

The Big Picture: Poverty, Inequality and the Role of Social Assistance

Andrew Sharpe

Centre for the Study of Living Standards

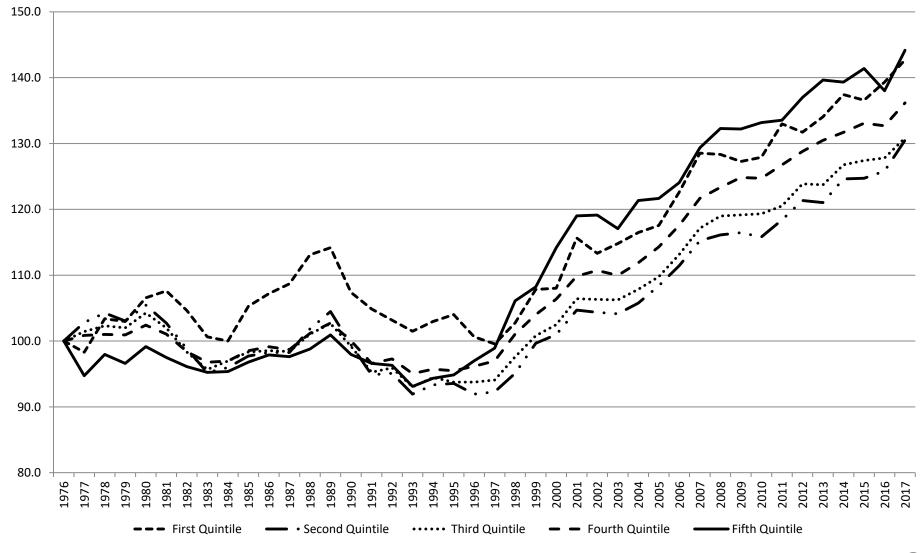
Presented at

Expert Forum on First Nations Social Assistance Reform, Assembly of First Nations, Ottawa, Ontario

September 3, 2019

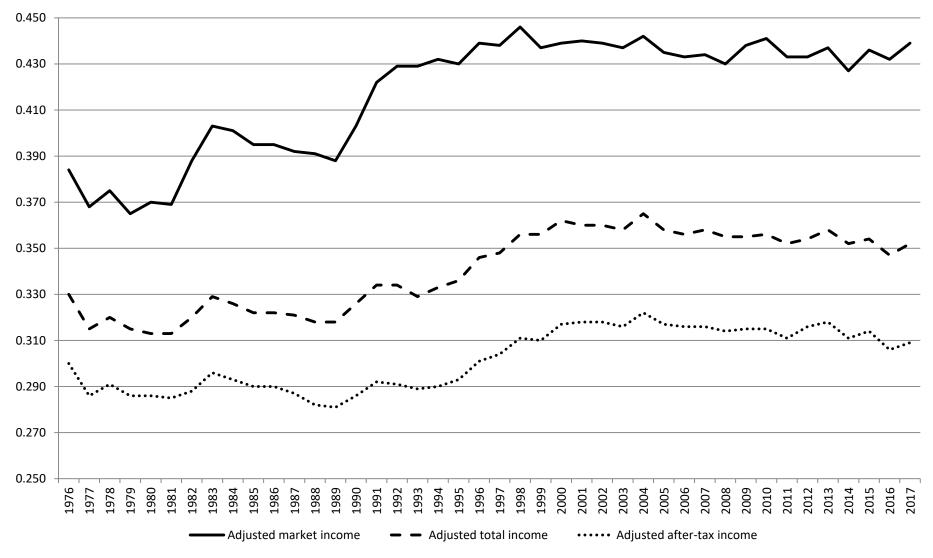
SECTION I: THE MAINSTREAM PICTURE

Canada Average After-Tax Income by Quintile of Economic Families (1976=100)



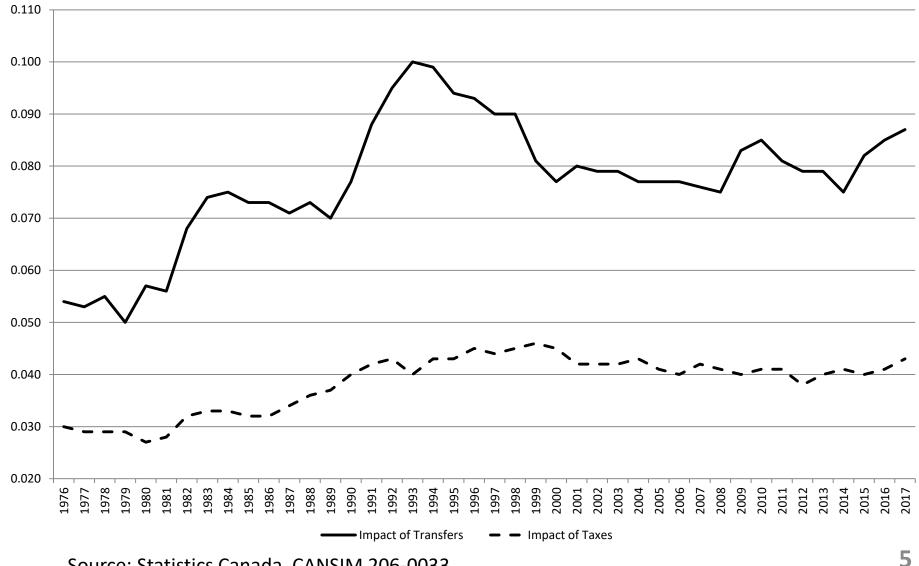
Source: Statistics Canada, CANSIM 206-0031

