



## RECOMMENDATION 3

### A PATH FORWARD WHERE NO CANADIAN IS LEFT BEHIND (PROGRESS TOWARDS A MINIMUM INCOME FLOOR)

For years, food banks across the country have known that their services can only do so much. While they do everything possible to help their community during difficult times, they are also the first to argue that only government policies can address the root causes of food insecurity and food bank use: poverty and low incomes.

To put it simply, when sound social policies are put in place, food bank visits go down.

Unfortunately, much recent progress appears to have only been temporary, with the government winding down widely effective programs such as the CERB and various one-time benefit boosts in favour of less effective alternatives. Yet, while the temporary benefits were not perfect, it is still important to learn from the social policy lessons of the first few months of the pandemic, and we can use them as a foundation for the creation of a social safety net where no one falls through the cracks.

With the CERB coming to an end, it is important to start taking our next steps. The changes to the EI system are long overdue and a big step in the right direction, but too many Canadians will still be left behind.

It is estimated that 482,000 Canadians will not qualify to transition from the CERB, or the other pandemic benefits, to any of the new EI programs and will be far worse off than they were under the CERB.<sup>69</sup> In September 2021 alone, nearly 300,000 Canadians stopped receiving benefits through EI, and a large portion of them are believed to be former CERB recipients.<sup>70</sup>

This group of people will likely face very difficult times ahead, with no other choice but to turn to the current provincial social assistance system, a grossly inadequate system that has been broken for many years.

69 Macdonald, D. (2020). *Transitioning from CERB to EI could leave millions worse off*. Canadian Centre for Policy Alternatives. <https://behindthenumbers.ca/2020/09/15/transitioning-from-cerb-to-ei-could-leave-millions-worse-off/>

70 Lundy, M. (2021, September 27). EI numbers plunge as benefit transition takes hold. *Globe and Mail*. <https://www.theglobeandmail.com/business/article-ei-numbers-plunge-as-benefit-transition-takes-hold/>



Under the current system of provincial social assistance, one must be virtually penniless before qualifying for support.<sup>71</sup> Furthermore, the average annual welfare income for a single person in 2019 was only \$9,394, an average of \$13,506 below the poverty line.<sup>72</sup> And if one tries to work their way out of welfare, their benefits (cash and non-cash) are clawed back at punitive rates that destroy any incentive to work.

This is a system that has not evolved since the 1990s and that keeps people in a cycle of poverty that is extremely difficult to escape—as is demonstrated by the fact that over 50 per cent of people who are currently being helped by food banks are on either social assistance or disability supports.

Simply put, if the early months of the pandemic taught us anything, it is that Canada needs to work towards a new minimum income floor, at or above the official poverty line, to replace our current failed approach to supporting people who cannot access work.

This means adopting a new approach, one that provides every Canadian with a minimum income floor so they can lift themselves up and move ahead instead of keeping them down and holding them back.

The approach taken by the government during the first few months of the pandemic gave us a glimpse of what is possible with sound policies. It's time to use what we learned to build a Canada where no one is left behind.

### Our recommendations

- **Fund and develop, in collaboration with the provinces and territories, multiple Minimum Income Floor pilot projects of various types across the country in various provinces and territories (in both rural and urban communities).**
- **Collect and analyze data from these pilot projects over multiple years to determine the type of Minimum Income Floor that is best suited to Canada's needs and accounts for Canada's regional differences.**
- **In the short term, allow all low-income households to have access to the non-cash benefits that are currently only available to those on social assistance (e.g., childcare subsidies, affordable housing supplements, drug and dental insurance).**

71 Caledon Institute. (2015). *Welfare in Canada 2014*. Ottawa: Caledon Institute. Retrieved from [https://maytree.com/wp-content/uploads/Welfare\\_in\\_Canada\\_2014.pdf](https://maytree.com/wp-content/uploads/Welfare_in_Canada_2014.pdf)

72 Maytree. (Last updated August 2021). *Welfare in Canada* <https://maytree.com/welfare-in-canada/canada/>