

Budget Paper E

REDUCING POVERTY AND PROMOTING SOCIAL INCLUSION

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Manitoba 

REDUCING POVERTY AND PROMOTING SOCIAL INCLUSION

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■ ALL ABOARD

Manitoba's Poverty Reduction and Social Inclusion Strategy (ALL Aboard) was launched in May 2009.

Manitoba has made progress over the past decade. In 2010 (the most recent year for which data are available), there were 16,000 fewer Manitobans living in poverty than in 2000. But there is still much to be done.

Manitoba took a major step forward in 2011, when *The Poverty Reduction Strategy Act* was passed. The act recognizes that certain populations are at greater risk of experiencing social exclusion and poverty, and that the programs and initiatives designed to address these concerns must be accessible to all Manitobans who need them. The legislation links Manitoba's ALL Aboard Strategy to the annual provincial budget and establishes the ALL Aboard Committee, which consists of cabinet ministers and community representatives. The committee advises the government on the development and implementation of poverty reduction initiatives, monitors the implementation of the strategy, and facilitates community involvement in this work.

The act also states that the Manitoba government must set indicators that measure progress in reducing poverty and increasing social inclusion. Twenty-one indicators were included in regulation in 2012. They cover critical areas such as low income, employment, earnings, income inequality, education, housing, labour force participation, early childhood development, health and social engagement. The data collected will provide government with an annual picture of progress, and help identify trends over time. The first ALL Aboard annual report will be published in September 2013.

Setting Priorities

These are challenging economic times, not just in Manitoba, but also in Canada and around the world. The current national and international economic context is one of public fiscal restraint and economic uncertainty. Manitoba is taking a balanced approach, looking for efficiencies and savings, while maintaining important investments that are laying the groundwork for Manitoba's future prosperity and protecting front-line services that Manitobans rely upon. Maintaining a focus on supports for the most disadvantaged Manitobans is even more important in uncertain times.

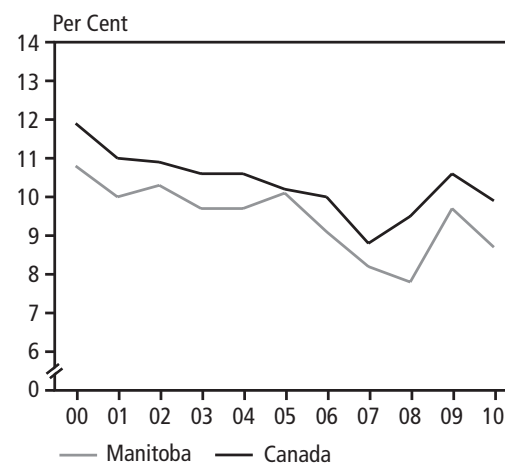
Making progress on poverty reduction in this context will be difficult, but it remains a government priority. To be successful, the Manitoba government must work with federal, municipal and First Nations governments, businesses, labour, Aboriginal

"We believe all people deserve a high quality of life and the opportunity to realize their potential. Poverty reduction is an important part of our plan to build our economy and our communities. However, poverty reduction is more than just sound economic development. Taking action to reduce poverty is the right thing to do.

The solutions to poverty lie with all Manitobans: all levels of government, businesses, community groups, educators and citizens, striving together for a strong, successful province."

ALL Aboard: Manitoba's Poverty Reduction and Social Inclusion Strategy, 2012

Low Income Rates for Canada and Manitoba, 2000-2010



Note: Low income rates using Market Basket Measure
Source: Statistics Canada

organizations, and community agencies. Manitoba is committed to building on the progress made so far, continuing to take action to reduce poverty. In keeping with that commitment, a new ALL Aboard Strategy released in May 2012 outlined seven priority areas for the next four years:

1. building blocks for employment
2. targeted supports for those most in need
3. food security
4. housing
5. closing the gap for Aboriginal Manitobans
6. creating opportunities for youth
7. early childhood development and parenting supports.

Investing in the Future

In early 2013, the Manitoba government held consultations across the province to hear from Manitobans about these priorities and the best ways to invest in poverty reduction and social inclusion. The consultations included 10 public meetings in six regions, an online/print survey and a request for written submissions.

Participants were asked about what is working well, what needs improvement and what new initiatives they would recommend to include in the action plans. Participants spoke about the many ways that high housing costs and the lack of social and affordable housing cause hardships for low-income Manitobans, including increased food bank use, difficulty getting and keeping jobs, and difficulty participating in training and education programs.