Gini Coefficients of Adjusted Incomes Canada (1976-2017)



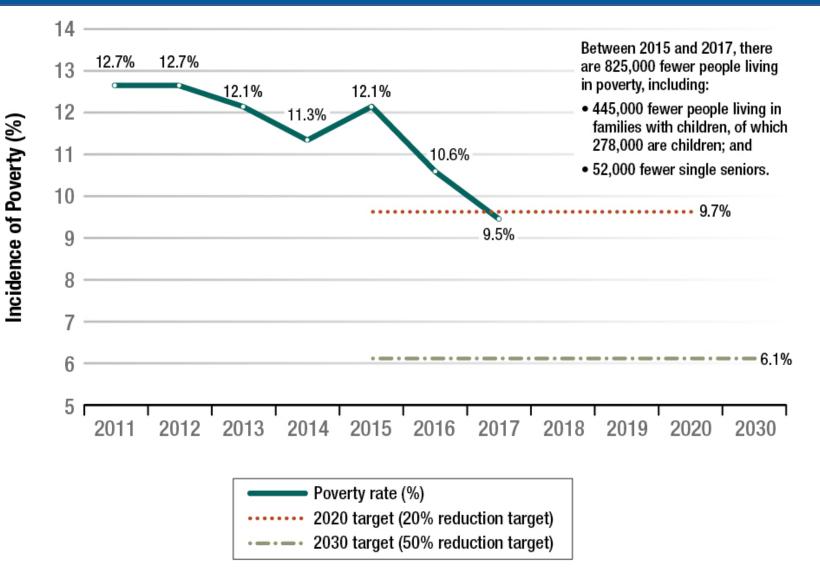
Source: Statistics Canada, CANSIM 206-0033

Impact of Taxes and Transfers on GINI Coefficient (1976 - 2017)

