

THE RISE AND FALL OF SOCIAL-ASSISTANCE USE IN CANADA, 1969–2012*

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SUMMARY

Between 1994 and 2008, social-assistance usage rates across Canada fell at a remarkable rate, with the fraction of the non-elderly population drawing social assistance dropping by half over the 14-year period. Because social assistance can be considered the final layer of the public social safety net – designed to catch those people in need of support but unable to find it from family, friends or non-government agencies – such a dramatic decline in social-assistance usage deserves attention and explanation. Is it a positive sign suggesting that the country has made significant strides in keeping people from needing to receive social assistance or is it a sign that public policies have simply made it too difficult for those deserving of support to receive it? We do not try to answer these questions in this briefing note. Our goal is rather more modest; to simply draw attention to a dramatic fall in social assistance usage across Canada to levels not seen since the early 1970s.

While the fall in social assistance usage has been observed right across Canada, the pattern and magnitude of change has varied by province. For example, despite being subject to similar economic forces, Ontario and Quebec have seen very different patterns in their respective social-assistance usage rates. In Ontario, social assistance use was traditionally much lower than in Quebec but this changed in the 1990s. Although both provinces suffered a serious recession in the early 1990s, the social assistance usage rate increased more and did so more quickly than in Quebec. In recovery, the social assistance usage rate has fallen steadily in Quebec and is today at the level it was in 1970. In Ontario, the social assistance usage rate fell but plateaued at a level higher than pre-recession levels. Today the rate in Ontario continues to climb, is higher than in Quebec, and is well above what it was in 1970. These two provinces, with similar economies but having quite different movements in social assistance use, offer an interesting comparison for those interested in evaluating each province's policies toward social assistance.

In the West, social-assistance usage rates also saw a long downward trend following dramatic increases in the mid-1990s. Similar to elsewhere, usage rates in Western Canada saw only minor increases in response to the 2008 recession. By 2012, social assistance usage in all Western provinces had fallen well below that in Ontario and Quebec; in Alberta, for example, the rate is only half that in central Canada. Perhaps the most dramatic changes have occurred in the Maritime Provinces where social assistance usage is only half what it was just 15 years ago and currently sits below any level observed in those provinces since 1970. Remarkably, the rate of social assistance use in Nova Scotia, New Brunswick and PEI is currently below that in Ontario.

In trying to explain these trends and interprovincial differences, researchers will surely focus on the fact that the timing of the dramatic fall in social assistance usage is very close to the federal government's decision in the mid-1990s to halt shared funding of social assistance with the provinces. The end of shared financing promoted province-specific changes in social assistance policies and it is plausible to associate the changes in these policies with the fall in social assistance usage. What exactly were those changes in each province, and a balanced assessment of their impact, requires careful analysis. We do not perform that analysis in this report; what we have done is assemble and present the data on social assistance use that is a necessary prerequisite of that analysis.

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INTRODUCTION

All countries or communities establish some form of a “social safety net.” In Canada, the social safety net consists of private charities, food banks, family and friends as well as publicly funded programs. The latter include publicly funded health insurance, employment insurance, the Canada and Quebec pension plans, old age security, workers compensation and provincial social-assistance programs. These policies and programs may provide a specific service, such as health care, or a basic level of income, such as with social assistance. In many ways, social assistance may be considered the last layer of the social safety net designed to “catch” those who fail to find support from family, friends and non-government organizations. Understood in this way, the social-assistance programs provided by provincial governments are critically important for alleviating the effects of poverty and providing the opportunity for those needing support to recover from unfortunate events or choices.

Considering the important role played by provincial social-assistance programs in the Canadian social safety net, it is remarkable how little information about these programs is available. In contrast to information about other important Canadian social programs, such as public pensions and health care, there is a dearth of easily available information describing how provincial social-assistance programs work, the characteristics and needs of those drawing on the support provided by those programs, how those programs interact with other elements of the social safety net, and even how many people utilize the income assistance provided.

Our goal in this note is to make available information that will answer at least one of these questions: namely, how many families and individuals access and are beneficiaries of the income support provided by provincial social-assistance programs. As well as providing what we believe to be important information to policy analysts, we offer a very brief description of how dependence on publicly provided social assistance has changed over time and across provinces. Except in a very superficial way, we do not try to offer explanations for how social-assistance use has changed over time or why it differs, sometimes quite dramatically, across provinces. Thus, the paper is largely descriptive, with detailed analysis awaiting future research.

