

MAKE POVERTY HISTORY

October 7, 2016

Implement a Comprehensive Poverty Reduction Plan and Prioritize an Increase to the Basic Needs Benefit in Budget 2017

Thank you for the opportunity to participate in your pre-budget consultation process. Make Poverty History Manitoba (MPHM) met with Minister Fielding on September 22, 2016 to discuss our two main recommendations for Budget 2017. We hope to have the opportunity to make a presentation at one of the in-person meetings and look forward to an opportunity to meet directly with the Finance Minister.

MPHM is a collaborative coalition working for the elimination of poverty in Manitoba. Our supporters come from multiple communities including business, education, student, youth, Aboriginal, newcomer, labour, women, disability, mental health, urban, rural, and northern. To achieve our objective we consult broadly, conduct research, develop and recommend policy, and build public awareness.

First Proposed action: That the Province of Manitoba carry out its commitment to include a comprehensive poverty reduction plan in Budget 2017. This plan must be developed in consultation with community and include targets and timelines for reducing poverty.

Overview: Legislation requires Manitoba's poverty reduction plan to be updated in 2017. We need a comprehensive and sustained plan that invests in food security, childcare, housing, job training, wages, education, mental health, and other social services – a plan based on [The View from Here 2015](#), which was developed through extensive community consultations. The causes and effects of poverty and social exclusion are interconnected. Policy responses must take a comprehensive and systemic approach.

Targets and timelines for reducing poverty are needed so we can outline a vision and roadmap of strategic actions to achieve that vision. If we don't know where we are going, how will we determine the best way to get there?

Why is this important? We all pay for persistent poverty and homelessness. Homelessness is particularly costly, both to society at large and to the public treasury. Poverty among children has tremendous costs over the long run because it affects their cognitive development and future life chances. Children who live in poor families are at a higher risk of becoming involved in crime, dropping out of school, experiencing poor health, becoming involved in the child welfare system, and relying on more income supports and social services over their lifetime.

The Province of Manitoba spends approximately \$500M annually on its justice budget — up from close to \$300M in 2006. Nearly 40% of the Provincial budget is allocated to health care. We must take a different and preventative approach to addressing these ever-increasing costs — one that tackles the root causes of crime, poor health, and involvement in the child welfare system. This can be achieved through the implementation of a comprehensive poverty reduction plan.

Second Proposed Action: That Manitoba's comprehensive poverty reduction plan include an increase to the basic needs benefit in Budget 2017.

Overview: EIA's basic needs budget has barely increased in two decades while the cost of living has gone up by more than 40 percent. The table below shows that the total incomes of single

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adults and persons with mental or physical disabilities on EIA have not been supported as much as families. They live in deep poverty with incomes at 47% and 32% below the poverty line, respectively.

Thanks to the new and enhanced federal child benefit, the budgetary gap facing families continues to narrow. The Province of Manitoba's Rent Assist program has also made a real difference providing all eligible low-income Manitobans with greater housing stability. Yet this important program is only a first step toward closing the budgetary gap facing those on EIA.

Family Scenario	75% of poverty line	Total Monthly Income ²	Total Monthly Income as a % of the poverty line	Monthly Increase needed to get to 75% of poverty line
Single Adult	\$1,092	\$776	53%	\$316
Single Person with a Mental or Physical Disability	\$1,092	\$997	68%	\$95
Single Parent, Two Children ³	\$1,891	\$2,331	92%	-
Two parents, Two Children ⁴	\$2,184	\$2,523	87%	-

¹Statistics Canada's Market Basket Measure (2013); ²EIA, Rent Assist, federal child benefits, and the GST credit; ³Ages 10/13; ⁴Ages 4/7

We are calling for all Manitobans to have a total income equal to at least 75% of the poverty line. This can be achieved by replacing EIA's basic needs budget with a new and enhanced portable benefit for eligible low-income Manitobans, on and off EIA. This proposal would target single adults and persons with a physical or mental disability. It is estimated to cost at least \$52M annually, less than 1% of the Manitoba budget.

Our vision is to bring the incomes of all Manitobans above the poverty line. While our proposed basic needs benefit does not achieve that vision on its own, it is a significant and realistic step in the right direction as part of a comprehensive plan.

Why is this important? Low EIA rates perpetuate reliance on EIA. EIA incomes are so low that people are forced to focus all resources on acquiring basic needs. Living in an ongoing state of crisis makes it next to impossible to pursue training and jobs leading to financial independence. For people with disabilities who face barriers to employment, low EIA rates condemn them to a life of poverty.

Implementing our proposal is the right thing to do. It also makes economic sense. Every penny given to EIA participants goes right back into the economy. The Province is indexing tax brackets so Manitobans can keep up with the cost of living. It has also raised the idea of indexing the minimum wage to keep up with inflation. The same logic must be applied to income supports.



Josh Brandon, chair, Make Poverty History Manitoba,
Manitoba@makepovertyhistory.ca