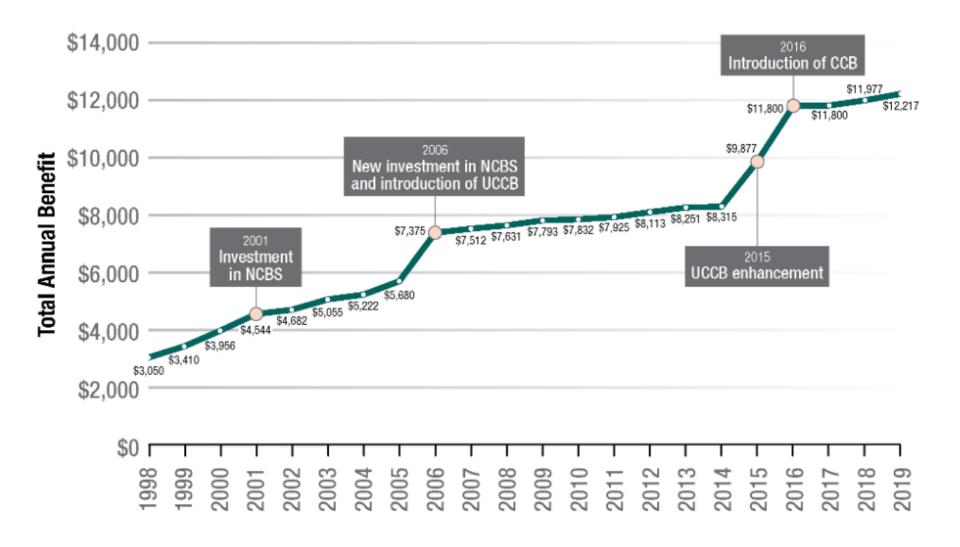


Source: Statistics Canada, CANSIM 206-0033

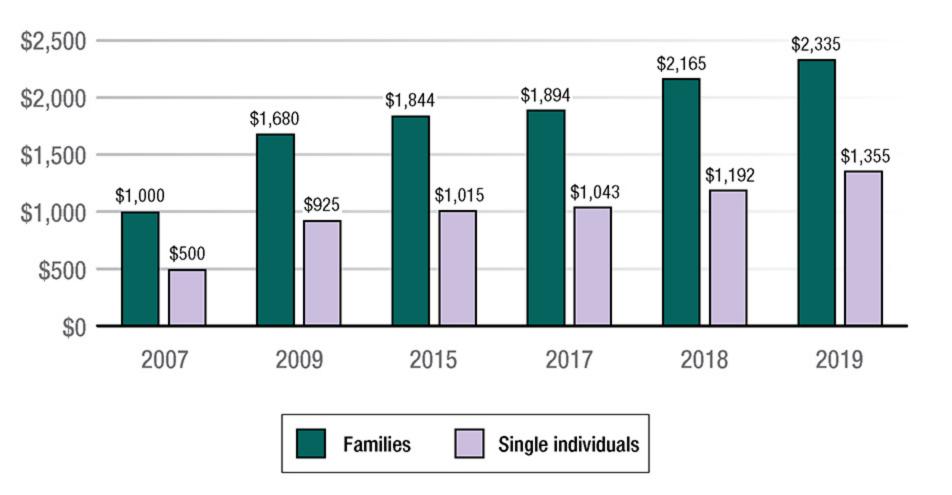
Poverty Reduction, Canada's Official Poverty Line, 2011-2017



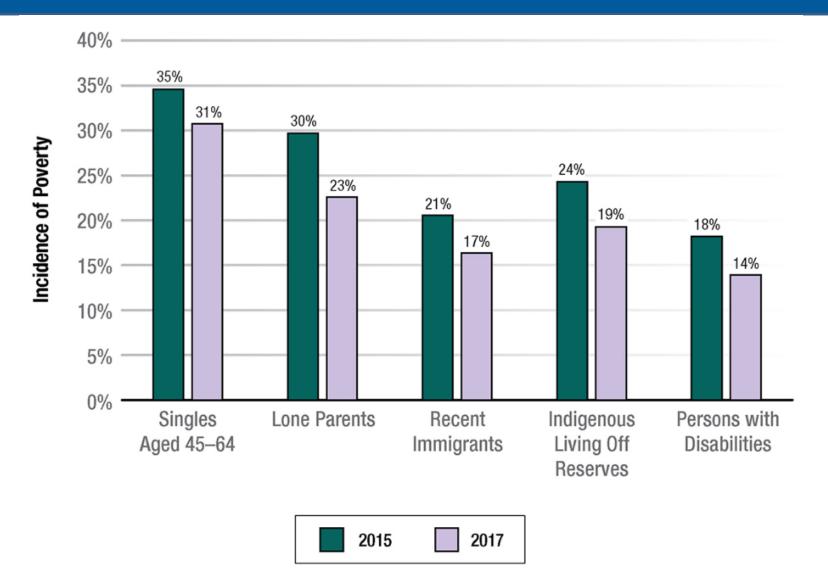
Maximum Federal Child Benefits for a Reference Family with Two Children (One Child Under the Age of 6 and One Child Aged 6-17), 1998-2019



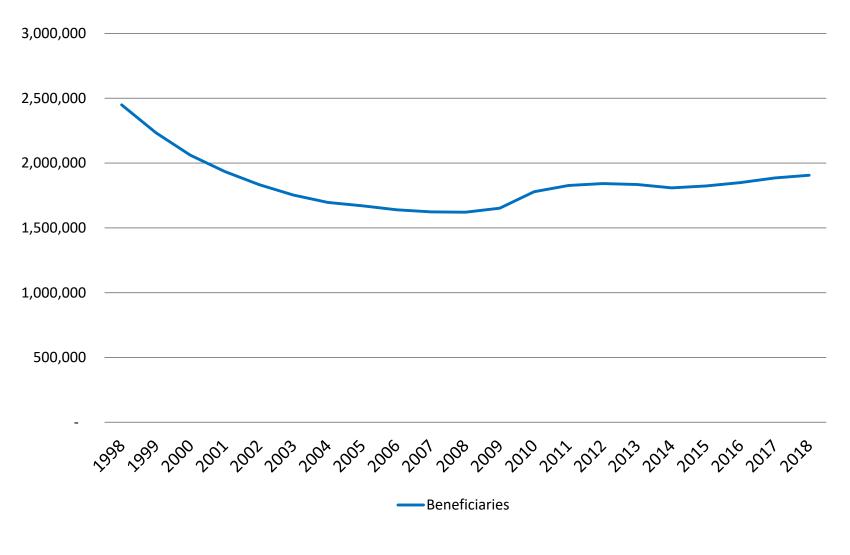
WITB/CWB Enhancements for Families and Single Individuals (Maximum Benefit Level by Year)