In the next section, we briefly describe our effort to collect information on the number of social-assistance cases and the number of people who are beneficiaries of the income support provided by provincial social-assistance programs. Details on data sources are provided in the appendix. We show and discuss how the number of people reliant on social-assistance income has evolved over the period 1969 to 2012. We show that over this period, the fraction of the population reliant on the income provided by social-assistance programs has varied widely and that patterns of change differ considerably across provinces. Finally, we conclude by identifying what we understand to be the key outstanding issues and questions about social-assistance use in Canada that are in need of answers.

THE NUMBER OF SOCIAL ASSISTANCE CASES AND BENEFICIARIES

The size of provincial social-assistance programs can be measured in two ways. One is to measure the number of “cases” and the other is to measure the number of “beneficiaries.” The number of beneficiaries refers to the total number of single individuals and heads of family units on social assistance, plus all their dependents (i.e., spouses, dependent children and dependent adults). Data on cases report the number of family units receiving social assistance. Thus a family that receives social assistance and consists of a single parent with two children is identified as representing one case with three beneficiaries. We start by discussing sources of data on social assistance beneficiaries.

Prior to 1996, provincial social-assistance programs were funded in part by transfers that provincial governments received from the federal government; transfers received under what was known as the Canada Assistance Program (CAP). Of all the features of CAP, the most attractive, at least to someone interested in obtaining information about social-assistance programs, may have been that the provinces were required to report the number of social-assistance beneficiaries to the federal government and to make this information publicly available. This reporting requirement provided, from fiscal year (ending March 31st) 1969 to 1996, statistics on the number of social-assistance recipients in each province.¹

Reports prepared for the federal, provincial and territorial directors of income support are a second important source of information.² These reports provide useful data on the number of social-assistance beneficiaries by province and by territory from fiscal year 1994 to 2008.³

Data after 2008 is rather more challenging to obtain. Some provinces post a good deal of information on their websites. The government of Newfoundland and Labrador is particularly good in this regard and provides monthly data on the number of social-assistance recipients (and cases) since 1993. The governments of New Brunswick, Quebec and British Columbia also post monthly data on their websites, although sometimes for somewhat shorter periods of time than Newfoundland and Labrador.

Data for other provinces tend to require a good deal more digging. Our efforts to update data beyond 2008 include making special requests to the relevant provincial ministry and combing through annual reports of those ministries. Even then, the numbers in annual reports can be vague. In Alberta, for example, our estimate of the number of persons receiving benefits under the Assured Income for the Severely Handicapped (AISH) program in 2012 is based on a

¹ These statistics are reported in *Social Security Statistics, Canada and the Provinces, 1970-71 to 1994-95* (Table 361) and in *Social Security Statistics, Canada and the Provinces, 1975-76 to 1999-2000* (Tables 361). Both of these reports were published by Human Resources Development Canada but are now difficult to find having been removed from the website of what is now Human Resources and Skills Development. Copies can be found by searching the Government of Canada web archive at:
<http://www.collectionscanada.gc.ca/webarchives/20060127012021/http://www.hrsdc.gc.ca/en/cs/sp/sdc/socpol/publications/statistics/9999-000096/page03.shtml>.

² *Social Assistance Statistical Report: 2005*, Federal-Provincial-Territorial Directors of Income Support, August 2006, <http://publications.gc.ca/collections/Collection/HS25-2-2005E.pdf>; and *Social Assistance Statistical Report: 2008*, Federal-Provincial-Territorial Directors of Income Support, September 2010, http://publications.gc.ca/collections/collection_2011/rhdcc-hrsdc/HS25-2-2008-eng.pdf

³ When the data provided by the Federal-Provincial-Territorial reports overlap with the data contained in the *Social Security Statistics*, we relied on the former on the expectation more recent reports would contain more accurate data.

statement in the 2012 annual report of the Ministry of Seniors that there were “about 45,000” cases in that year. In some cases, such as with Nova Scotia, the number of social-assistance recipients is reported only as a percentage of the provincial population and so one must do some multiplication to infer the number of recipients.

Finding data is also made difficult by governments sometimes choosing to remove previously available data. Thus the government of Ontario has, since 2007, posted on its website monthly data on cases and beneficiaries under its Ontario Works program, but the government is much less forthcoming about the number of beneficiaries of the Ontario Disability Support Program (ODSP). For information on ODSP beneficiaries, we relied on a privately maintained website created by former Ontario government bureaucrat John Stapleton, which posts old government reports previously deleted from the government site.⁴ Finally, despite our best efforts, we have not been able to uncover reliable data on the number of beneficiaries in P.E.I. beyond what is in the reports prepared for federal, provincial and territorial directors of income support. This leaves us with no reliable data past 2008 for that province.

