

ALBERTA'S INCOME SUPPORTS ARE KEEPING PEOPLE POOR

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Table 12: COMPARISON OF 2016 WELFARE INCOMES WITH 2016 LOW-INCOME CUT-OFFS (LICO After-Tax)

	Total Welfare Incomes	2016 LICO	Poverty Gap	Welfare Incomes as % of LICO
single employable (ETW)	\$7,798	\$20,675	-\$12,877	37.7%
person with disability (BFE)	\$9,998	\$20,675	-\$10,677	48.4%
person with disability-AISH	\$19,474	\$20,675	-\$1,201	94.2%
single parent, one child	\$18,416	\$25,163	-\$6,747	73.2%
couple, two children	\$26,738	\$39,092	-\$12,354	68.4%

Source: Tweddle, A., Battle, K. and Torjman, S. (2017) *Canada Social Report: Welfare in Canada, 2016*. Ottawa: Caledon Institute of Social Policy.

More than ever before, those receiving Alberta Works and Assured Income for the Severely Handicapped (AISH) payments are at higher risk of living in poverty than that of the rest of the population. Inadequacies in the current provincial income support programs entrench more people reliant on those income support programs below the poverty line. This can lead to persistent difficulties that, in turn, put further demands on not only the individual, but those closest to them. In our current framework, provincial government income supports such as AISH, Alberta Works Expected to Work (ETW) and Alberta Works Barriers to Full Employment (BFE) are not enough, placing substantial challenges on individuals and families throughout the province. Over the last three years, inflation has risen 4.56% while provincial government subsidies have not. As caseloads continue to rise, AISH (15.3% from 2014-2017), ETW (50.5% from 2015-2018) and BFE (21.9% from 2015-2018) (Government of Alberta, 2018), more Albertans are facing poverty as a result of relying on the programs that are meant to help them.

Living in deep poverty is inevitable for individuals receiving Alberta Works. Within the ETW and BFE programs, a single person might receive as little as \$649.83/month (37.7% of LICO 2016) and \$833/month (48.4% of LICO 2016) respectively. AISH is designed to support Albertans whose disability limits their ability to earn employment income. Unfortunately, the quality of life becomes severely restricted due to how little recipients receive. AISH recipients are receiving \$1,588/month, which has remained unchanged since April of 2012, and represents 94.2% of the Low-Income Cut Off After-Tax (LICO-AT 2016) (see table).

As of fall 2017, the average one-bedroom apartment in Calgary cost \$1,025/month (CMHC, 2017). This amounts to 64.5% of a monthly AISH payment. As a result, housing alone becomes a significant drain on one's monetary resources. Families with children and other dependents are met with other challenges that strike deeply into the needs of the household. Unsurprisingly, many of those who qualify for income supports continue to struggle to make ends meet, relying on family, credit, loans, and limited employment opportunities to pay for their basic needs (Alberta Disabilities Forum, 2017). Those living in low income with a disability are further at risk due to the complex nature of the medical

system. Living without proper supports in navigating these systems can be an incredibly isolating experience. Due to the inadequate level of assistance, single individuals and families become increasingly disadvantaged, experiencing enhanced difficulties accessing the resources to participate actively in society.

Recommendations

Individuals relying on Alberta Works and AISH have substantial barriers in place throughout their lives that impede the ability to succeed. We have five recommendations for the Alberta Government to address this growing concern:

- (1) Index AISH and Alberta Works to inflation to help achieve and maintain adequate supports.
- (2) Increase asset limits for AISH and Alberta Works to generate the ability to maintain long-term financial security.
- (3) Raise the allowable earned income amounts so occasional, part-time earnings are not clawed back.
- (4) Encourage inclusive employment integration for those living in low income to reduce the reliance on government monetary transfers.
- (5) Support the public and private sector to redefine employability within the work place for those living with a disability.

Implementing these recommendations will help create an environment that both addresses the systemic barriers in place and alleviates the personal and familial stress and deep financial insecurity incurred as a result of inadequate government transfers.

Sources

Alberta Disabilities Forum. (2017) *Alberta's AISH Program Participants Live in Poverty*, 1-14.
 Canada Mortgage and Housing Corporation [CMHC]. (2017) *Rental Market Report, Calgary CMA*.
 Government of Alberta. (2018). *Income Support Caseload, Alberta*. Community and Social Services