Poverty Rates for Canadians Most at Risk of Living in Poverty, 2015-2017

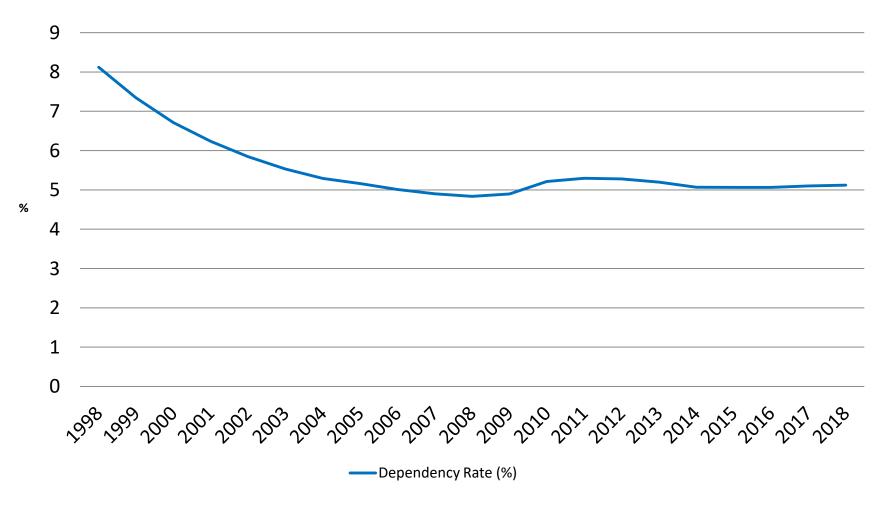


Total Social Assistance Beneficiaries in Canada, 1998-2018



Source: Maytree, 2019, Social Assistance Summaries 2018

Dependency Rate in Canada, 1998-2018



Source: Maytree, 2019, Social Assistance Summaries 2018

11

Provincial and National Dependency Rates, 2006 and 2018

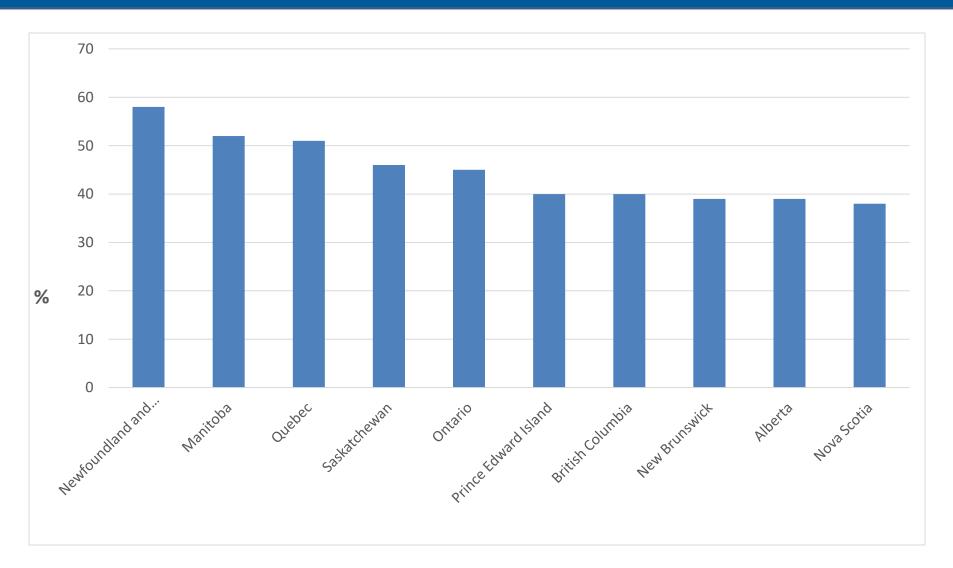
| | Dependency Rate | | |
|--|-----------------|------|--------|
| | | | % |
| | 2006 | 2018 | change |
| Nunavut | 46.0 | 37.5 | -18.6 |
| Northwest Territories | 4.6 | 6.8 | 49.6 |
| Ontario | 5.6 | 6.6 | 17.8 |
| Newfoundland and Labrador | 8.9 | 6.3 | -29.6 |
| Manitoba | 5.1 | 5.3 | 4.5 |
| Canada | 5.0 | 5.1 | 3.4 |
| Saskatchewan | 4.9 | 4.9 | 0.1 |
| Quebec | 6.7 | 4.9 | -27.3 |
| New Brunswick | 6.1 | 4.8 | -22.5 |
| Nova Scotia | 5.3 | 4.0 | -24.8 |
| British Columbia | 3.4 | 3.8 | 13.5 |
| Prince Edward Island | 4.8 | 3.5 | -27.1 |
| Yukon | 3.5 | 3.4 | -3.7 |
| Alberta Source: Maytree, 2019, Social Assistance Summai | ries 2018 | 2.2 | 47.5 |