With the exception of P.E.I., where data is limited to fiscal years 1969–2008, our efforts to piece together information from these many sources enabled us to produce a data set indicating the number of social-assistance beneficiaries in each province covering the period from fiscal year 1969 to 2012.

Information on the number of social-assistance cases is more fragmentary, with holes in our time series during the 1970s and again beginning in the late 1980s. In some provinces, the hole extends to 2000. A key source here is the now-defunct National Council of Welfare, which provided data on social-assistance cases for each province for fiscal years 1981-86 inclusive. The aforementioned reports prepared for the federal, provincial and territorial directors of income support provide useful data on the number of social-assistance cases by province and territory from fiscal year 1994 to 2008. For data after 2008, we were forced to do the same sort of detective work described above for uncovering information on the number of beneficiaries.

The appendix provides a detailed description of our data sources. Tables 1 and 2 present our data in tabular form. In the next section, we focus on the beneficiary data in Table 1 and present it in a way that exposes interesting relationships and poses challenging questions.

⁴ See: “Open Policy Ontario,” <http://openpolicyontario.com/social-assistance-recipients-in-ontario/>.

TABLE 1: SOCIAL-ASSISTANCE BENEFICIARIES, BY PROVINCE AND FOR CANADA, FISCAL YEAR 1969 TO 2012

	Canada	NFL	PEI	NS	NB	QU	ON	MN	SK	AB	BC
1969	1,258,209	84,545	11,459	41,333	45,155	534,000	265,827	42,788	51,608	70,541	110,953
1970	1,243,983	83,733	8,959	47,862	50,660	433,864	334,816	49,580	52,161	76,970	105,378
1971	1,459,784	91,852	10,552	45,593	65,756	489,073	364,046	75,763	68,338	93,960	154,851
1972	1,377,966	80,574	15,913	52,278	61,717	462,571	333,584	78,544	69,604	88,983	134,198
1973	1,220,521	70,912	7,238	52,864	58,575	406,452	307,880	70,427	56,728	85,456	103,989
1974	1,206,007	63,250	7,291	47,597	51,879	395,820	317,283	60,681	44,405	80,609	137,192
1975	1,274,730	63,127	8,401	52,358	55,604	416,558	336,415	56,616	45,332	77,970	162,349
1976	1,314,518	61,009	8,812	54,160	52,521	428,713	367,943	57,574	43,490	78,220	162,076
1977	1,322,655	52,424	8,685	55,932	67,130	457,053	338,909	55,251	38,807	86,464	162,000
1978	1,316,037	53,813	8,329	49,762	63,432	464,503	356,324	52,489	41,363	85,060	140,962
1979	1,340,877	39,312	8,480	50,055	65,040	478,277	382,224	47,596	42,130	80,823	146,940
1980	1,328,065	48,500	9,367	51,220	66,312	511,925	354,798	45,600	41,390	76,105	122,848
1981	1,409,800	50,400	10,100	62,400	67,400	532,900	389,800	46,900	43,800	78,100	128,000
1982	1,494,800	54,700	11,300	64,600	62,700	561,900	406,800	47,800	48,400	91,700	144,900
1983	1,824,300	51,900	11,300	69,000	70,100	675,800	471,200	55,900	59,700	130,600	228,800
1984	1,886,800	53,300	9,800	67,500	68,600	705,900	484,600	59,200	63,700	117,100	257,100
1985	1,914,400	49,100	9,600	73,600	69,100	708,700	485,800	62,800	64,000	124,100	267,600
1986	1,884,400	47,000	9,200	72,100	68,800	693,900	485,800	62,600	62,700	126,600	255,700
1987	1,895,400	50,500	9,300	73,000	73,700	649,600	518,400	60,600	62,100	150,500	247,700
1988	1,842,600	47,900	8,900	73,800	70,600	594,000	533,500	62,700	60,300	149,800	241,100
1989	1,845,800	44,800	8,300	75,600	67,700	559,300	588,200	63,000	57,200	151,700	230,000
1990	1,919,500	47,900	8,600	78,400	67,200	555,900	675,700	66,900	54,100	148,800	216,000
1991	2,270,700	51,800	10,300	86,200	71,900	594,900	929,900	71,700	53,400	156,600	244,000
1992	2,710,900	59,800	11,800	92,600	78,200	674,900	1,184,700	80,900	60,400	188,300	279,300
1993	2,953,771	60,471	12,600	98,700	78,100	741,400	1,287,000	88,000	68,200	196,000	323,300
1994	3,098,546	63,546	13,000	104,000	73,600	787,200	1,379,300	89,300	83,100	152,000	353,500
1995	3,071,832	68,812	12,500	104,000	69,720	802,200	1,344,600	85,200	82,900	127,600	374,300
1996	2,939,187	71,357	11,600	103,100	66,539	813,200	1,214,600	85,800	82,100	123,600	367,291
1997	2,789,723	72,215	11,200	93,700	68,379	793,300	1,149,600	79,100	79,900	109,200	333,129
1998	2,590,799	67,045	11,000	85,500	68,389	725,700	1,091,300	72,700	72,500	98,200	298,465
1999	2,312,221	62,447	9,800	80,900	63,195	680,439	910,100	68,700	66,500	94,700	275,439
2000	2,115,818	62,447	8,500	73,700	58,030	632,110	802,100	65,259	63,800	89,900	259,972
2001	1,941,770	56,398	7,700	66,800	54,181	590,142	709,200	61,089	60,900	85,000	250,359
2002	1,864,527	52,887	7,400	61,500	50,950	562,235	687,600	60,098	56,100	83,600	242,158
2003	1,782,944	51,083	6,900	58,300	49,641	546,600	673,900	59,691	53,200	88,400	195,229
2004	1,734,955	50,483	7,100	56,300	47,843	533,268	672,000	58,400	52,239	91,400	165,923
2005	1,699,599	48,905	6,900	52,300	45,797	521,239	676,500	60,900	50,183	88,400	148,475
2006	1,672,647	46,711	6,400	51,587	44,615	505,745	688,400	60,035	47,559	83,800	137,795
2007	1,656,907	44,184	5,800	47,839	42,765	497,800	697,700	58,278	46,346	84,200	131,996
2008	1,641,494	41,305	5,700	44,918	40,691	489,329	697,403	56,769	43,759	85,887	135,732
2009	1,663,511	39,265	-	43,125	39,039	480,430	722,591	56,365	40,713	96,604	145,380
2010	1,789,935	39,167	-	43,268	39,095	486,148	797,664	58,874	42,911	112,777	170,032
2011	1,845,119	39,507	-	43,479	40,491	483,733	841,115	60,754	44,423	112,696	178,921
2012	1,868,565	38,383	-	44,580	40,972	473,922	873,461	62,332	46,261	107,426	181,229

