

Welfare Rates Need To Be Raised

In 2002 the BC government introduced new welfare policies that have significantly reduced income assistance rates and increased the barriers to getting assistance. These changes have led to suffering and hardship for recipients.

**Please note that the following information may have been directly taken from the publications referenced

Welfare Rates Today

Welfare rates for a single 'employable' adult have not increased since 1991 (City of Vancouver. Homeless Action Plan 2005)

Single 'employable' adults aged 18-64 receive a benefit rate of \$510 (Ministry of Employment and Income Assistance, 2005). This person has \$325 for shelter and \$185 for living expenses, which is slightly more than \$6 a day.

Using SPARC BC's calculations, at these levels, welfare benefits provide only enough income to cover 41 per cent of a single person's living costs (SPARC BC. Left Behind. A comparison of living costs and employment assistance rates in British Columbia, 2005).

A single parent with one child receives a benefit rate of \$961. This benefit rate puts this family at 48% of the poverty line according to LICO measures (CCPA and SPARC BC. A Bad Time to Be Poor, 2003).

The reduction in income assistance has deeply impacted the well being of its recipients.

Homelessness

The number of homeless people in Greater Vancouver has almost doubled from 1,121 persons in 2002 to 2,174 persons in 2005 (SPARC BC. On Our Streets and In Our Shelters. Homeless Count 2005)

A significant amount of homeless people did not access income assistance because they are not eligible, perceive they are not eligible (SPARC BC. On Our Streets and In Our Shelters. Homeless Count 2005) or because they cannot do all the things that have to be done to apply for welfare. Having access to income assistance is a critical step in decreasing the number of homeless people in the Greater Vancouver region (SPARC BC. On Our Streets and In Our Shelters. Homeless Count 2005).

Housing

Average monthly rents in Vancouver are approximately double the amount of the shelter component for a single person seeking a bachelor unit, a family of three seeking a three-bedroom unit, and a family of four seeking a three-bedroom unit (City of Vancouver. Homeless Action Plan, 2005).

The 2003 average monthly rent for a bachelor suite in Vancouver is \$654, the maximum monthly shelter allowance for a single person is \$325. Calculated as a percentage, the average rent for a bachelor suite in 2003 was 201% of the maximum monthly shelter allowance (City of Vancouver. Homeless Action Plan, 2005).

Single Room Occupancies (SRO's) have historically provided affordable housing to people who are receiving income assistance. These units used to be rented for about the same amount as the shelter component of (\$325/month). However, the rents have been increasing. The average monthly rent for SRO units in the Downtown Core in March 2003 was \$351 (SPARC BC. 3 Ways to Home: Regional Homeless Plan Update.

In the Downtown Eastside only 19% of rooms rent for \$325 or less (City of Vancouver. 2005 Survey Low-Income Housing in the Downtown Core)

There are 40,000 people living in 20,500 households in the Vancouver who are at risk for homelessness because they live in housing that is unaffordable, inappropriate and inadequate and cannot afford to rent housing that meets all three needs (City of Vancouver. Homeless Action Plan, 2005).

The shelter portion of welfare does not come close to covering actual shelter costs. Only 61% of the shelter costs for single parents with one child are met down from 64% in 2002 and 66% in 2001 (SPARC BC. Left Behind. A comparison of living costs and employment assistance rates in British Columbia, 2005).

Living Needs

The support portion of income assistance continues to decline in terms of its ability to meet the minimum monthly support costs of its recipients. The 1982 support allowance for a single adult when converted into 2005 dollars is \$355.48. The Ministry of Employment and Income Assistance in 2005 provided single adults with a support allowance of \$185. The current allowance has far less purchasing power now than it did over two decades ago. A single adult receives just over half the amount he or she would have received in support in 1982 (SPARC BC. Left Behind. A comparison of living costs and employment assistance rates in British Columbia, 2005).

Food Insecurity

A key contributor to poverty and food insecurity is the growing inadequacy of social assistance rates, which have not kept up with the rising costs of living and do not provide sufficient allowances for the purchase of an adequate diet (SPARC BC. Canada's Food System: Does it exclude our most vulnerable people? 2005)

Those living on income assistance are three times more likely to report food insecurity (Food insecurity in Canadian households. Health Reports, 2001)

The most important barrier to healthy eating is an inadequate income (Determinants of Healthy Eating Among Low-Income Canadians, 2005).

People receiving welfare assistance as their primary source of income continue to make up the largest group of food bank users. In 2005, 51.6% of food bank clients in Canada were receiving welfare. This suggests that welfare rates in Canada do not do enough to ensure food security for low income Canadians (Canadian Association of Food Banks. 2005).

There is a well-researched connection between poverty, food security and health. Life expectancy decreases and health declines as income decreases (Canadian Institute for Health Information, 2004).

Individuals from food insufficient households are more likely to report poor health, multiple chronic conditions (heart disease, diabetes, high blood pressure), major depression and distress and food allergies (Household Food Insufficiency is Associated with Poorer Health, 2003)

Ability to Look for Work

Social assistance allocates no financial support to help people become employable (e.g. clothing, glasses, bus passes) (City of Vancouver. Homeless Action Plan. 2005). Spending support money on searching for work means less money for food and living necessities on an already inadequate support allowance.