Annual Welfare Incomes from Benefits by Province, 2017

| Jurisdiction | Single Person | Single Person with | Single Parent, One | Couple, Two |
|------------------|---------------|--------------------|--------------------|-------------|
| | Considered | a Disability | Child | Children |
| | Employable | | | |
| Alberta | \$8,027 | \$10,225 | \$19,743 | \$28,989 |
| | | (or \$19,705) | | |
| British Columbia | \$8,124 | \$13,096 | \$19,795 | \$25,976 |
| Manitoba | \$9,494 | \$12,132 | \$21,364 | \$29,483 |
| New Brunswick | \$7,122 | \$9,837 | \$19,920 | \$26,412 |
| Newfoundland and | \$11,379 | \$11,579 | \$23,364 | \$29,178 |
| Labrador | | | | |
| Nova Scotia | \$7,433 | \$10,264 | \$18,182 | \$27,663 |
| Ontario | \$9,461 | \$14,682 | \$21,136 | \$30,545 |
| Prince Edward | \$7,900 | \$10,229 | \$20,619 | \$32,135 |
| Island | | | | |
| Quebec | \$9,083 | \$12,741 | \$21,536 | \$29,657 |
| Saskatchewan | \$8,820 | \$11,276 | \$21,086 | \$29,776 |
| | | (or \$15,645) | | |
| Northwest | \$25,358 | \$26,260 | \$40,932 | \$48,357 |
| Territories | | | | |
| Nunavut | \$5,950 | \$8,600 | \$17,012 | \$28,708 |
| Yukon | \$17,820 | \$21,474 | \$33,082 | \$48,915 |

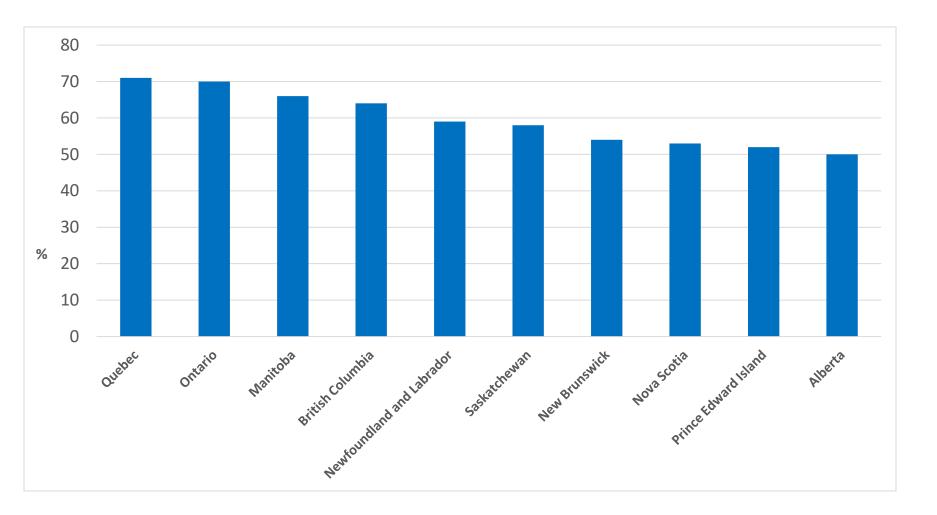
Source: Maytree, 2018, Welfare in Canada 2017

