

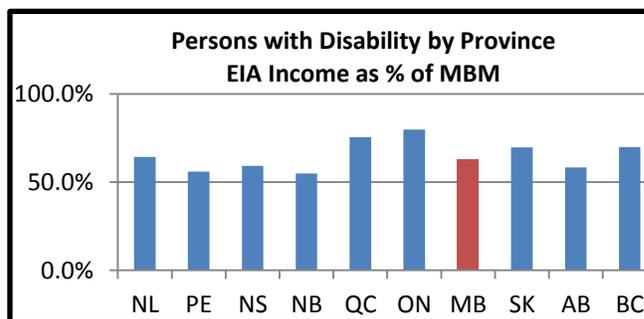
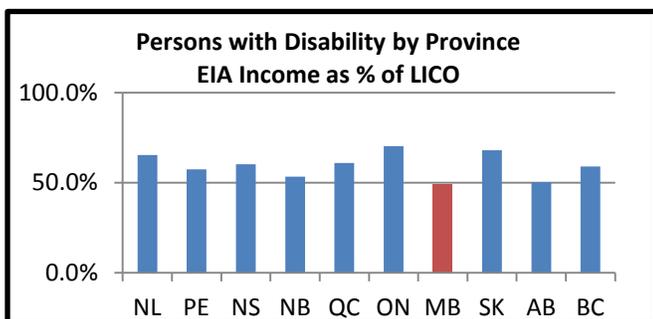


MAKE POVERTY HISTORY MANITOBA

FACT SHEET 2014 Inadequacy of Employment and Income Assistance in Manitoba

Raising the income of the approximately 63,000 Manitobans that rely on Employment and Income Assistance (EIA) is essential to reducing poverty in our province.

A Caledon Institute report (December 2013), shows single and disabled people on EIA in Manitoba have the lowest EIA incomes in Canada as a percentage of the Low Income Cut Off (LICO). Manitoba EIA rates when considering our cost of living through the Market Basket Measure are 3rd lowest in Canada. Make Poverty History Manitoba (MPHM) believes we can do better.



Manitoba's EIA rates rank the lowest in Canada

Manitoba's EIA rates rank 3rd from the bottom

LICO is a poverty measure that uses an income threshold based on an average family income when 20% of the income is devoted to food, shelter, and clothing. A family is considered low income if total income is below the LICO threshold. The MBM is a poverty measure that considers the cost of living in 49 Canadian communities by estimating the cost of a specific basket of goods and services including a nutritious diet, clothing and footwear, shelter, transportation, and other necessary goods and services.

Urge the Manitoba Government to take these four actions to reduce poverty in Manitoba

Ensure everyone in Manitoba has access to an income equal to at least the Market Basket Measure to meet their basic needs. For those on EIA this could occur when combining work income and EIA benefits by increasing benefits for EIA by \$100.00 per month for a disabled individuals and single individuals, and parents for three years. This would cost \$25 million more each year for three years. This is equivalent to \$19.70 per Manitoban and half of the \$50 million cost to eliminate the school tax for seniors.

Increase the exemption on earned income to \$500.00 per month, so people on EIA could earn \$6000.00 per year and not lose any EIA benefits. The current rule is after earning \$200.00 per month people lose 70 cents of each dollar earned.

Create a new disability benefit separate from EIA for those with long term disabilities who are not able to work, as recommended in the Manitoba Government EIA Rate Review 2013. The income of the new disability support program must be enough to live with dignity and would have to be more than the current CPP disability which is \$1236.35 per month.

Establish a new joint working group in collaboration with the community and to implement the EIA rate review improvements for people who will rely on the EIA program.

Make Poverty History Manitoba Proposal Manitoba EIA Rates

Following the December 2013 release of the Manitoba Government EIA Rate Review, Make Poverty History Manitoba urges government to increase EIA Rates in Manitoba and ensure people's income is closer to the Market Basket Measure of Poverty. We must ensure people on EIA can meet their basic needs and experience more inclusion in the community. This is in keeping with the Provincial ALL Aboard Poverty Reduction Strategy and the Manitoba Ombudsman's recommendations for the EIA Program. The following chart is a summary of the increases to EIA.

Household Type	Current Annual Income	Proposed Total EIA Increase	Proposed Earned Income	New Total Income	MBM	2011 Caseload by Household	Cost to Government
Single Employable	\$6,922	\$3,885	\$6,000	\$15,885	\$16,807	6,380	\$24,786,300
Disabled	\$9,528	\$1,279	\$6,000	\$16,807	\$16,807	19,935	\$25,496,865
Single Parent 1 Child Under 6	\$14,931	\$2,838	\$6,000	\$23,769	\$23,769	7,964	\$22,601,832
Our proposal is to reach this MBM over three years at a cost of about \$25 million per year. Total over three years will be approximately \$145,769,994.00							\$72,884,997

Source: Manitoba Government EIA Rate Review 2013

The benefits of these changes to the EIA Program out-weigh the costs.

Studies by the Manitoba Centre for Health Policy have shown that children and youth growing up on EIA are more likely to leave school before graduation and have grades lower than their non-poor peers. (Au et al., 2012) An American study showed that math scores of children improved significantly when their family had a \$1000.00 annual increase in income. (Dahl & Lochner, 2005)

MINCOME the Guaranteed Minimum Income Project conducted in the 1970's across Canada including Dauphin, Manitoba guaranteed eligible individuals a higher basic income through a refundable tax credit. (CMA report, 2013) Research on the impact of the improved income found that during the MINCOME period hospitalization rates fell by 8.5%, the number of physician visits dropped and the number of accidents and injuries decreased. (Forget, E. 2011.) The decrease in hospitalization alone could save the government \$72.4 million in medical costs per year. These savings could help to pay for the necessary increases in EIA benefits.

The government is very concerned about the welfare wall and disincentives to working, but studies show that small raises in welfare rates do not significantly increase the number of individuals or families on EIA. (Stevens H. 2011) A 5% increase is the average caseload size depending on the category of EIA.

Sign our petition and find more information at www.makepovertyhistorymb.com

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