

## FAMILIES WITH CHILDREN ON WELFARE

Year after year, people on welfare in British Columbia live far below the poverty line, according to calculations by the former National Council of Welfare and the Caledon Institute for Social Policy. BC's income assistance rates have not increased since 2007, despite the rising cost of living over the last seven years.

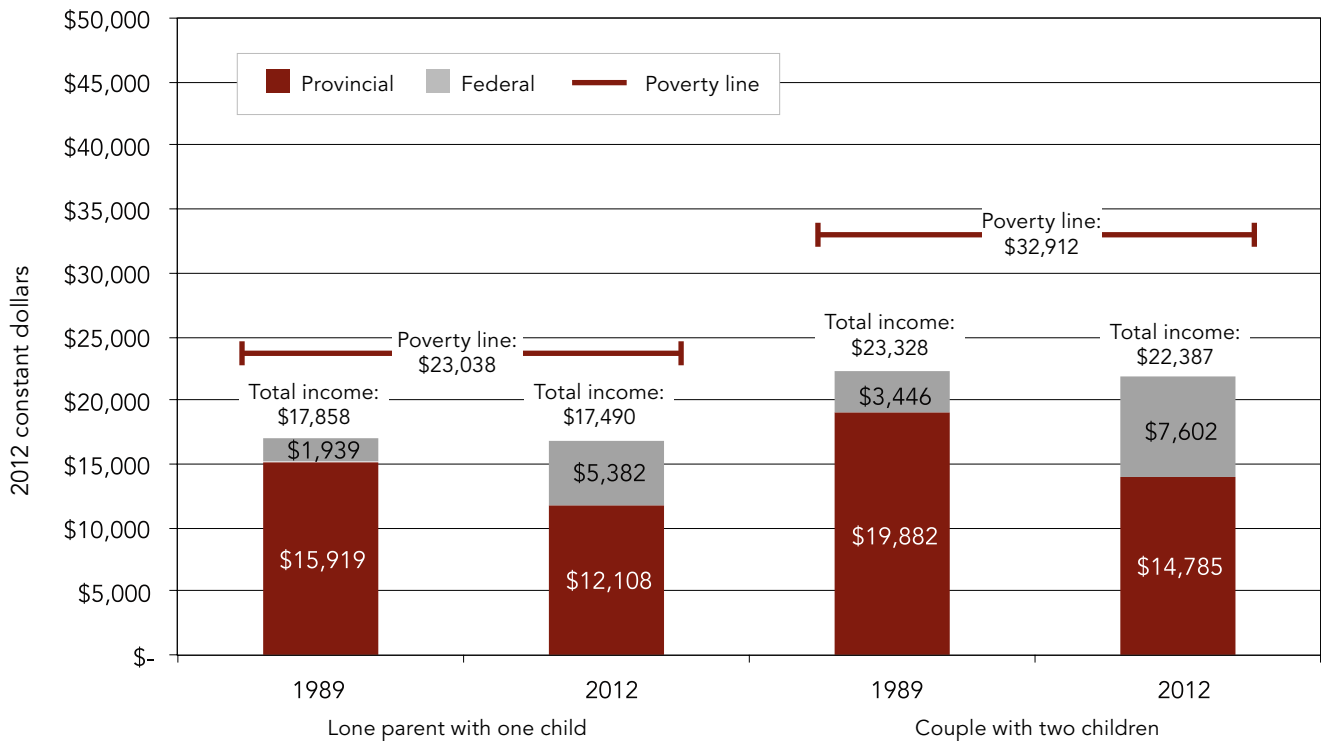
In 2012, a BC two-parent family with two children aged 10 and 15 on income assistance received a total income of \$22,387. That's \$10,525 below the Statistics Canada poverty line, using Low Income Measure (LIM) after tax, for this family of four.

A BC lone-parent family with one child aged two received \$17,490, which is \$5,548 below the poverty line.

Total welfare incomes in 2012 were about the same as in 2011. Provincial welfare rates were not increased with the cost of living, but provincial tax credits did go up. Federal child benefits and the federal GST credit both went up with the cost of living.

For the past two years, the BC government has clawed back more than **\$18 million** per year in child support and spousal support from more than **6,000** single-parent families on welfare.

