

## Five years later and still hurting

April 1<sup>st</sup> marks the 5<sup>th</sup> anniversary of the BC government's 2002 welfare cuts and rule changes.

Since that time homelessness has at least doubled and BC has more people living below the poverty line than any other province.

What happened in 2002 and did the February welfare increases make up for it?

**Barriers to getting on welfare:** In 2002 the government introduced many new extreme barriers to getting on welfare. The three week wait means that after a person first seeks welfare, they have to wait three weeks before even being allowed to formally apply. The arbitrary two-year independence test means you have to give extensive documentation proving you have worked for two years prior to getting welfare. And administrative barriers like the requirement for multiple appointments to get a cheque, and for the completion of computer-based orientation, keep people in need from getting help when they desperately need it. While BC's Ombudsman forced the Ministry of Employment and Income Assistance to change procedures so that—at least in theory—people in emergency need can by-pass the three week wait, the other barriers still apply, and advocates report that numerous people in dire need still can't get immediate help. These barriers were cited by Vancouver's Homeless Action plan as being the main reason that homelessness doubled between 2002 and 2005. All of these barriers are still in place after the February, 2007 budget.

**Rates:** In BC the welfare cheque is made up of a shelter part, for rent, utilities and phone, and a support part for everything else. In 2002 the BC government cut:

- \$51 a month from single parents' support;
- \$47 a month from support of single people aged 55-59;
- \$98 a month from single people aged 60-64;
- \$94 a month from couples aged 55-59;
- \$145 a month from couples aged 60-64;
  
- \$55 a month from three person family for shelter;
- \$60 a month from four person family for shelter;
- \$75 a month from five person family for shelter.

For people in the expected to work category, when you take inflation into account, rate increases in the Feb., 2007 budget have meant that a single person, aged 18 to 54 is now \$30 a month better off than they were in 2002, but people who are single, aged 55 to 64, couples, or one or two parent families are \$24 to \$332 per month worse off (see table below).

**Earnings exemption:** In addition, the government ended the \$200 earnings exemption for families and \$100 for single people who not qualify for disability. This meant that

any money earned and declared is deducted from the welfare cheque of people in these categories. Only people who have the Persons with Disability and Persons with Multiple Barriers status are able to keep any earnings. BC is the only province in Canada that does not allow welfare recipients to keep some of the money they earn. While the earnings exemption for people with disabilities was increased (now it's \$500), only a minority of people in these categories is able to benefit from it. The 2007 budget did not change this.

**Maintenance exemption:** The 2002 rules also ended the monthly \$100 maintenance exemption for families with children. This means that all child support money paid to families on welfare by ex spouses goes to the Ministry and not the child. The 2007 budget did not change this.

**The big picture:** Because of government policies such as the 2002 welfare "reforms" BC has a higher percentage of people living below the poverty line than any province in Canada, and the highest rate of child poverty. Homelessness has doubled. The February, 2007 budget didn't change these facts.

Raise the Rates ([www.raisetherates.org](http://www.raisetherates.org)) is a coalition of groups that want these changes to government policy:

- raise income assistance rates by 50%;
- end the arbitrary barriers to getting welfare;
- allow everyone on assistance to keep the first \$500 they earn;
- raise minimum wage to \$10 an hour and end the \$6 an hour training wage.

**What the United Nations says about Canada's record on poverty:** The UN Committee on Economic, Social and Cultural Rights in its May 2006 review of Canada's record (1998-2006) in meeting its obligations under international law (the ICESCR) to respect, protect and fulfill economic, social and cultural rights identified 33 Principal Subjects of Concern and made 40 Recommendations (UNESCO: E/C.12/CAN/Co/5, 1 - 19 May, 2006).

In particular it noted that:

- \*Most of its 1993 to 1998 recommendations had not been implemented;
- \*Insufficiency of minimum wage and social assistance benefits to ensure and adequate standard of living;
- \*11.2 percent of population still living below the poverty line (2004) with higher rates for Aboriginal peoples, African Canadians, immigrants, persons with disabilities, youth, low-income women and single mothers;
- \*federal transfers for social assistance do not include standards in relation to the rights set forth in the International Covenant on Economic, Social and Cultural Rights, including the right to social security;
- \*social assistance benefits are lower than a decade ago and do not ensure and adequate standard of living; deep concern about the National Child Benefit claw back system;
- \*7.4% of the population (2.3 million people) suffers from food insecurity;
- \*homelessness still not being adequately addressed.

Key recommendation: The Committee recommends that federal, provincial and territorial legislation be brought in line with Canada's obligations under the Covenant, and that such

legislation should protect poor people in all jurisdictions from discrimination because of economic or social status.

The key point is that BC continues to act in violation of its obligations under international law to respect, protect and fulfill the fundamental rights of vulnerable British Columbians to food, clothing and shelter.

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|    | A                | B          | C         | D   | E         | F   |
|----|------------------|------------|-----------|---|-----------|---|
| 1  | Expected to Work |            |           |   |           |   |
| 2  | Household Type   | Age        | 2001 rate | What recipients would have needed in 2007 to keep up with inflation | 2007 rate | Gap between 2007 rates and what claimants would have needed to keep up with inflation from 2001 rates |
| 3  | single           | 18-54      | \$510     | \$580   | \$610     | \$30  |
| 4  |                  | 55-59      | \$557     | \$634   | \$610     | (\$24)  |
| 5  |                  | 60-64      | \$608     | \$692   | \$610     | (\$82)  |
| 6  | couple           | 18-54      | \$827     | \$942   | \$877     | (\$65)  |
| 7  |                  | 55-59      | \$921     | \$1,049   | \$877     | (\$172)   |
| 8  |                  | 60-64      | \$972     | \$1,107   | \$877     | (\$230)   |
| 9  | 2 parents        | 1 child    | \$1,118   | \$1,273   | \$1,061   | (\$212)   |
| 10 |                  | 2 children | \$1,266   | \$1,142   | \$1,101   | (\$41)  |
| 11 | single parent    | 1 child    | \$1,004   | \$1,143   | \$946     | (\$197)   |
| 12 |                  | 2 children | \$1,201   | \$1,368   | \$1,036   | (\$332)   |