Participants also pointed out that increasing prices have eroded the value of Employment and Income Assistance (EIA) benefits. They spoke about the desire of low-income Manitobans to be financially independent and about the accessible, flexible supports needed to help them find and keep well-paying jobs. The importance of access to quality child care was stressed by many participants, both to help reduce poverty and to improve the well-being of Manitoba children.

The consultations also underscored the need for government initiatives to better reflect the diversity of the population, allowing for and welcoming regional and other differences. Participants also spoke about the many ways in which low-income Manitobans are excluded from opportunities to participate in their communities – directly, because of costs and indirectly, because of discriminatory attitudes.

Later in 2013, a report back to Manitobans about what was heard, and the final action plans, will be published, which will guide government's poverty reduction and social inclusion initiatives until 2016. The Manitoba government is committed to ongoing community engagement, including reaching out to those living in poverty, as these action plans are developed and implemented.

■ KEY ALL ABOARD INITIATIVES IN BUDGET 2013

Based on the feedback and priorities identified through consultations on the preliminary All Aboard Action Plans, Budget 2013 responds with targeted initiatives that aim to:

- increase and sustain the supply of rental housing;
- enhance income supports and income tax credits;
- strengthen training and workforce development supports; and
- improve access to child care.

New Social and Affordable Housing: Budget 2013 introduces a new, three-year commitment that includes \$114.3 million for 500 new social housing units, and \$25 million for 500 affordable housing units over three years. These commitments are in addition to Manitoba's previous commitment to establish 1,500 new affordable housing units and 1,500 social housing units between 2009 and 2014.

Restoring, Repairing and Redeveloping Housing: Over the next three years, the Manitoba government will invest \$100 million annually to restore and redevelop housing units in its portfolio. An additional \$34 million will be dedicated annually to repair existing stock and provide quality home environments for tenants.

Tax Credit for Development of Rental Housing: Budget 2013 introduces a new Residential Housing Construction Tax Credit to support the development of new rental and affordable rental units. This eight per cent tax credit will be available for construction of new rental units where at least 10 per cent of the units have rents at, or below, affordable rental rates.

Improving Rent Regulation: There will also be changes to the provincial rent regulation framework to ease large rent increases linked to renovations for tenants in units subject to rent regulation.

Shelter Benefits: Budget 2013 enhances RentAid shelter benefits for low-income Manitobans, increasing these benefits for all recipients by \$240 per year, and increasing and simplifying income and rent thresholds for RentAid, allowing more people to qualify. Budget 2013 also introduces the RentAid Transition Bonus, a benefit of \$110 per month for up to two years for EIA recipients in private rental situations transitioning into training or employment, who are otherwise ineligible for RentAid.¹ These initiatives result in a total increased investment of over \$6.3 million in new, annualized benefits for low-income Manitobans.

Budget 2013 also commits the Manitoba government to the long-term objective of improving, and streamlining portable shelter benefits to better support transition to financial independence.

Seniors' Education Property Tax Credit: The Seniors' Education Property Tax Credit will increase from a maximum of \$1,025 in 2012, to \$1,100 in 2013, for seniors with household incomes up to \$40,000. An estimated 31,000 seniors' households – homeowners and renters – will receive an average \$151 above their basic \$700 Education Property Tax Credit.

Basic Income Tax Exemptions: Basic income tax exemptions will increase by \$250 in 2013, removing another 5,500 low-income Manitobans from the income tax rolls. Another \$250 increase in 2014 will remove an additional 5,500 Manitobans from the tax rolls.

Building Blocks for Employment: *Manitoba's Strategy for Sustainable Employment and a Stronger Labour Market* will be launched this spring. Employers need workers with specific skills and abilities, and many Manitobans need sustainable,

¹ The RentAid Transition bonus will replace the Rewarding Work Rental Allowance, which was limited to \$50 per month for one year, for EIA recipients in private rental situations transitioning to employment who were otherwise ineligible for RentAid.

meaningful jobs. This strategy links these two complementary priorities, to build prosperity for the entire province. It focuses on those who have faced challenges finding and retaining jobs. It includes:

- a new, comprehensive approach to workforce development;
- restructuring and modernizing Manitoba's EIA program; and
- providing new wrap-around supports for EIA recipients who are transitioning to training and employment.

Early Childhood Development and Parenting Support: Manitoba continues to increase support for early learning and child care, and Budget 2013 makes investments in new child-care spaces. This includes \$25 million to build new or expand existing child-care facilities and additional funding for 2,000 child-care spaces by 2015. As a first step, funding will be provided for 386 new child-care spaces in 2013/14. With the capital projects previously approved, it is anticipated that approximately 1,000 new child-care spaces will open in 2013/14.

