

Budget Paper E

**REDUCING POVERTY AND
PROMOTING SOCIAL INCLUSION**

**INVESTING IN OPPORTUNITIES FOR ALL MANITOBANS
TO REALIZE THEIR POTENTIAL**

REDUCING POVERTY AND PROMOTING SOCIAL INCLUSION

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■ REDUCING POVERTY AND PROMOTING SOCIAL INCLUSION

INVESTING IN OPPORTUNITIES FOR ALL MANITOBANS TO REALIZE THEIR POTENTIAL

ALL Aboard: Manitoba's Poverty Reduction and Social Inclusion Strategy (ALL Aboard) was launched in May 2009. It is Manitoba's renewed commitment to action to reduce poverty. ALL Aboard brings together successful initiatives that help reduce poverty and improve social inclusion, while creating new initiatives to build on our past achievements. When *The Poverty Reduction Strategy Act* was passed in June 2011, the provincial government's commitment to reduce poverty and increase social inclusion was established in law.

The Manitoba government is making tough budget choices in 2012. In this year, the third year of Manitoba's Five-Year Economic Plan *Manitoba Moves Forward*, the province is strengthening its focus on building policies and programs based on evidence, and investing in what works to keep Manitoba as one of the most affordable places to live, work and raise a family. Provincial initiatives will focus on working smarter and more efficiently, as we deliver public services and supports.

Poverty reduction is a vital part of the provincial plan to build our economy and our communities, but it is more than just sound economic development. Poverty reduction is a concrete affirmation that each Manitoban deserves a high quality of life, that we all benefit from having the right tools and social supports to take care of our families and ourselves.

Poverty is not just about lack of money – it is also about social exclusion. Social exclusion happens when people are discouraged or blocked from fully participating in society because of barriers such as unemployment, poor housing, lack of accessibility, family breakdown, addictions, mental illness and discrimination. These barriers can keep people from accessing the benefits, resources and opportunities they need to participate more fully in their communities and reach their full potential.

Long-term solutions to poverty lie with all Manitobans: all levels of government, businesses, community groups, educators and citizens, striving together for a strong, successful province. We aim to ensure that Manitoba government services are: responsive to the needs of individuals, families and communities; co-ordinated; and integrated across departments. This way, all Manitobans can easily access the information and supports they need to reach their full potential.

We recognize the important work done by community agencies. In the coming fiscal year, the province will invest more than \$360 million in funding for these agencies, working on the ground to address the complex and multi-faceted dimensions of poverty and social exclusion.

The province is also working in partnership with the non-profit sector to reduce red tape and make it easier for the sector to provide valuable services for Manitobans. A focus on multi-year funding agreements and a single-window application process will provide non-profit organizations with more financial stability and the flexibility to use their time for service provision.

LONG-TERM STRATEGIES

HOMEWorks! Manitoba's Long-Term Housing Strategy – provides safe, affordable and accessible housing supports

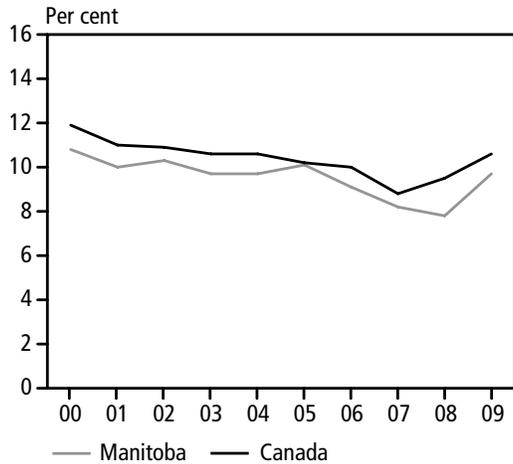
Neighbourhoods Alive! – helps with physical renewal such as housing, local economic development and improvements to safety and well-being

Rewarding Work – a plan to refocus the low-income support system to help more Employment and Income participants transition to work and help them gain higher incomes

