
PRESS RELEASE

FOR RELEASE DECEMBER 10, 2008

New Report: Poverty line is being cracked, but not broken
Cross-Canada action needed as economy worsens, National Council of Welfare says

Toronto, December 10 – While incomes for most Canadians on welfare were stuck far below the poverty line, some cracked that line in 2007, the newest report by the National Council of Welfare says. But tough economic times mean it will be tough to really break through, unless comprehensive, nationwide action is taken, says the advisory body to the federal government.

Welfare Incomes, 2006 and 2007 looked at the circumstances of Canadians on welfare in all provinces and territories. The study by the National Council of Welfare found that in the case of the lone parent with a pre-school age child living in Quebec, welfare income for 2007 reached 100 per cent of the Market Basket Measure (MBM), a poverty line measurement that takes into account the cost of meeting basic needs in different parts of Canada.

In the case of the lone parent with a pre-schooler in Newfoundland and Labrador, welfare income slightly surpassed the MBM, at 103 per cent.

“This information is considered significant because welfare incomes in Canada have historically been only a fraction of the real costs of survival and far below the poverty line”, said John Rook, Chair of the Council. “This means that lone-parent incomes, which include social assistance and federal child benefits, have reached a level that begins to give these families a reasonable chance in life. Even more encouraging, Quebec and Newfoundland and Labrador have poverty reduction strategies in place where social assistance is part of a larger, integrated framework with links to child care, health, education, and labour market policies. This can truly help people to get ahead.”

At the same time, however, the report found that single employable people receive welfare incomes at less than half of the MBM in most provinces, far below any measure of poverty or decency.

These incomes range from a low of 27 per cent of the MBM to a mere 67 per cent even in the best of cases. The Council is also concerned about the maze of rules and regulations that can trap welfare recipients and often discourages or even prohibits them from helping themselves out of poverty.

For example, people on welfare can keep little or none of their earnings if they can find some employment, which can discourage them from looking for work. Administrative rules vary throughout the country, but the new report details consistently how qualifying for welfare is a complicated, cumbersome and stigmatizing process.

.../2



As the economy deteriorates, the National Council of Welfare is concerned that the number of Canadians facing hardship will likely grow. In addition to welfare recipients, there are people who manage to leave the welfare system on their own, and others who can't qualify, have been cut off or won't sacrifice their assets or dignity to apply, Rook noted. While some may get ahead, others may be trading one form of poverty for another, and that is not good news for Canada anytime, especially not now.

"A comprehensive, pan-Canadian strategy to solve poverty is needed", Rook added. "It should have targets and timelines, a plan of action, accountability and measurable indicators." Many partners must be involved. Canada is not unique. "For any nation to solve poverty or foster prosperity there must be government action, political will and a real recognition of the human face of poverty."

Media contact:

Carrie Breckenridge (613) 552-3527

The report and additional documentation are available at www.ncwcnbes.net.

For hard copies of the report, contact:

The National Council of Welfare
112 Kent Street, 9th Floor
Place de Ville, Tower B
Ottawa, Ontario K1A 0J9

Telephone: (613) 957-2961

Fax: (613) 957-0680

The National Council of Welfare is an independent body established to advise the federal government on issues related to poverty and social development.

Welfare Incomes, 2006 and 2007 estimates total welfare incomes in the 13 provinces and territories for four types of households: a single employable person; a single person with a disability; a lone parent with a two-year old child, and; a two-parent family with two children aged 10 and 15. There are 53 scenarios in all because Alberta has an additional program for persons with disabilities. The NCW has produced similar estimates since 1986.