

# GAPS in the Social Safety Net

The pandemic has exposed some of the gaps in our social safety net. Programs designed to help vulnerable populations have been trimmed or reworked by various governments, leaving a complicated system of claw-backs and penalties. Those living below the poverty line have little hope of improving their situation.

## Pandemic effects on making ends meet

March 2020 was the largest decline in employment in 40 years. **2.1 million people worked fewer than half their normal hours.**

Pre-pandemic **46% of Canadians were less than \$200 away** from financial insolvency and **31% didn't earn enough to cover bills.**

IN 2019 CANADIANS OWED ABOUT **\$1.76 IN DEBT FOR EVERY DOLLAR** OF DISPOSABLE INCOME.

## Our social safety net is complicated

Programs are difficult to navigate, require regular reporting, and include claw-backs that are triggered by an increase in household income.

Those trying to improve their financial situation could inadvertently trigger **a reduction in income or benefits by working more or by combining households.**

## Alberta Works

Created to protect families from the impact of economic disaster.

- It is a last-resort income program.

**Benefits are well below the Low-Income Measure in Canada of \$24,642.**

- Includes basic health coverage such as prescriptions and dental.
- Income support only covers 37% of the basic monthly living costs (\$2,000) for a single Albertan.

**To qualify, an individual has to liquidate assets** with a few exceptions like a home or a car worth less than \$10,000. It eliminates assets and results in deeper poverty.

## Canada Emergency Response Benefit (CERB)/ Canada Recovery Benefit (CRB)

**CERB/CRB assistance complicates things for those receiving social assistance.**

- CERB/CRB doesn't cover reduced hours, employees with no work but not 'laid off,' or those who wish to leave unsafe working conditions.
- Alberta is treating CERB/CRB as earned income. A person on Alberta Works will have their CRB reduced dollar-for-dollar.

- CERB/CRB will be factored into income calculations, possibly reducing the rent subsidies.

**You can't access benefits if you leave your job to care for children.**

The Caregiving Benefit only applies if the child is under 12 and their daycare or school is closed.



## Working while receiving Alberta Works

Benefits are reduced by **75%** once they earn more money than their threshold:

- SINGLE INDIVIDUALS & SINGLE PARENTS** – \$230.
- COUPLES** – \$115 (for each working adult).
- DEPENDENT CHILDREN** not attending school – \$350.
- Working to increase income will result in benefits reduced to zero before they earn enough to reach the poverty line.
- A family member who is asked to work extra hours could trigger a claw-back in benefits.
- This creates a barrier for women who need financial autonomy from their partner.
- The claw-back system does not provide a stable or reliable source of support.



**Cutbacks due to CERB 10,000 FEWER ALBERTA HOUSEHOLDS RECEIVED ALBERTA WORKS DUE TO CERB ELIGIBILITY. 92% OF THESE HOUSEHOLDS ARE SINGLE ADULTS AND SINGLE PARENTS. 75% LIVE IN EITHER EDMONTON OR CALGARY.**

## Employment Insurance (EI) REGULAR BENEFITS ARE 55% OF THE AVERAGE INSURABLE WEEKLY EARNINGS UP TO \$595/WEEK.

### Enhancements due to COVID:

- CERB/CRB benefits the self-employed and freelance workers who would not qualify for EI.
- The qualifying period was reduced to 26 weeks and a worker only needed 120 hours to qualify.

### Limitations: Many workers don't qualify due to the type of work available including:

- short-term contracts or temporary agency employment.
- employers who lay off during slow and shoulder seasons, or manufacturers and tech firms that depend on contractual work.
- service-sector workers with erratic, part-time, or temporary schedules.

**Pre-pandemic, EI regular benefits were going to fewer than 30% of the unemployed in Canada's three largest labour markets: Toronto, Montreal and Vancouver.**

- In 2019 service-sector hourly workers averaged 28.3 hours weekly (including overtime). The qualifying hours for EI is based on a 35-hour week.
- This especially affects women, racialized workers, new immigrants, young adults, and working poor that tend to be in service jobs.



# Persons with Disabilities in Alberta

## Assured Income for the Severely Handicapped (AISH)

To be eligible for AISH a person's disability must severely and permanently impair them from finding paid employment.



In 2019/2020 **66,816** individuals received AISH.

### Who is on AISH?

Of those recipients on AISH, (Feb. 2021):

- 43.7% have physical disabilities
- 30.5% have mental illness disorders
- 25.7% have cognitive disorders
- 86% are single
- 42% of recipients are aged 50 to 64
- Are most likely to live in Edmonton (34.8%) or Calgary (29.4%)

### Adults who are disabled but do not qualify for AISH

A single person with a disability on Alberta Works receives **\$10,837**.