Changes for Children: Strengthening the Commitment to Child Welfare – a series of systemic changes to the child and family services system in priority areas of workload relief, training and prevention

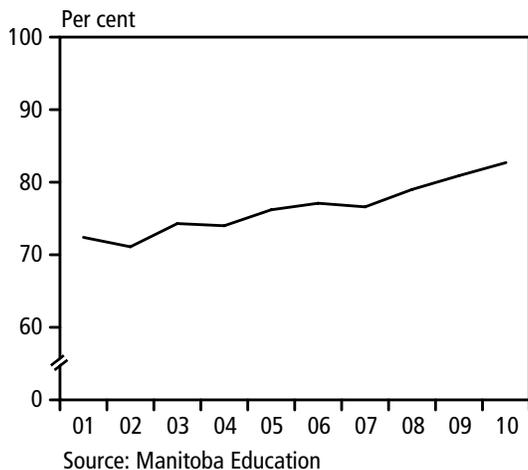
Healthy Child Manitoba – programs include the Healthy Baby Prenatal Benefit and community support programs; Families First Home Visiting; Parent Child Coalitions; early childhood, middle childhood and adolescent development supports (ex: Roots of Empathy, Books for Babies, Nobody's Perfect, Summer Learning Enrichment Program, and Teen Clinics); and Fetal Alcohol Spectrum Disorder prevention and support

Low Income Rates for Canada and Manitoba 2000-2009



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

High School Graduation Rates



Source: Manitoba Education

The best way out of poverty is through a well-paying job. Educated, strong, healthy individuals who have the required skills and talents to participate successfully in the labour market will support the economy, as workers and as consumers. The private sector plays a key role in poverty reduction by providing jobs and training opportunities that support individuals and families. Together we can move forward to accomplish our goal: a strong and prosperous Manitoba for all.

Issues contributing to poverty are complicated. They require creative ideas to improve programs and services that enable Manitobans – those currently living in low income and those at risk of falling into poverty – to live independently and with dignity. Addressing these problems will help us to create a healthier, stronger community for everyone.

PROGRESS SINCE 2000

In 2009 (the most recent year for which data are available), 9.7 per cent of Manitobans lived in poverty. While this figure is too high, it is important to note that significant progress has been made in the past decade. In 2000, the poverty rate in Manitoba was 10.8 per cent. This means that in 2009, there were 6,000 fewer Manitobans living in poverty than in 2000. Manitoba is not immune to the effects of the world-wide economic recession. Unfortunately, as a result of the recession, the number of Manitobans living in low income increased from 2008 to 2009.

Because of systemic barriers, some Manitobans are more likely to experience poverty. They include women (10.1 per cent), single parents (24.2 per cent) and Aboriginal Manitobans (13.9 per cent). We also know that newcomers and persons with disabilities are at a higher risk of experiencing poverty than other Manitobans.