Welfare Income for Single Employable Adult as Percentage of MBM, 2017

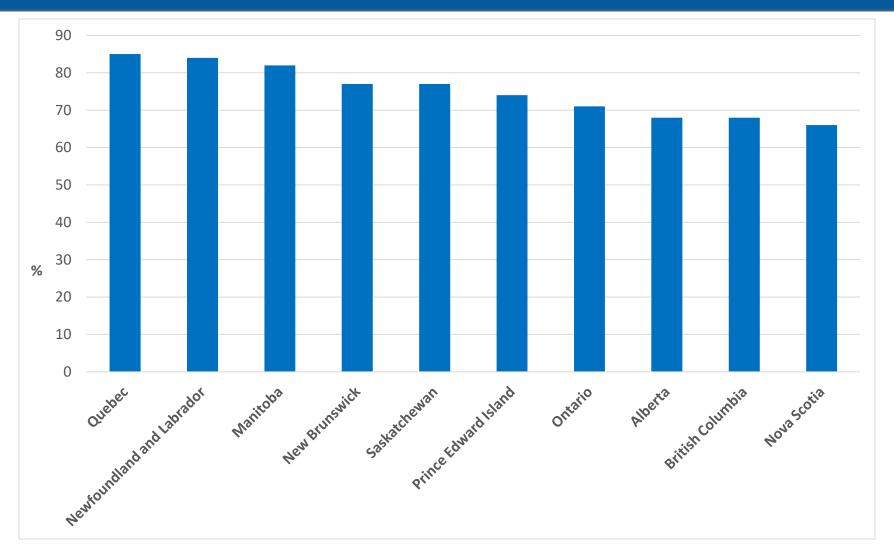


Source: Maytree, 2018, Welfare in Canada 2017

Welfare Income for Single Adult with Disability as Percentage of MBM, 2017

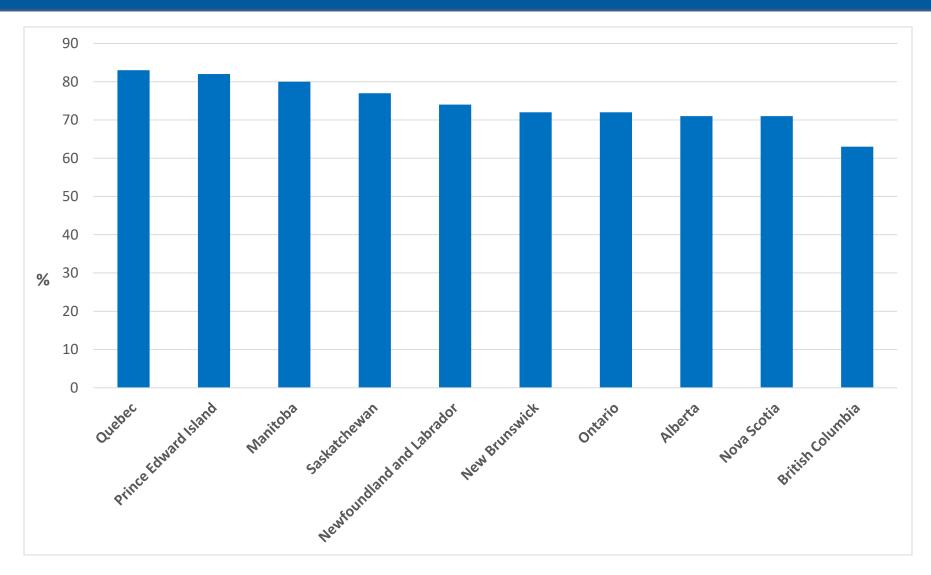


Welfare Income for Single Parent with Child as Percentage of MBM, 2017



Source: Maytree, 2018, Welfare in Canada 2017

Welfare Income for Couple with Two Children as Percentage of MBM, 2017



Source: Maytree, 2018, Welfare in Canada 2017

Provincial Liquid Asset Exemptions, 2018

| | Asset Levels – Exemptions | | |
|-----------|---------------------------|------------------------|--|
| Provinces | Single Person Household | Multi-Member Household | |
| NB | \$1,000 | \$2,000 | |
| NS | \$2,000 | \$4,000 | |
| PEI | \$2,500 | \$3,500-5,000 | |
| NL | \$3,000 | \$5,500 | |
| MB | \$4,000 | \$8,000-16,000 | |
| BC | \$2,000 | \$4,000 | |
| AB | \$627 | \$1,125-1,612 | |
| QC | \$1,500 | \$2,500 | |
| ON | \$10,000 | \$10,500-16,000 | |
| SK | \$1,500 | \$3,000-4,000 | |
| NU | \$500 | \$1,000 | |
| NT | \$300 | \$380-560 | |
| YT | \$500 | \$1,000-1,600 | |

Source: Maytree, 2018, Welfare in Canada 2017 and provincial websites

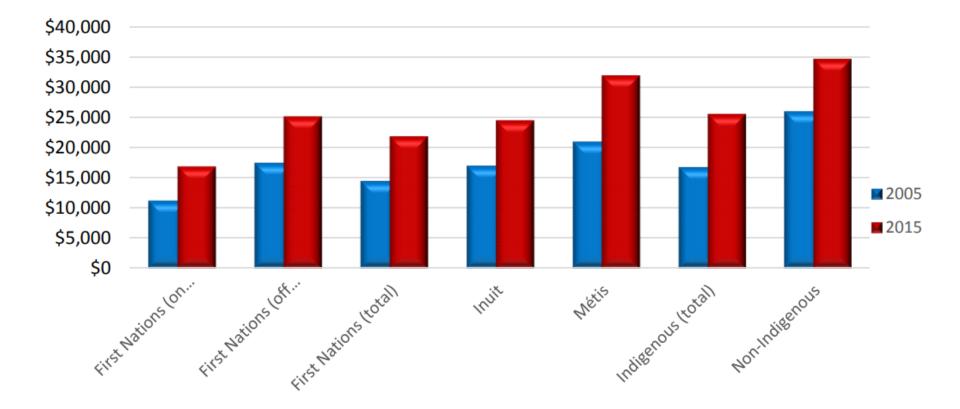
Monthly Earning Exemptions and Reduction Rates, 2017