### FEDERAL AND PROVINCIAL SHARES OF WELFARE INCOMES, 1989 AND 2012



Source: Caledon Institute of Social Policy; poverty lines from Statistics Canada, LIM After-Tax



BC's income assistance rates have **NOT** increased since 2007, despite the rising cost of living.

Statistics from the BC Ministry of Social Development and Social Innovation show an average of 36,007 children in families on welfare in 2012. Over 80% of the children were in lone-parent families, mostly families led by lone-parent mothers.

Welfare recipients in BC and other provinces have consistently struggled to survive on incomes well below the poverty line. They are frequently forced to rely on food banks and other sources of charity to feed and clothe their children. In 2012, the sample BC two-parent family was at 68% of the poverty line, and the BC lone-parent family was at 76% of the poverty line.

Funding for welfare programs has changed significantly over the last decade. The federal government got rid of cost-sharing for welfare in favour of block grants to the provinces. Another important change was the introduction of the Canada Child Tax Benefit, which increased federal benefits for parents but also allowed provinces to “claw back” part of the payments they made for welfare. A third change was the taxable federal Universal Child Care Benefit of \$1,200 a year for children under six.

The graph on the preceding page shows the changes in federal and BC payments to two-parent and one-parent families. The 1989 figures have been converted to 2012 dollars to account for changes in the cost of living between 1989 and 2012. The graph also shows the poverty lines for each family.

While total welfare incomes were close to the same amount in both years, federal payments to families more than doubled over the 23 years. The proportionately larger increase for the lone-parent family with a child under six occurred because of the addition of the Universal Child Care Benefit. Meanwhile, provincial payments to both families declined significantly.

## FIRST CALL RECOMMENDS

- Significantly Increase welfare and disability rates and index them annually.
- Restore the income exemption for child support payments for lone parents on welfare, and allow welfare recipients to retain benefits while attending a post-secondary institution.
- Address the demand for affordable housing and eliminate homelessness.
- Increase funding for child welfare, education and community health services for Aboriginal peoples on and off reserves, and develop a long-term poverty eradication strategy in coordination with First Nations, urban Aboriginal communities and provincial governments.
- See the full list of recommendations on pages 37 to 39.

## REBECCA'S STORY

Maple Ridge resident Rebecca thinks every month about how much food she could buy each month with the \$400 in child support that her ex-partner provides for her five-year-old daughter, Sophey. But instead of heading out to fill the fridge, she finds herself checking the food bank schedule.

Since Rebecca is unable to work and receives \$1,242 per month from disability income assistance, the government does not permit her daughter to benefit from the child support provided by her father. That money is deducted from Rebecca's disability cheque, dollar for dollar.

For the past two years, the BC government clawed back more than \$18 million per year in child support and spousal support from more than 6,000 single-parent families on welfare. Child support is classified as "unearned income" and, along with "lottery winnings," single parents and their children on any kind of income assistance are not permitted to keep it.

"I would not have to visit the food bank if I could keep the \$400 in child support... There is a lot I could do with \$400 at Costco."

To survive on disability, Rebecca lives in subsidized housing and uses her local food bank as much as possible. She has no money for clothes, haircuts, school supplies, sports equipment, bikes or any kind of extracurricular activities for her daughter. They go without.

Rebecca cannot benefit from the \$800 a month that those on disability who are working are allowed to keep. "I am not able to work like most people. For me to have to work is actually quite traumatic. I've got post-traumatic stress disorder...That really limits the amount of work and how I can work."

"What would be great is if we counted the home [and the job of raising children] as an economy as well. Then, we could keep the child support as income," she says, adding, "There is no perception that mothering is work, real work. But it is real work."

Sophey and Rebecca miss out on \$4,800 per year in child support. Since Becky went on disability in 2010, Sophey has missed out on \$24,000 worth of nutrition, swimming lessons, proper shoes and everything else a child needs, due to the clawback.

The Community Legal Assistance Society launched a charter challenge in October 2014 against BC's clawback of child support from single parents on income assistance. Three single mothers, their children, and the Single Mothers' Alliance of BC are the plaintiffs in the case.

**"I would not have to visit the food bank if I could keep the \$400 in child support." — Rebecca**