'Revitalizing' Communities

Welfare spending helps community businesses. Unlike money spent by government on tax loopholes for the rich, money spent by the government on welfare goes directly into the community where people live to pay for rent, transportation, food and other living costs. If welfare rates were set at human levels, it would help revitalize the Downtown Eastside and other low-income communities (Carnegie Community Action Project. Newsletter, December 15, 2005)

Barriers to Accessing Welfare Need to Be Ended

The City of Vancouver's Tenant Assistance program is finding an increasing number of street homeless persons who are not on, or eligible for welfare. In 2001, about 15% of the street homeless were not on welfare. By early 2004, this had increased to 50%, and by summer 2004, more than 75% of the street homeless reported they are not on welfare. (City of Vancouver. Homeless Action Plan, 2005).

Changing access to welfare would have a significant effect on reducing the homelessness that we see on the streets everyday. It would then be possible for people to have money for rent and move inside (City of Vancouver. Homeless Action Plan, 2005).

Many of British Columbia's new policies actually discourage work re-entry, most notably the elimination of earning exemptions, cuts to child care, cuts to transition-to-work assistance and the \$6 training wage (CCPA & SPARC BC. A Bad Time to Be Poor, 2003).

Earning exemptions served the important function of helping people engage in work experience and provided a vital top-up for people to supplement their welfare income. The elimination of earning exemptions is so misguided that even the right-wing Fraser Institute objects to it (CCPA & SPARC BC. A Bad Time to Be Poor, 2003).

The Ministry of Employment and Income Assistance has increased the earning exemptions for persons with disabilities while axing the benefits of the non-disabled suggesting that receiving benefits is contingent on if you are identified as 'deserving poor' or not (CCPA & SPARC BC. A Bad Time to Be Poor, 2003).

Eligibility has been tightened with the introduction of the three-week wait. People without any income are being asked to look for work without in many cases the financial support to do so. (CCPA & SPARC BC. A Bad Time to Be Poor, 2003)

Since the changes in 2002 there has been a 56% overall decrease in the number of clients on welfare. The number of children receiving welfare has subsequently declined and hence has been presented as a positive trend where fewer children are growing up in welfare dependent families. However, child poverty rates in BC are the highest of all the provinces. Caseload reductions do not amount to poverty reduction (SPARC BC. Left Behind. A comparison of living costs and employment assistance rates in British Columbia).

The elimination of an accessible option of working, volunteering, or seeking further education; and the non-existence of transportation subsidies to facilitate locating paid work has caused the Ministry use of the term "employable" to

become increasingly more debatable (VSW. Lobbying for Change to the BC Employment and assistance regulations)

Increase Minimum Wages

The historical reason behind the introduction of the minimum wage was to protect Canada's most vulnerable workers. However, the incomes of minimum wage workers are insufficient in affording shelter and basic living necessities undermining the principle of our minimum wage.

Incomes of the working poor are inadequate to afford decent housing (City of Vancouver. Homeless Action Plan, 2005)

While the \$8 minimum wage is the highest in Canada, most households earning this amount in Greater Vancouver would not be able to afford an apartment at the average rent. An individual earning \$8 an hour for 35 hours a week would receive \$1,213 per month or \$14,560 per year. If this individual were to support a family of three in an average housing unit with 2 bedrooms (\$965) they would be spending 80% of their wages on their housing alone (City of Vancouver. Homeless Action Plan, 2005)

In 1975 minimum wage was 122% of the poverty line. British Columbia's 2005 minimum wage of \$8 is only 80% of the poverty line. The training wage is 60%. (Carnegie Community Action Project. Newsletter)

Of all poor children in Canada, one third have parents who worked full time for the whole year (Campaign 2000. Decision Time for Canada: Let's Make Poverty History: 2005 Report Card on Child Poverty in Canada)

People with jobs constitute the second largest group of food bank clients, at 13.1%. Anecdotal evidence in the Hunger Count 2005 report shows that the majority of food bank clients with jobs are employed at low wages. The expansion of the low-wage economy has generated more working poor who, even with full time jobs are unable to meet basic needs for themselves and their families (Canadian Association of Food Banks)

Get Rid of the \$6 Training Wage

A two-tiered minimum wage structure implies that workers with no previous work experience are less productive than those who have such experience (Economic Security Project. Child Labour and Training Wages: Are British Columbia's New Employment Standards Fair to Youth? 2005)

A lower wage for employment that does not need or include training is unjustifiable (Youth Unemployment and employment policy: A global perspective, 2001).

International Labour Organizations are guided by non-discriminatory practices that provide equal remuneration for work of equal value. British Columbia's 'training' wage is discriminatory towards its youth (Youth Unemployment and employment policy: A global perspective, 2001) and to other groups who are receiving it.

The training wage has been implemented to lower BC's youth unemployment rate. A popular misconception is that the majority of minimum wage earners are teenagers living at home in middle-class families. They are not.

- 61% are adults 19 years of age and over
- 64% are women, and
- 48% have some post-secondary education (www.6buckssucks.com)