

POLICY RECOMMENDATIONS

A MINIMUM INCOME FLOOR

PLANKS ARE IN PLACE, BUT LARGE CRACKS REMAIN

While far from perfect, it can be said that there are currently two existing pillars to Canada's income floor – seniors, who have an income floor through the Canada Pension Plan (CPP), Old Age Security (OAS) and Guaranteed Income Supplement (GIS), and families with children, who have an income floor through the Canada Child Benefit (CCB) that will soon be bolstered by a national affordable childcare program.

These two foundational pillars are important, yet imperfect advancements in Canada's social safety net. Currently, seniors and families with children represent only two of the four necessary pillars that could help lead us toward a Canada-wide minimum income floor.

In addition, Canada's income floor must include a pillar for those living with a disability and for single unattached working-age adults (singles). All together, these four pillars must be developed and improved to bring us closer to a minimum income floor for all people in Canada.

POLICY RECOMMENDATIONS

A MINIMUM INCOME FLOOR

THE EXISTING PILLARS: SENIORS AND FAMILIES

While seniors and families with children represent the two existing pillars of Canada's income floor, many individuals in these groups still struggle with food insecurity. In fact, families with children (both lone parents and couples) represent 26 per cent of all food-insecure households, and still 17 per cent of seniors are living with food insecurity.⁸³

At food banks this year, seniors were one of the more alarming upwards shifts in visitor trends. Up by 2 per cent, those with pensions as their main income source now represent 11 per cent of food bank visitors. As for families with children, while food banks have seen a hopeful decrease in the number of children visiting a food bank since the introduction of the Canada Child Benefit (CCB), still one in three served are children. This representation of children in food banks remains disproportionate as children represent only 20 per cent of the general population.

What has become clearer over the past months is that no household is unaffected by increases in inflation and the cost of living. Those with fixed incomes, like seniors, struggle to stretch their dollars to accommodate higher grocery and utility bills. Families' grocery bills and housing costs are increasing, too. It is important that the government does not forget about these groups, despite the strong systems supporting them. In the long term, the federal government must continue to improve and increase the benefits being offered for seniors and families with children.

⁸³ Tarasuk et al. *Household food insecurity in Canada, 2021*.

POLICY RECOMMENDATIONS

A MINIMUM INCOME FLOOR

PILLAR 3: PEOPLE WITH DISABILITIES

In March of this year, 17 per cent of food bank users stated that disability support was their main source of income. This number is increasing and has reached alarming heights in Ontario and B.C., where 30 and 24 per cent of food bank users stated that disability support was their main source of income, respectively.

Not a single province (with federal benefits included) provides single people who live with a disability with a sufficient income. This discrepancy can be as much as \$13,578 per year, where Albertans on the Barriers to Full Employment (BFE) program subsist on \$11,430 annually.⁸⁴

The result of this inadequate system is a disproportionate number of people on disability support seeking outside help. When the benefits offered don't go far enough to provide basic necessities, those receiving disability support find themselves heading to the food bank. The proportion of food bank visitors who rely on disability support compared to the general population level is shocking. For example, in Ontario only 4.3 per cent of the population is receiving provincial disability support,⁸⁵ meanwhile 30 per cent of food bank users indicate disability support as their main income source. The numbers peak in Alberta, where those receiving disability supports are 840 per cent more represented in food banks.

There is hope in the much-anticipated Canada Disability Benefit. Said to be modelled after the GIS program,⁸⁶ this benefit will result in the first substantial income floor for persons with a disability. The questions that remain unclear are how restrictive the benefit will be and how much it will offer. On average, provincial social assistance rates fall below Canada's official poverty line, the Market Basket Measure (MBM), by an average of \$9,390 a year.

Many advocates fear that this new federal benefit could lead to cutbacks on provincial supports. Historically, when new federal programs are put in place, provinces often cut provincial programs. In this case, it is very clear that this cannot happen.

This is a moment for provinces and the federal government to work together and close the gap. However far the new Canada benefit goes, provincial legislatures must go the rest of the way. Canada needs to get to the point where assistance rates don't mean an automatic trip to the food bank. As it stands, many people receiving disability support cannot afford to feed and house themselves properly, and as a result, they are prevented from moving to a life beyond poverty.

