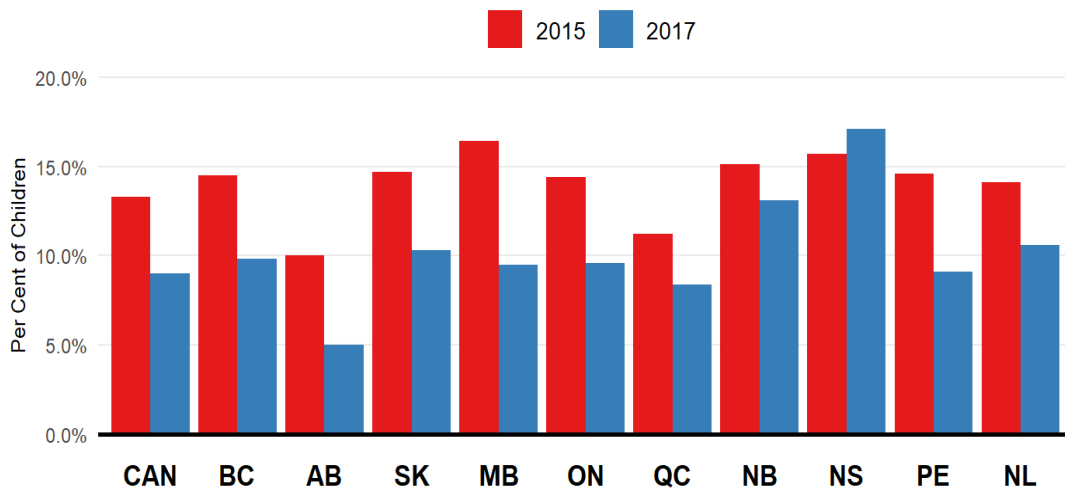
1

## A child benefit is critical to helping families during hard times

- Recent statistics from the Canadian Income Survey show that child poverty rates in Alberta have been cut in half since the introduction of the Alberta Child Benefit.<sup>2</sup>

### Canada's Child Poverty Rate, by Province, 2015 vs 2017

Source: Statistics Canada data table 11-10-0135



Graph by @trevortombe

(Source: Trevor Tombe Twitter @trevortombe "Canada's Child Poverty Rates")

- The child benefit is a preventative policy that keeps struggling families with children out of poverty. The pathway to resilience begins in childhood: fewer children living in poverty now, leads to more independent adults in the future.

**Recommended Action: Maintain or enhance the Alberta Child Benefit**

2. According to the Canadian Income Survey and based on the MBM (2008) Base. [The Daily — Canadian Income Survey, 2017](#)

## 2

### Increasing and indexing Income Support and AISH benefits is required to support the vulnerable

- The level of financial support provided through Income Support and AISH has been very low, particularly for single people who constitute a growing segment of support recipients.<sup>3</sup> Income Support and AISH rates recently received a much needed increase.<sup>4</sup>
- By indexing critical benefits to the cost of living and raising the liquid asset limits for Albertans to access Income Support, the provincial government has reduced the financial stress for thousands of Albertans and creates opportunities for these individuals and families to exit the income support system and contribute to their community.

**Recommended Action: Maintain the commitment to index AISH and Income Support to ensure they keep pace with the cost of living**

## 3

### Albertans on Income Support pay the highest taxes. The current earning exemption amount for Income Support does not support people who are trying to reenter the workforce

- Not only are Income Support benefit levels well below the poverty line in Alberta, recipients who would like to work their way out of poverty are effectively discouraged from doing so. Under current regulations, a person's benefit can be reduced to zero before they even earn enough to reach the poverty line.<sup>5</sup>
- Bill 26: An Act to Combat Poverty and Fight for Albertans with Disabilities, which was recently passed with unanimous support, enables persons with severe disabilities (on AISH) to keep more of their earned income; however, it does not address earned income exemptions for Income Support.

**Recommended Action: Increase earnings exemptions for people on Income Support, especially those deemed 'eligible to work.' This would support Albertans in reentering the workforce, moving off government assistance, and growing their employment earnings.**

3. Kneebone and Wilkins (2019). Marital Status of those in Poverty. <https://journalhosting.ucalgary.ca/index.php/sppp/article/view/68477/53159>

4. Refer to Bill 26 An Act to Combat Poverty and Fight for Albertans with Disabilities <https://www.alberta.ca/social-benefit-rate-increases.aspx>

5. Market Basket Measure (MBM) was recently announced as Canada's official poverty line.

## 4

### Alberta's income support programs can be improved by better responding to the cost of housing

- Income support benefit levels are the same regardless of where in the province one lives.
- Since the cost of living is so variable by community in Alberta, especially for housing, it is critical that benefit levels and other supports reflect this. Increasing the core shelter benefit for Income Support recipients can help bring the level of assistance closer to the poverty line and meet the unique cost of housing in specific communities.
- Linking benefit levels to the cost of living can lead to potential savings of the estimated annual 2.0 and 2.4 billion in costs directly related to government expenditures in health, justice and lost revenue due to poverty.<sup>6</sup>

**Recommended Action: The Government of Alberta should invest \$200 million to increase the core shelter benefit for Income Support recipients.<sup>7</sup> This investment is equal to just 0.9% of the Ministry of Health's 2018-19 budget.**

#### Conclusion

The University of Calgary School of Public Policy research provides us with a stronger understanding of the nature and prevalence of poverty in Alberta.

It has informed our proposal of a more effective and efficient way of achieving better health and social outcomes for individuals and families in need. The recommendations above have limited cost implications and the cost savings potential is substantial. More importantly, these recommendations would have a dramatic effect on the well-being of those Albertans living with low income. Reducing poverty and its associated negative social outcomes is not only possible – it is also easily affordable with the recommendations above.

The Calgary Social Policy Collaborative is a resource to the Government of Alberta. The collaborative welcomes the opportunity for collaboration and discussion to ensure that public spending is effectively allocated to improve the well-being of all Albertans.

#### For more information:

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6. Briggs, A. & Lee, C.R. (2012). Poverty Costs, An Economic Case for a Preventative Poverty Reduction Strategy in Alberta. Calgary: Vibrant Communities Calgary and Action to End Poverty in Alberta. Can be retrieved at <http://enoughforall.ca/wp-content/uploads/2018/04/Poverty-Costs.pdf>

7. Kneebone and Wilkins (2019). Measuring and Responding to Income Poverty: Concepts and Possibilities <https://www.policyschool.ca/wp-content/uploads/2019/02/Income-Poverty-Kneebone-Wilkins.pdf>