TABLE 2: SOCIAL-ASSISTANCE CASES, BY PROVINCE, FISCAL YEAR 1981 TO 2012

	NFL	PEI	NS	NB	QU	ON	MN	SK	AB	BC
1981	20,400	4,500	27,700	29,600	302,300	203,100	23,600	22,600	32,500	66,300
1982	22,000	4,900	29,200	29,700	325,400	214,900	24,200	23,600	37,400	75,200
1983	20,700	5,000	31,600	35,000	396,800	253,100	29,000	29,500	59,700	128,200
1984	21,800	4,400	32,200	35,100	415,300	261,600	31,100	31,400	56,100	146,000
1985	20,900	4,300	34,300	35,400	424,400	265,200	33,100	31,600	62,800	153,400
1986	19,700	4,400	35,300	35,800	416,100	266,400	33,000	30,800	57,000	147,600
1987	-	-	-	-	-	-	-	-	-	-
1988	-	-	-	-	-	-	-	-	-	-
1989	-	-	-	-	-	-	-	-	-	-
1990	-	-	-	-	-	-	-	-	-	-
1991	-	-	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-	-	-
1993	28,924	-	-	-	-	-	-	-	-	-
1994	31,095	6,300	-	40,100	472,900	-	-	41,100	78,800	210,400
1995	34,151	6,100	-	37,808	479,400	-	-	40,700	69,300	221,800
1996	35,510	5,800	-	35,479	483,100	-	-	40,400	68,700	213,816
1997	36,029	5,600	-	35,551	470,400	-	-	39,200	61,600	193,266
1998	33,325	5,600	-	34,926	439,300	-	-	36,100	57,600	176,613
1999	31,528	5,200	-	32,652	417,011	479,600	-	34,900	57,500	164,562
2000	31,528	4,600	38,300	30,518	396,141	435,800	35,277	34,400	56,900	156,992
2001	29,802	4,300	36,210	28,839	376,523	394,900	33,048	33,100	55,800	153,215
2002	28,500	4,200	33,790	27,606	363,995	393,400	32,591	30,800	57,000	150,845
2003	28,174	4,000	33,070	27,261	358,164	393,400	32,414	29,500	60,500	126,354
2004	28,421	4,100	32,760	26,605	353,485	399,100	31,700	28,931	61,800	111,647
2005	28,112	4,000	32,250	25,775	348,687	407,100	32,900	28,288	60,500	103,393
2006	27,412	3,800	30,880	25,371	341,314	419,500	32,406	27,298	59,955	98,867
2007	26,274	3,600	29,510	24,658	338,691	430,500	31,639	27,079	60,334	97,323
2008	25,125	3,600	28,510	23,815	334,934	435,577	30,943	25,963	61,948	101,327
2009	24,333	-	27,200	23,136	330,401	455,540	31,137	24,412	65,248	108,830
2010	24,530	-	27,750	23,289	335,105	498,741	32,829	25,901	76,138	126,878
2011	25,092	-	-	24,581	334,791	527,470	34,147	26,856	80,947	133,803
2012	24,802	-	-	25,121	330,707	550,441	35,427	26,494	80,960	136,005