A single person who qualifies for AISH benefits receives \$20,222, nearly double.

### Living on AISH

A single person living on AISH receives **\$20,222 per year. \$4,422 below Canada's low-income threshold.**

Applying for subsidized housing and low-income discounts takes a toll. Having to ask for, and prove, that you need financial assistance is degrading and time-consuming. The stress of managing a disability on a low-income budget often takes its toll in stress and mental health.

### Ability to work

You are encouraged to work and earn income while on AISH.

A single individual can earn up to **\$1,072 per month before their benefit is reduced**. Between \$1,072 - \$2,009 is 50% exempt and then reduced dollar-for-dollar.

- A person can work only about 17 hours per week at minimum wage (3.5 hours per day) without it affecting their benefit.
- Some employers do not want to take the time to train someone for so few hours.

### Finding work while disabled

There are organizations that assist people with disabilities in finding work including Employabilities, AbilityCanada, and Inclusion Alberta.

Employers and employees can receive disability-related employment supports.

### COVID Supports and AISH

A one-time non-taxable payment of \$600 in recognition of the expenses incurred by persons with disabilities during the pandemic.

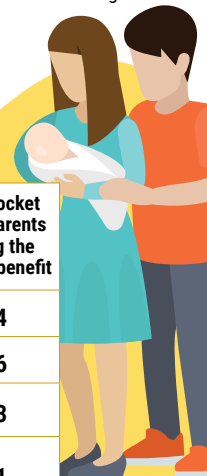
## Monthly budget for a single 55-year-old male living on AISH

Paid on the 1st of the month so some expenses need to be saved from the previous month to pay it on time.	<b>\$1,685</b>
Housing (subsidized rent, including utilities)	<b>\$568</b>
Monthly bus pass - reduced rate with proof of income.	<b>\$35</b>
Basic internet**	<b>\$13</b>
Basic cell phone (including GST)	<b>\$36.75</b>
Tenant insurance	<b>\$15</b>
Groceries based on the Nutritious Food Basket Edmonton for a single male aged 51-70 years. Food only \$71.22/week.	<b>\$284.88</b>
Hygiene and non-food grocery expenses estimate (beverages, toiletries, cleaning supplies, etc.)	<b>\$50</b>
Medications not covered by AISH	<b>\$400</b>
Medical therapy not covered by AISH	<b>\$39</b>
Laundry (2 loads per week at \$2.50/wash and \$2.50/dry)	<b>\$40</b>
Clothing	<b>\$50</b>
Savings, entertainment, household goods, and all other	<b>\$153.37</b>

\*\*Internet for Good is available from Telus for 24 months. After that, regular pricing. Pandemic-related expenses, and a GST rebate are not taken into account in this budget.

## Child Benefits

### Alberta Child Care Subsidy



FOR DAYCARE	Alberta Child Care Subsidy maximum benefit	Median monthly child care costs in Edmonton	Out-of-Pocket cost for parents receiving the maximum benefit
Infant (under 12 mo.)	\$741	\$1,075	<b>\$334</b>
Toddler (12-18 mo.)	\$741	\$917	<b>\$176</b>
19 to 36 month	\$644	\$917	<b>\$273</b>
Pre-schooler (37 month to Grade 1)	\$644	\$875	<b>\$231</b>

The benefit allowance is based on income, child's age, and type of care (subsidies are lower for day homes). The benefit does not align with the typical pricing structure of daycare (infant, toddler, pre-schooler). A birthday would trigger a change in the amount of out-of-pocket expenses even if the child was still considered a toddler.

### Subsidies falling short

Child care subsidies were increased by 18% from the 2008 rate. But if rates had kept up with inflation in Alberta, they would have been 17.7% more than the increase.

The benefit is complicated to calculate, with many variables and rules. You must apply and be assessed before you could know if you are eligible and for how much.

ECF @ WORK

*In 2020, 22% (\$437,900) of COVID relief funding distributed by Edmonton Community Foundation went to the distribution of food and other basic needs.*

## Role of Charities

In Canada, charitable organizations play a crucial role in the social safety net by providing important services not provided by government services.

- Charities rely on local donations of labour and money to provide services efficiently.
- **There is no guarantee that services are available equitably or programming won't be cut due to lack of funding.**



### Doing more with less

- **Nearly 40% of Canadians say their donations have decreased** since the COVID-19 pandemic.
- **Service need has increased** as have costs to ensure the health of their staff and volunteers.
- They are doing more with **fewer donations and volunteers.**