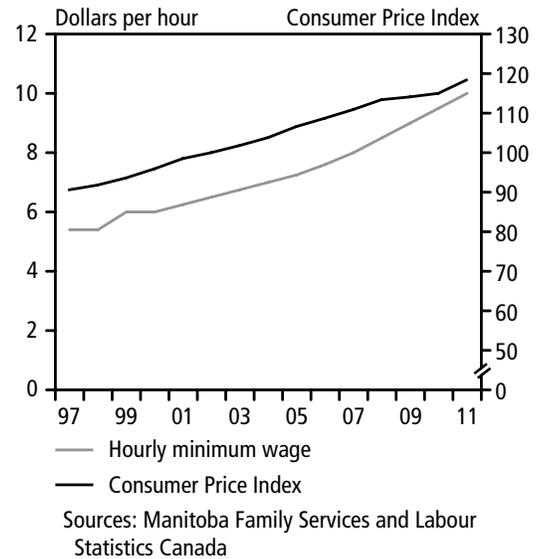
HIGHLIGHTS

- fewer Manitobans living in poverty – a decrease of 6,000 between 2000 and 2009
- increased minimum wages to help the lowest income earners and their families – Manitoba’s minimum wage is currently \$10/hour
- more people working – Manitoba’s unemployment rate in 2011 was 5.4 per cent, compared to 7.4 per cent for all of Canada
- more funded child-care spaces – 11,000 new spaces funded since 1999
- higher graduation rates – Manitoba’s high school graduation rate has increased from 72.3 per cent in 2001 to 82.7 per cent in 2010
- Higher earnings – between 1999 and 2011, the average weekly earnings in Manitoba increased from \$532.92 to \$764.41

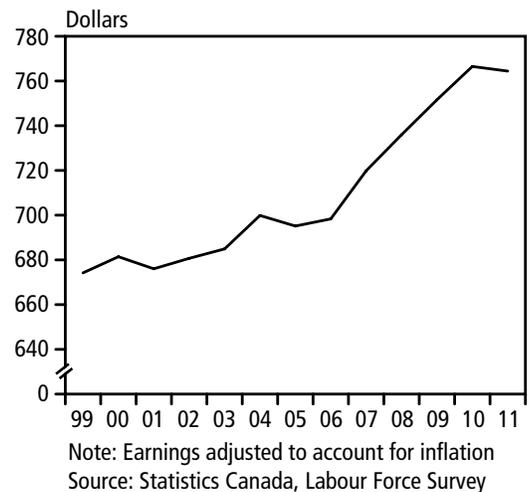
Recent Poverty Reduction and Social Inclusion Initiatives

- Rewarding Work Health Plan – helps Manitobans transitioning from income assistance to work.
- Children’s Opticare – helps with the cost of eyeglasses for children living in low-income families.
- Strong Payday Loan legislation and enforcement – protects low-income Manitobans from unfair lending practices.
- RentAid – provides monetary assistance for low-income renters.
- Rewarding Work in Education – helping low-income, newcomer and Aboriginal people to become certified education and child-care assistants.
- Funding for SEED Winnipeg to help low-income individuals, groups and communities start their own businesses, as well as encouraging individuals to adopt healthy saving practices through asset building programs.
- Family Choices: Manitoba’s Five-Year Agenda for Early Learning and Child Care – outlines commitments for child care and nursery school spaces, curriculum and program enhancements, and workforce expansion to help Manitoba parents and children.
- Pathways to Education – community-based education programs funded through Bright Futures help at-risk youth to stay in school, graduate and plan for a post-secondary education.
- ACCESS programs at universities and colleges – academic, personal and financial support to provide opportunities for under-represented Manitoba groups to access post-secondary education.
- Funding to municipalities to keep transit fares low enough to enable low-income Manitobans travel to jobs and training.
- Funding for Opportunities for Employment with an innovative approach to help people move from welfare to work.
- Wage subsidy programs – helping employers hire, train and offer part-time and summer employment opportunities to new employees, including students and those seeking a career as a certified trade journeyman.
- Support for non-profit and co-operative housing, part of HOMEWorks! Manitoba’s Long-Term Housing Strategy, to increase the supply of quality, affordable housing for low-income Manitobans.
- Manitoba Hydro’s Power Smart, Power Smart Water and Energy Saver, and Lower Income Energy Efficiency Programs – helping low-income households to retrofit their homes. Manitoba Hydro and community partners offer a viable source of green employment opportunities for Manitobans.

Manitoba Hourly Minimum Wage and Consumer Price Index, 1997-2011



Average “Real” Weekly Earnings in 2011 dollars, 1999-2011



■ KEY PRIORITIES FOR 2012

For Manitobans living in situations of poverty and struggling to meet basic needs, including those who are at risk of falling into poverty, the current economic conditions are more keenly felt. This is why, in these difficult times, Manitoba continues to prioritize investments in poverty reduction initiatives and in front-line services and targeted programs and supports to help those most at risk. The province also continues to reduce the tax burden on low-income Manitobans, increasing the Basic Personal Exemption by \$1,000 over four years, continuing with an additional \$250.00 this year. Once this measure is fully implemented, 22,000 Manitobans will pay no provincial income tax at all.