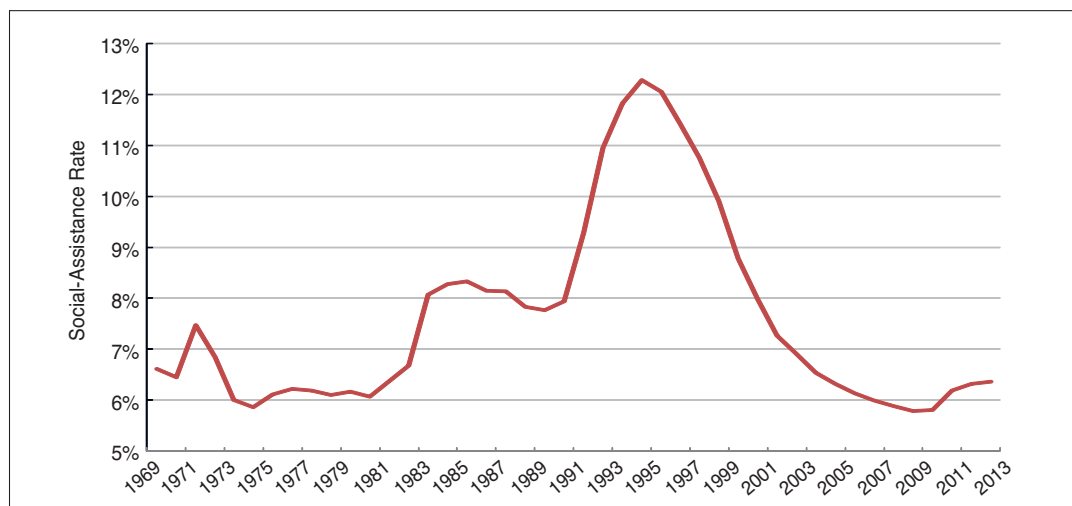
THE SOCIAL-ASSISTANCE RATE OVER TIME AND BY PROVINCE

Our data span a long period of time and so it is important when evaluating the rise and fall in social-assistance use to account for a growing population. We define the *social-assistance rate* (SA) as the number of social-assistance beneficiaries measured as a fraction of the population aged zero to 64 years.⁵

⁵ Data on provincial population by age groups are from the Statistics Canada CANSIM database, Table 2820001.

Social assistance is provided at the provincial level and each province has its own unique set of policies and economic conditions that impinge upon the social-assistance rate. It can therefore be misleading to look at the average for all of Canada.⁶ Still, it is useful to look at the Canadian average if only to gain insight into broad trends. Figure 1 aggregates social-assistance use across provinces to show how the social-assistance rate has changed over time in Canada.⁷

FIGURE 1: THE SOCIAL-ASSISTANCE RATE IN CANADA, 1969-2012



The figure shows that the SA rate has exhibited considerable change over the period 1969–2012. Beginning and ending the period with similar values, the SA rate increased from six to eight per cent in the early 1980s, but then increased quickly and dramatically to over 12 per cent in the early 1990s. This was followed by a significant fall in the social-assistance rate thereafter; falling in half in just 14 years between 1994 and 2008. By 2012, the SA rate for Canada had returned to what it was in the 1970s.

