



September 2013 Update

Review of Welfare Rates in Manitoba Long Overdue

On Aug 1/13 the \$20 increase in Rent Aide promised in the Provincial budget was finally available for those on Employment and Income Assistance (EIA) who qualify. This brought the income for rent to \$365 for the lowest income Manitoban's when combining their EIA and Rent Aide.

However, the rent control guideline announced this September allows rents to go up 2% and essentially eats the \$20 especially when combined with utility cost increases. The Median Market Rent in Winnipeg (MMR) is now \$718.00 for a one bedroom and \$912.00 for a two bedroom.

\$365 is 50.8% of the new MMR of \$718 for a one bedroom in Winnipeg. That is 25% away from what the EIA rent allowance was in 1992 and shows how much the rent gap has grown in 20 years. If the rent allowance for EIA had of kept pace with rent since 1992 it would be \$539.

The Manitoba Government has allowed the rent gap to increase all the while they have been, increasing the Rent Control Guideline, reviewing the way they set EIA rates.

In 2010 the Manitoba Ombudsman recommended that;

32. It is recommended that the department institute a formal, documented process for reviewing and making recommendations for periodically updating basic and shelter rates, income and asset exemptions, and other income

assistance allowances in a logical and equitable manner. It is recommended that in that process, program staff be consulted.

33. It is recommended that the rate-setting process be documented and made available to the public.

34. It is recommended that the department determine whether participants are required to use benefits allocated for basic necessities to supplement benefits allocated for rent, and if so, how frequently and to what extent this occurs.

The Government has since 2010 committed to reviewing the EIA rates and they have had an EIA Rate Review paper prepared for a few months. There is a commitment to discuss the paper publicly and consult with community groups on how to ensure compliance with the 2010 Ombudsman's Report.

These consultations must take place this fall so we do not have another budget in Manitoba passed without these changes to EIA rate setting. The EIA Rate Review Paper will compare the rates in Manitoba to the rest of the country and the cost of living. In 2011, the Welfare Council of Canada showed Manitoba had the lowest welfare rates in the country for single individuals deemed employable at an income of less than \$7,000.00 per year. The inflation rate for essentials other than housing is growing faster than incomes for all of us, what is growing fastest are the use of food banks by families in Manitoba, up 14% last year.

The EIA Advocates Network will urge the Manitoba Government to release the EIA Rate Review and meet with the community about how to comply with the Ombudsman's recommendations regarding EIA rate setting.