



## **A Poverty Reduction Plan for Manitoba:**

Replace the EIA basic needs benefit with a **Livable Basic Needs Benefit** as part of a **comprehensive plan** to address poverty

### **Proposed actions:**

- 1) Manitoba must release a comprehensive poverty reduction plan. This plan must be developed in consultation with community members and include targets and timelines for reducing poverty.**

With a new provincial government, it is time for a renewed comprehensive plan for poverty reduction and social inclusion – one that invests in food security, childcare, housing, job training, wages, education, mental health and other social services. We believe *The View From Here (2015)* provides such a blueprint. Find this report at: [tinyurl.com/VFH2015](http://tinyurl.com/VFH2015).

Targets and timelines for reducing poverty are needed to provide a vision and roadmap of strategic actions. If we don't know where we are going, how will we determine the best way to get there?

- 2) Manitoba must introduce a livable basic needs benefit to lift all Manitobans up to or above the poverty line.**

We ask the Province to ensure all Manitobans have a total income at least equal to the poverty line. This can be achieved by replacing EIA's basic needs benefit with a new and enhanced basic needs benefit for which all low-income Manitobans would be eligible, regardless of if they receive other benefits through EIA. Under this proposal, other benefits under EIA, aside from the basic needs benefit, including health and dental, job training and childcare subsidies would continue. This enhanced basic needs benefit when combined with other benefits such as Rent Assist and the federal Canada Child Benefit would form a platform on which to build a basic income for all Manitobans.

EIA's basic needs budget has barely increased in two decades while the cost of living has gone up by more than 40 percent. Even with Rent Assist in place, single adults and persons with disabilities on EIA live in deep poverty with total incomes that are 47% and 33% below the poverty line, respectively. All families on EIA are hundreds of dollars below the market basket measure of poverty (see Table 1 below). Moreover, Manitoba's low minimum wage leaves many workers in poverty also. According to Statistics Canada data, 146,000 Manitobans live below the MBM.

Currently, EIA recipients suffer punitive claw back rates on earned income. After the first \$200 of wage income, benefits are reduced by 70 cents for each dollar earned. Other income like child support payments are taken back dollar for dollar. This makes it hard for families to get ahead. It may create disincentives for labour participation, trapping EIA recipients behind a welfare wall. Our proposed benefit would alleviate this welfare wall by making benefits available to all low-income households, with a more reasonable ratio of reduced benefits to earned income, allowing for a smoother transition for workers entering the workforce.

This proposal affects single adults and persons with a disability, families on EIA, low-wage workers, students, seniors and other low-income households. Manitoba should also work with its federal counterparts to ensure equitable equivalent benefits are provided on reserve, according to federal



standards that stipulate, “basic and special needs ... must be equivalent to those of the province or territory [in which a reserve is located].”<sup>1</sup>

Our vision is a Manitoba without poverty. While our proposed benefit does not achieve that vision on its own, it is a significant and realistic step in the right direction as part of a comprehensive plan. To raise all Manitobans’ income to the MBM is estimated to cost approximately \$670 million annually, approximately 1% of Manitoba’s GDP.

**Why is this important?** Low EIA rates perpetuate reliance on EIA. EIA incomes are so low that people are forced to focus all resources on acquiring basic needs. Living in an ongoing state of crisis makes it next to impossible to pursue training and jobs leading to financial independence. For people with disabilities who face barriers to employment, low EIA rates condemn them to a life of poverty.

It also makes economic sense. Every penny spent supporting low income Manitobans goes right back into the economy. The Province is indexing tax brackets so Manitobans can keep up with the cost of living. The same logic must be applied to income supports. Implementing this proposal is the right thing to do.

**Table 1: Total monthly incomes for various family types**

Family Scenario	100% of poverty line MBM <sup>1</sup>	Total monthly income <sup>2</sup>	Total monthly income as percent of MBM	Monthly increase needed to get to 100% of MBM
Single adult	\$1,522	\$806	53%	\$716
Single person with disability	\$1,522	\$1027	67%	\$495
Single parent, two children <sup>3</sup>	\$2,637	\$2,362	90%	\$275
Two parents, two children <sup>4</sup>	\$3,045	\$2,554	84%	\$491
Part-time worker, minimum wage <sup>5</sup>	\$1,522	\$1,411	93%	\$111

<sup>1</sup>Statistics Canada’s Market Basket Measure (2015); <sup>2</sup>EIA, Rent Assist, federal child benefits, and the GST credit; <sup>3</sup>Ages 10/13; <sup>4</sup>Ages 4/7; <sup>5</sup>Single worker, minimum wage, 25 hours per week.

**Contact:** [manitoba@makepovertyhistory.ca](mailto:manitoba@makepovertyhistory.ca) to indicate your support

<sup>1</sup>Indigenous and Northern Affairs Canada. 2017. Social Programs National Manual 2017-2018. <https://www.aadnc-aandc.gc.ca/eng/1484941779222/1484941844596#sec2>