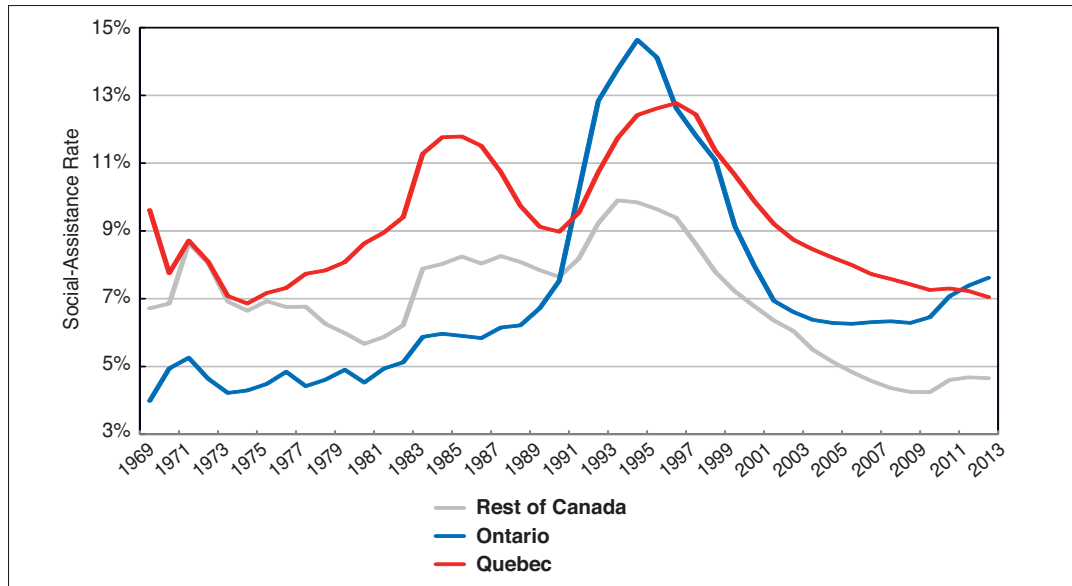
The following figures show how the social-assistance rate has changed over the period 1969–2012 in each province. They make it clear that analysts seeking to explain movements in the social-assistance rate must drill down to at least the level of provinces. Relying solely on national data will lead to very misleading conclusions and forfeit a wealth of information available from examining differences across provinces.

Figure 2 shows how the social-assistance rate in Ontario and in Quebec has changed over the period 1969 to 2012. We include the data for the aggregate of the other eight provinces (the Rest of Canada) for comparison. Because Ontario and Quebec contain approximately 60 per cent of those aged zero to 64 years, movements of the social-assistance rate in those provinces largely determine the movements of the rate in Canada shown in Figure 1. Figure 2 shows, however, important differences between these two provinces and with the rest of the country.

⁶ It may also be misleading to draw conclusions by looking at provincial data. It would be better to drill down to sub-provincial regions or cities as it is surely the case that social-assistance rates vary quite considerably across cities and by rural versus non-rural areas.

⁷ We define “Canada” as the sum of the 10 provinces. Only a limited amount of data on social-assistance cases and beneficiaries are available for the territories and so we limit our attention to the 10 provinces. We recognize the lack of P.E.I. data for the years 2009–12 means that our data for Canada during that span are not quite accurate. We note, however, that for those years when data are available for all provinces, the number of recipients in P.E.I. made up an average of 0.4 per cent of all recipients in Canada.

FIGURE 2: THE SOCIAL-ASSISTANCE RATE IN ONTARIO, QUEBEC AND THE REST OF CANADA, 1969-2012



During the 1970s, the SA rate increased steadily in Quebec, stayed constant in Ontario and was trending downward in the rest of Canada. This period alone then, highlights how province-specific are the underlying determinants of social-assistance use. In the early 1980s, a “hump” appears in the figure for Quebec; a hump showing a noticeable increase in the SA rate followed by a reversal over the course of the next eight years. This is a pattern one might expect to be associated with a serious economic downturn; a downturn of the sort that Quebec did indeed experience in the early 1980s. However, that recession struck Ontario almost as strongly⁸ and yet the SA rate in that province increased by far less and, importantly, failed to fall afterwards. In the rest of Canada, the pattern is a hybrid of what was experienced in Quebec and Ontario; the SA rate increased by a significant amount as in Quebec but failed to fall back to pre-recession levels as in Ontario.

The recession of the early 1990s saw the SA rate in Ontario more than double. Although the SA rate also increased in Quebec, the rate in Ontario increased more quickly and by far more than in Quebec. The recession was deeper in Ontario than in Quebec, but the size of the increase in Ontario’s SA rate — it more than doubled from less than seven per cent to over 14% between 1989 and 1994 — is unprecedented. Also notable is the long period of recovery; in both provinces it took more than a decade for the SA rate to return to pre-recession levels. The speed with which the SA rate returned to pre-recession levels was significantly faster in the rest of Canada.