| | For single employable adultSingle Parent with 1 Child or Couple with 2 Children | | | |
|-------------|--|----------------|---------------|----------------|
| Province or | Exempt Net | Reduction Rate | Exempt Net | Reduction Rate |
| Territory | Earnings (\$) | (%) | Earnings (\$) | (%) |
| BC | 200 | 100 | 400 | 100 |
| AB | 230 | 75 | 230 | 75 |
| SK | 0 | 100 | 125 | 100 |
| MB | 200 | 70 | 200 | 70 |
| ON | 300 | 75 | 300 | 75 |
| QC | 200 | 100 | 200 | 100 |
| NB | 150 | 70 | 200 | 70 |
| NS | 250 | 25-75 | 250 | 25-75 |
| PEI | 250 | 70 | 400 | 70 |
| NL | 75 | 80 | 150 | 80 |
| YT | 100 | 50 | 150 | 50 |
| NT | 200 | 85 | 400 | 85 |
| NU | 200 | 100 | 400 | 100 |

Source: Maytree, 2018, Welfare in Canada 2017 and provincial websites

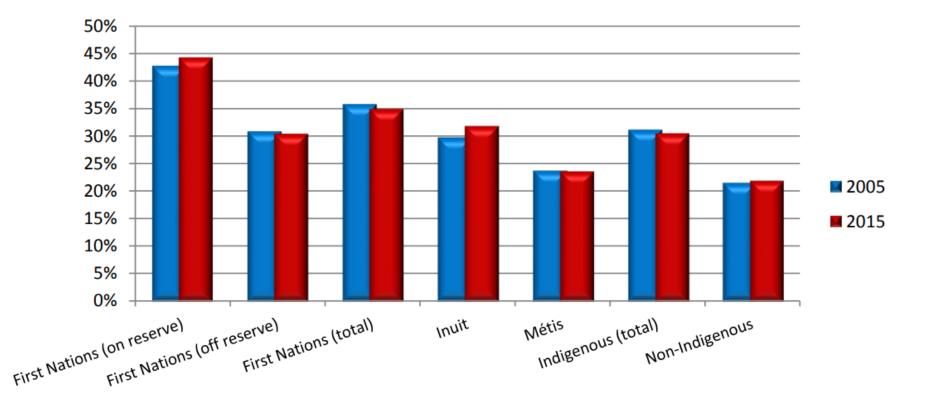
SECTION II: FIRST NATIONS ON RESERVE

Median Income (15 years and older) by Identity Group, 2005 and 2015, Canada



Source: The National Indigenous Economic Development Board, 2019, *The Indigenous Economic Progress Report*

Proportion of Individuals (15 years and older) with Main Source of Income from Government Transfers by Identity Group, 2005 and 2015, Canada



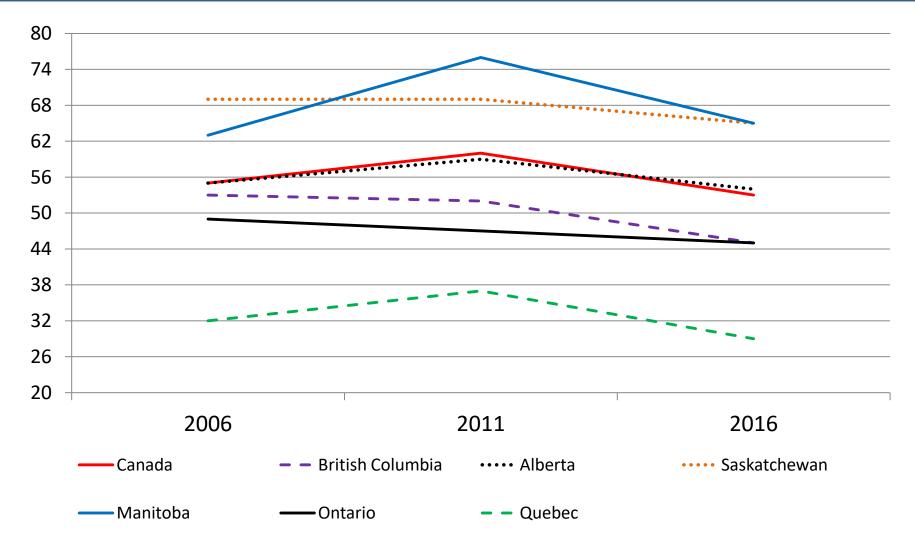
Source: The National Indigenous Economic Development Board, 2019, *The Indigenous Economic Progress Report*