■ MAKING PROGRESS: EMPLOYMENT AND INCOME ASSISTANCE

The Manitoba government has made it a priority to support low-income Manitobans in achieving their full potential. It has put in place policies and programs to tackle the root causes of poverty, with a balanced approach of new income supports and targeted education and training opportunities.

In 1999, the government inherited a welfare system that included a clawback of National Child Benefit payments and a welfare fraud hotline. Since then, the government has reversed these regressive measures and has taken action to better support EIA participants and low-income Manitobans by:

- ending the clawback of federal child benefits, returning an average of \$48 million per year to low-income parents;
- exempting the Universal Child Care Benefit, Registered Education Savings Plans, Canada Student Grants, monetary gifts from family to persons with disabilities (up to \$500 per month), and asset building accounts, as sources of income when calculating benefits;
- introducing and increasing RentAid for EIA recipients, with the benefit more than doubling since it was introduced in 2006;
- extending RentAid shelter benefits beyond EIA recipients to low-income Manitobans, and increasing this benefit; and
- introducing the Portable Housing Benefit, the monthly rent supplement of up to \$200 to EIA participants with mental health issues.

Since 1999, the benefit incomes of Manitobans who receive EIA have increased from 18 per cent to 41 per cent depending on family type, including the RentAid increase of \$240 per year introduced in Budget 2013.

Increases in Total Monthly Benefit Income (Federal and Provincial) for EIA Participants: 1999 - 2013

Family Type	Income in 1999	Income in 2013	% Increase
	(Dollars)		
Single Parent with Two Children (ages 10 and 13)	1,253	1,674	33.6
Two Adults with Two Children (ages 4 and 6)	1,288	1,809	40.5
Single Adult – General Assistance	463	607	31.1
Single Person with a Disability	695	823	18.4

The Manitoba government has also taken a number of steps to support individuals as they move from EIA into meaningful employment. The Rewarding Work strategy includes incentives to increase the advantages of employment over receiving EIA, while making it easier to move into the workforce. Examples of this support include the Job Seekers' Allowance, the Rewarding Work Allowance, the Rewarding Volunteers Benefit, the Rewarding Work Health Plan, the Rewarding Work Rent Allowance and one-time payments to assist with initial employment expenses.

Manitoba's new *Strategy for Sustainable Employment and a Stronger Labour Market* will build on the Rewarding Work initiative to further help EIA recipients identify and reach their employment goals. Target groups will be provided with wrap-around training supports and enhanced benefits to help ensure transitions to work are successful and sustainable. Additionally, partnerships and supports for employers will be enhanced to ensure that training activities are geared towards labour market needs, and qualified individuals are matched with available jobs.

MEASURING PROGRESS

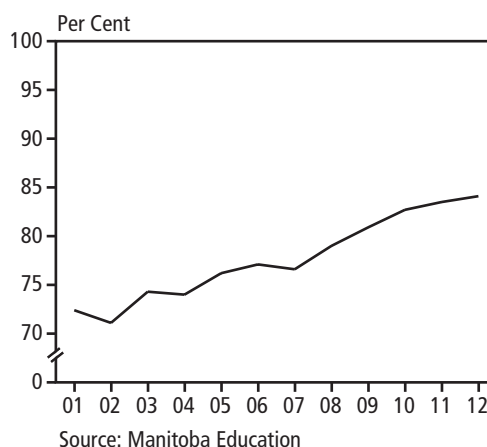
Manitoba is making progress in reducing poverty. Between 2000 and 2010 (the most recent year for which data are available), the percentage of Manitobans living in poverty was reduced from 10.8 per cent, down to 8.7 per cent. This means 16,000 fewer Manitobans living in poverty.

Low Income in Manitoba: Ten-Year Trends

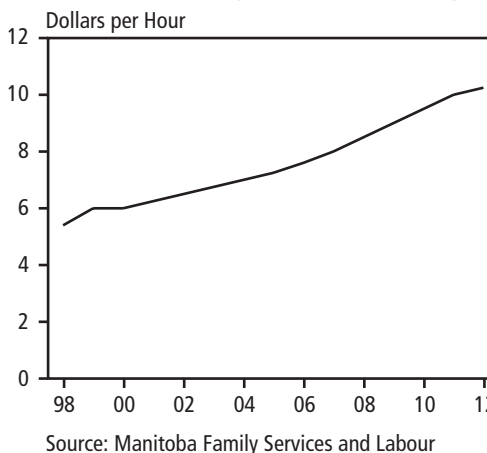
	Rate 2010 (Per Cent)	Manitoba Ranking 2010	Change 2000-2010 (Per Cent)
Overall	8.7	2	19.4 ↓
Children	10.9	5	27.8 ↓
Persons in Single Parent Families	30.8	7	24.3 ↓
Seniors	1.6	1	23.8 ↓
Aboriginal Persons	17.2	6	22.9 ↓
Persons with Disabilities	12.0	2	14.3 ↑