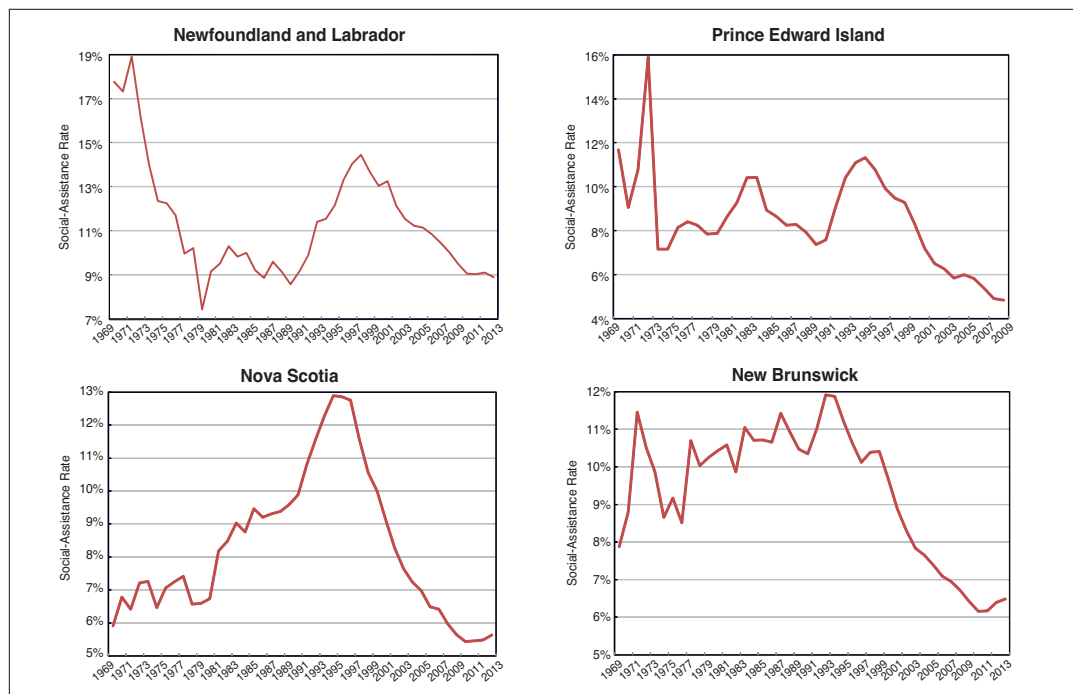
Starting in the late 1990s, the SA rate fell steadily in Quebec and by 2012 had returned to a level not seen since the early 1970s. In Ontario the fall in the SA rate was faster and seemed to bottom out at about 6.5 per cent by the mid-2000s. More recently, the SA has continued to fall in Quebec, while it has begun to climb again in Ontario.

⁸ For a comparison of the length and depths of recession by province see Ronald Kneebone and Margarita Gres, “Trends, Peaks and Troughs: National and Regional Employment Cycles in Canada,” The University of Calgary School of Public Policy, *The SPP Research Papers* 6, 21 (July 2013).

Taking a long-term perspective, after a volatile four-plus decades, the SA rate in Quebec has recently returned to the level it held in the 1970s, has fallen well below the rates observed in the 1970s in the rest of Canada, and in Ontario, resumed what appears to be a long-term trend toward a higher SA rate.

The four graphs in Figure 3 present our data on SA rates for the Atlantic provinces. The largest of these provinces, Nova Scotia, witnessed a remarkable and largely uninterrupted increase in its SA rate between 1969 and the mid-1990s. It is perhaps easy to suggest that recessions in the early 1980s and again in the early 1990s were the culprits, but it is more difficult to explain why the SA rate did not fall in between those two recessions but rather continued to climb. This is particularly interesting given the startling fall in the SA rate following the recession of the early 1990s; a fall that was seemingly halted — though not reversed to any significant degree — only by the recession of 2008–09. The SA rate in New Brunswick followed a broadly similar pattern, although the growth in the SA rate prior to the mid-1990s was less dramatic than in Nova Scotia. In both Nova Scotia and New Brunswick, the SA rate had, by 2012, fallen below the rates in both Ontario and Quebec.

FIGURE 3: THE SOCIAL-ASSISTANCE RATE, ATLANTIC PROVINCES, 1969-2012



In Newfoundland and Labrador, the dramatic fall in the SA rate during the 1970s — from 19 per cent to less than eight per cent — is notable. So too is the fact the SA rate did not react strongly to the recession of the early 1980s nor to the 2008–09 recession, but did so in response to the recession of the early 1990s and the subsequent recovery.⁹ Finally, the SA rate