Prevalence of Low Income among First Nation and Non-Indigenous Adults, 2005-2015

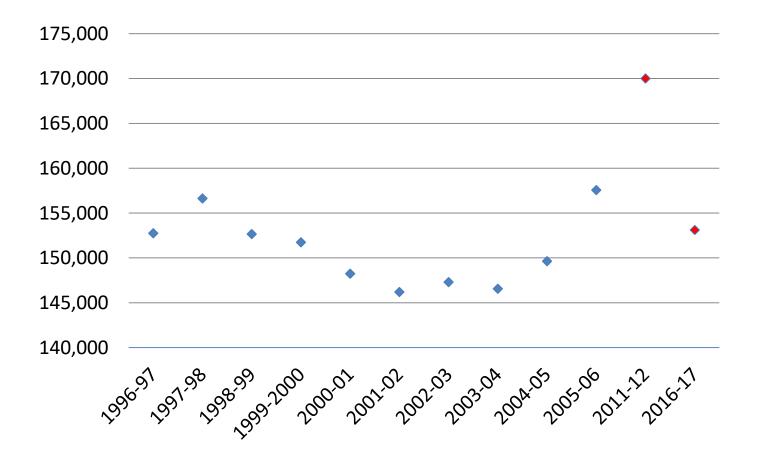
| Year | First Nations | Non-Indigenous |
|------------------------------|---------------|----------------|
| 2005 economic family members | 26.8 | 8.4 |
| 2005 unattached individuals | 49.6 | 28.1 |
| | | |
| 2010 | 30.4 | 14.5 |
| | | |
| 2015 | 29.7 | 13.8 |

First Nations data is for registered Indians living either on or off reserve. The low income measure used in 2005 is the Low Income Cut-off After Tax (LICO-AT). In later years it is Statistics Canada's Low Income Measure After Tax (LIM_AT). Source: Statistics Canada Catalogues 97-564-XCB2006004; 99-014-X2011043; and 98-400-X2016173.

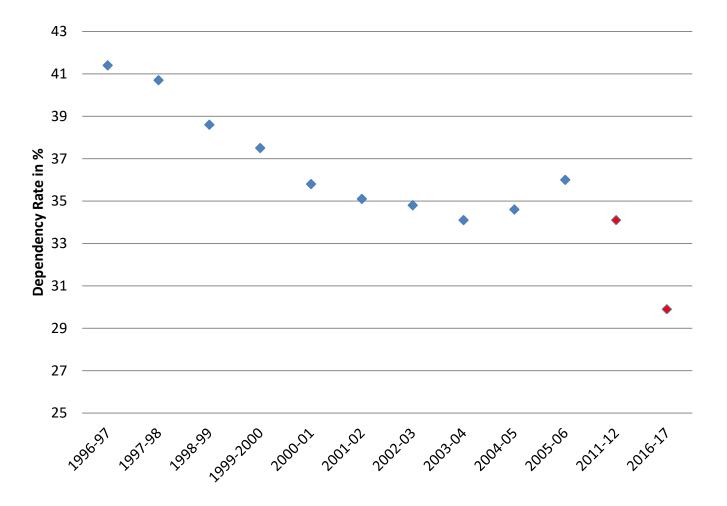
LIM-AT Poverty Rates (%) for On-Reserve Status First Nations Children, 2006-2016



Source: Beedie, Natasha, David Macdonald, and Daniel Wilson (2019), *Towards Justice: Tackling Indigenous Child Poverty in Canada*



Dependency Rate in On-Reserve, 1996-97 – 2005-06



Source: Audit and Evaluation Sector INAC, 2007 and Indigenous Services Canada, 2019

26

| Year | Males | Females | Total |
|------|-------|---------|-------|
| | | | |
| 2007 | | | 33.9 |
| | | | |
| 2012 | 39.9 | 35.8 | 37.9 |
| | | | |

2007 data comes from the First Nation Regional Health Survey (FNRHS) coordinated nationally by the First Nation Information Governance Centre (FNIGC). Respondents are adults living on reserve who were asked if social assistance accounted for some or all of their income in 2007. The 2012 data reflects national estimates calculated from the First Nation Regional Early Education and Employment Survey (FNREES) using a similar question as in 2007 but for the year 2012. Respondents are adults less than 65 years of age. Data provided by FNIGC.

Social Assistance as an Income Source: Nova Scotia On Reserve

| Year | Males | Females | Total |
|---------|-------|---------|---|
| 1996 | | | 51 per cent |
| | | | |
| 2001 | 43.7 | 54.2 | |
| | | | |
| 2007 | 51.0 | 52.9 | |
| | | | |
| 2013-14 | | | 49.0 personal income 53.8 household income |

Data from 1996 through 2007 comes from the First Nation Regional Health Survey for Nova Scotia, administered by the Union of Nova Scotia Indians (UNSI). For 1996, the survey asked adults living on reserve what was the main source of income in the previous year. Subsequently, the question asked whether the respondent used social assistance for some or all of their income. The 2012 data comes from the First Nation Regional Early Education and Employment Survey (FNREES) also administered by UNSI. FNREES includes data from 9 Nova Scotia communities and 3 from New Brunswick/PEI. Both surveys are coordinated nationally by the First Nation Information Governance Centre (FNIGC). 28