

## Methodology Used for *Welfare Incomes*

*Welfare Incomes* looks at the total income received by 4 different welfare households in each province and territory, for a total of 52 scenarios.

Welfare income includes income from provincial or territorial welfare, child benefit and tax credit programs, plus federal child benefits and tax credits.

The four household types are:

- ⇒ a single person;
- ⇒ a single person with a disability;
- ⇒ a lone parent with a 2-year-old child;
- and
- ⇒ a couple with children aged 10 and 15.

We make the following **ASSUMPTIONS** about these households.

- ⇒ They live in the **LARGEST CITY** in each province or territory.
- ⇒ They are **TENANTS** in the private rental market.
- ⇒ The single person and the couple are **FULLY EMPLOYABLE** and the person with a disability has a **LONG-TERM, CERTIFIED DISABILITY**. The lone parent's **AVAILABILITY FOR EMPLOYMENT VARIES** between provinces and territories, depending on the **AGE OF THE YOUNGEST CHILD**.
- ⇒ They are on assistance for the **ENTIRE CALENDAR YEAR**.

We calculate benefits on a month-by-month basis, taking into account any increases or decreases that occurred between January and December.

When looking at incomes over time, we adjust all figures for increases in the cost of living. We use the Consumer Price Index to do this.

In the absence of an official poverty line, we use Statistics Canada's before-tax, low income cut-offs (1992 base year).

Please refer to *Welfare Incomes 2005* for additional details.