Manitoba continues to focus on building opportunities by helping workers during labour market transitions, providing access to apprenticeship programs and supporting infrastructure projects, with an emphasis on training and employment, and providing more opportunities for Manitobans to learn and train in their own communities. Manitoba Housing and Manitoba Hydro are both committed to providing training and employment opportunities for Manitobans, often to individuals who are living in low income.

The Employment and Income Assistance (EIA) program (social assistance) is now located within Manitoba Entrepreneurship, Training and Trade. EIA participants who can work will now get speedy access to employment, training and supports. This is an efficient and effective way to help Manitobans most in need to move from social assistance into employment.

To support those Manitobans with severe disabilities that prohibit them from working, the province is working actively with other provincial governments and the Government of Canada to pursue a pan-Canadian basic income support program for working-age Canadians.

Families create the base for children to become self-sufficient and responsible adults. As part of ALL Aboard, Manitoba will continue to strengthen accessible, early learning, child care, and early childhood development programming, and provide innovative programs and supports for parents.

Building a better future for children and youth at risk is an important part of Manitoba's poverty reduction and social inclusion initiatives. The province supports parents, community organizations and young people themselves, to become well-educated, engaged and socially connected, with access to jobs, recreation and the arts. The new Department of Children and Youth Opportunities leads provincial innovation to support our youth to overcome barriers and challenges so they can reach their full potential.

■ 2012 BUDGET MEASURES THAT SUPPORT POVERTY REDUCTION AND SOCIAL INCLUSION

Housing

- increasing the number of social housing and rental units across Manitoba
- programs to help low-income Manitobans equip their homes with green, energy-efficient devices

Food Security

- working with partners to make milk more affordable in northern Manitoba

Building Blocks for Employment

- strengthening programs to help connect people with jobs
- investing in quality, accessible post-secondary education by limiting university tuition fee increases to the rate of inflation and capping fee increases at colleges at \$150, and committing major multi-year funding to universities with five per cent operating increases until 2013/14¹
- taking steps to expand access and options for apprenticeship training in local communities across the province
- continuing construction of an all-season road on the east side of Lake Winnipeg creating new jobs, skills training for community members and long-term economic benefits for all 13 east side communities

Creating Opportunities for Youth

- current public consultations will lead to a new crime prevention strategy
- new intensive after-school program modelled after the successful Chicago After School Matters program
- investments in Bright Futures

Early Childhood Development and Parenting Supports

- funding more child-care and nursery spaces
- providing child care subsidies to more Manitoba parents
- building new schools, gyms and child-care centres
- parenting supports like Triple P Positive Parenting program and hot line, and ManitobaParentZone.ca
- first-of-its-kind in Canada pilot of the Pax Good Behaviour Game, which promotes positive emotional and social skills and increases self-discipline

¹ The first version of this paper contained an error, which was corrected on April 18, 2012.

■ HOW WE WILL MEASURE OUR PROGRESS

Manitoba has developed a set of 21 indicators to monitor progress on poverty reduction efforts. These measures provide a picture of poverty across the province and will be included in ALL Aboard annual reports.

1. total units of social and affordable housing supported by Manitoba Housing and Renewal Corporation (MHRC)
2. new households served through MHRC programs and services
3. households in Core Housing Need
4. sense of community belonging
5. graduation rate
6. participation in adult learning programs
7. employment rates
8. average weekly earnings
9. minimum wage rates
10. low income rates
11. income inequality
12. post-secondary education participation
13. early development instrument scores
14. availability of child care
15. children in care
16. teen birth rates
17. potential years of life lost by income quintile
18. prevalence of chronic disease by income quintile
19. average monthly number of people receiving co-ordinated home care services
20. continuity of physician care
21. number of people using Access Centres