Source: Statistics Canada, Survey of Labour and Income Dynamics, Market Basket Measure

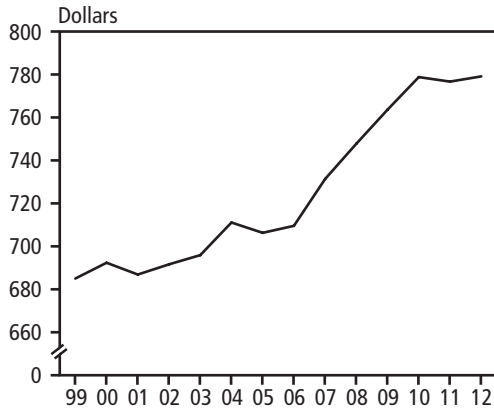
High School Graduation Rates, 2001-2012



Manitoba Hourly Minimum Wage



Average “Real” Weekly Earnings in 2012 Dollars, 1999-2012



Note: Earnings adjusted to account for inflation
Source: Statistics Canada, Labour Force Survey

Because of systemic barriers, some Manitobans are more likely to experience poverty. However, the poverty rate for many of these people, including children, single parent families, seniors and Aboriginal Manitobans (living off reserve), decreased between 2000 and 2010. While more remains to be done, these are positive trends. The low income rate for Manitobans with disabilities increased during this time period. While Manitoba has the second-lowest rate of low income in Canada, this increase highlights both a need for improvement and an opportunity to help more Manitobans with disabilities find and keep well-paid jobs.

Highlights

- There are fewer Manitobans living in poverty – a decrease of 16,000 between 2000 and 2010.
- Fewer of Manitoba’s children are living in poverty – a decrease of 12,000 between 2000 and 2010.
- The minimum wage was increased to help the lowest-income earners and their families. Manitoba’s current minimum wage is \$10.25 per hour.
- More people are working. Manitoba’s employment rate in 2012 was 65.4 per cent, compared to 61.8 per cent for all of Canada. There were 88,300 more Manitobans employed in 2012 than in 1999.
- More young Manitobans are graduating from high school. Manitoba’s high school graduation rate has increased from 72.4 per cent in 2001 to 84.1 per cent in 2012.
- Manitobans are earning more. Average weekly earnings have increased from \$533 in 1999 to \$779 in 2012, an increase of 46.2%. After adjusting for inflation, the average weekly earnings in Manitoba increased from \$685 in 1999 to \$779 in 2012, an increase of 13.7 per cent.

More information about ALL Aboard is available at www.manitoba.ca/AllAboard.

■ APPENDIX

MANITOBA'S INDICATORS OF POVERTY REDUCTION AND SOCIAL INCLUSION

INDICATOR	SOURCE OF INFORMATION
High school graduation rate	Manitoba Education
Participation in adult learning programs	Manitoba Advanced Education and Literacy
Average weekly earnings	Statistics Canada, Labour Force Survey
Employment rate	Statistics Canada, Labour Force Survey
Minimum wage rate	Manitoba Family Services and Labour
Low income rate	Statistics Canada, Survey of Labour and Income Dynamics
Income inequality	Statistics Canada, Survey of Labour and Income Dynamics
Post-secondary education participation	Statistics Canada, Labour Force Survey (Custom Tabulation)
Early development instrument scores	Healthy Child Manitoba Office
Availability of child care	Manitoba Family Services and Labour
Number of children in care	Manitoba Family Services and Labour
Teen birth rate	Manitoba Health, Statistics Canada–Vital Statistics (Custom Tabulation)
Potential years of life lost by income quintile	Manitoba Health
Prevalence of chronic diseases by income quintile	Manitoba Health
Continuity of physician care	Manitoba Health
Average number of persons receiving co-ordinated home-care services	Manitoba Health
Number of people using Access Centres	Manitoba Health, Manitoba Family Services and Labour
Total units of social and affordable housing (Manitoba Housing and Renewal Corporation)	Manitoba Housing and Community Development
Households in core housing need	Canada Mortgage and Housing Corporation
Sense of community belonging	Statistics Canada, Canadian Community Health Survey