⁸⁴ Tarasuk et al. *Household food insecurity in Canada, 2021*.

⁸⁵ Laidley, J., & Tabbara, M. (2021). *Welfare in Canada, 2020*. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2020.pdf

⁸⁶ Inclusion Canada. (2021). *Canada Disability Benefit: A vision and design outline*. <https://inclusioncanada.ca/wp-content/uploads/2021/07/Canada-Disability-Benefit-Vision-and-Design-July-2021-FINAL.pdf>

POLICY RECOMMENDATIONS

A MINIMUM INCOME FLOOR

PILLAR 4: UNATTACHED SINGLES

For many years now, Food Banks Canada's annual HungerCount report has highlighted that single working-age adults account for a consistently increasing percentage of the people who need help from a food bank.

Over the last decade, the percentage of single people using food banks has increased significantly, having grown from 38 per cent of households helped by a food bank in 2010 to almost half of all households helped (45 per cent) in 2022.

Looking at the staggering economic statistics for this group, it doesn't take long to determine why food banks have seen this jump. Using Canada's Official Poverty Measure (the Market Basket Measure), just under one in 10 Canadians live below the poverty line. If we look at only unattached (i.e., single) working-age people, that figure jumps to 33 per cent: one in every three single adults lives in poverty.⁸⁷

Of the nearly 2 million people living in deep poverty in Canada, 50 per cent of them are singles.⁸⁸ These individuals are living with incomes that are below 75 per cent of the already inadequate poverty line and on average, they're earning \$6,700 a year.⁸⁹

Given these statistics, it is hardly surprising that close to one in five single adults experience food insecurity and that so many need support from a food bank to make ends meet.⁹⁰

This is a population that, from a government program perspective, has few places to turn and seems to have been largely forgotten by federal and provincial governments. Many members of this group have mental health issues that are exacerbated by poverty and low incomes.

Many people in this situation have mental health issues that also go untreated because they have a lack of supports, are stuck in a cycle of inadequate social assistance or disability-related supports, or have lost a job and have nowhere to turn for new training and education programs to equip them to re-enter the workforce. All these issues have been exacerbated by the recent economic downturn and heightened cost of living.

For decades, governments have focused policies on specific subsets of the population, such as families and seniors, but have routinely overlooked single, working-age adults as a group that requires targeted action. Among those people who are unable to work, many are receiving social or disability assistance but cannot climb out of poverty because of the grossly inadequate supports and strict conditions that come with these programs. In other words, they are being held back by the system that is meant to help them.

⁸⁷ Food Banks Canada. (2017). *Nowhere to turn*. https://foodbankscanada.ca/nowhere-to-turn_final_en/

⁸⁸ Kapoor, G. T., Tabbara, M., Hanley, S., & McNicoll, S. (2022). *How to reduce the depth of single adult poverty in Canada: Proposal for a Canada working-age supplement*. Maytree. <https://maytree.com/wp-content/uploads/canada-working-age-supplement-report.pdf>

⁸⁹ Kapoor et al. *How to reduce the depth of single adult poverty in Canada*.

⁹⁰ Statistics Canada. *Household food security by living arrangement*.

POLICY RECOMMENDATIONS

A MINIMUM INCOME FLOOR

We recommend that the government:

1

Swiftly introduce the Canada Disability Benefit with assurance that no clawbacks will come from provincial governments and that harmony exists between provincial assistance levels and the federal program to bring all persons with a disability up to, or above the MBM.

A) Amend the MBM for persons with a disability to reflect the realities of a higher cost of living for those facing long-term disability.

4

Make single, low-income adults a priority consideration in all future poverty reduction measures, including an expanded and modernized EI, to ensure that this vulnerable population is no longer left behind.

2

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).

A) Within at least one pilot, consider a model based on the reformatting of the Canada Workers Benefit, where recipients do not need to have a base income to receive a minimum allotment.

B) 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.

5

Develop new mental health measures as part of future health accords with the provinces and territories that include a specific focus on the needs of single, working-age adults.

3

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).

6

Ensure all federal benefits are indexed to inflation and that agreements with provincial governments explicitly forbid clawbacks of provincial social supports for new federal benefit programs.