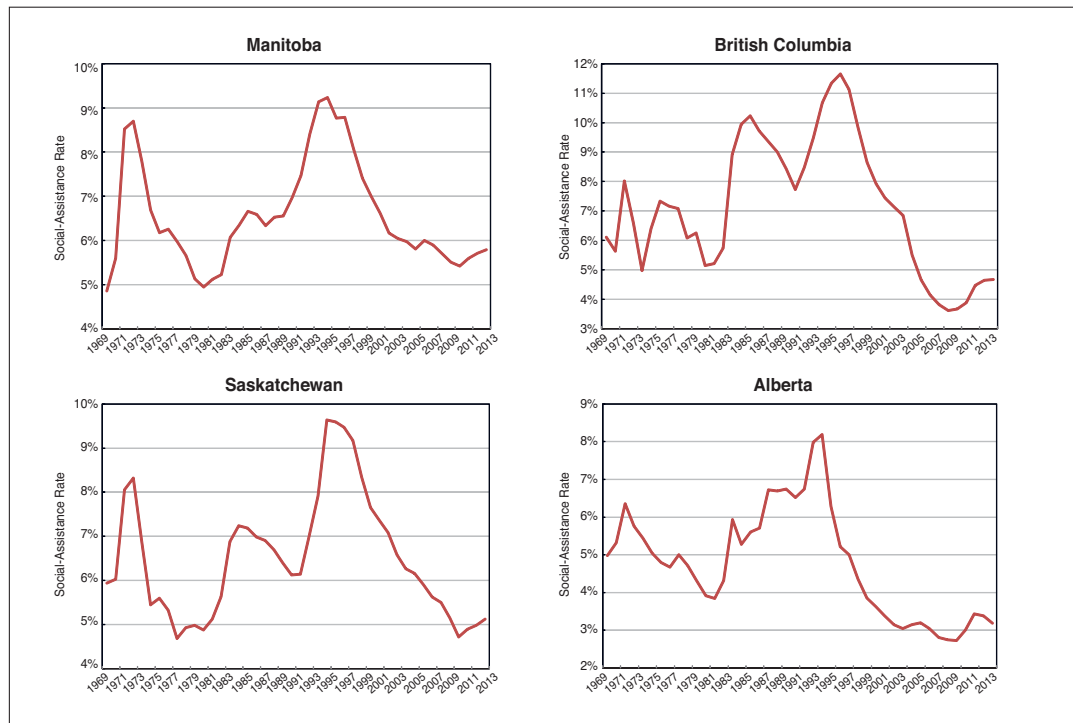
⁹ The recession of the early 1990s coincided with the closing of the cod fishery, and the economic recovery that began later in the decade included the benefits of a growing offshore oil and gas industry. The large rise and fall in the SA rate is therefore correlated with longer-term structural changes as well as more cyclical influences.

in P.E.I., which tended to fluctuate between eight and 10 per cent during much of the time, has recently exhibited a steady decline not slowed by the latest recession. As of 2013, all four Atlantic provinces were at or near the lowest SA rate since 1969.

Our final figure, Figure 4, presents social-assistance rates for the Western provinces. The SA rate in British Columbia doubled inside of two years in the early 1980s and was only halfway to recovery when a recession in the early 1990s drove the rate back up to new heights. From that peak in 1995, the SA in B.C. fell steeply and steadily from nearly 12 per cent to less than four per cent by 2008. A very similar story is told by the data for Saskatchewan. In Manitoba there was almost no fall in the SA rate following the 1980s recession; instead it simply ratcheted upward with the recession of the early 1990s. As with the other provinces, the SA rate peaked in the mid-1990s after which it has fallen more or less steadily. Alone amongst the western provinces, Manitoba's SA rate has not fallen to or below levels experienced since 1969.

In Alberta, the rise in the SA rate between 1981 and 1993 is correlated with two recessions and a large fall in energy prices in the middle of the 1980s. The sudden and dramatic fall in the SA rate starting in 1993 is similarly well-correlated with the election of a provincial government determined to balance its budget with large cuts to spending that included significant cuts to the income support provided to those on social assistance. Since 2000, the SA rate in Alberta has averaged about three per cent, easily the lowest rate in Canada.

FIGURE 4: THE SOCIAL-ASSISTANCE RATE, WESTERN PROVINCES, 1969-2012



CONCLUSION

Our primary purpose with this note is to make available information that will answer at least two important questions about social-assistance use in Canada: namely, how many families and individuals access, and are beneficiaries of, the income support provided by provincial social-assistance programs? And, how has social-assistance use changed over time? Because the provision of social assistance is a provincial responsibility, and so is subject to province-specific rules, regulations and levels of income support, we have emphasized the importance of looking at these data by province. This information, which is surprisingly difficult to obtain, is essential if policy-makers and policy analysts are to make informed decisions about what are appropriate policies with respect to the design of social-assistance programs.

In our discussion of these data, we have limited ourselves to identifying trends and making very broad comparisons across provinces. Even though we have used only broad strokes to paint our picture of social-assistance use, some puzzles are clear to see. For example, while the increase in social-assistance rates during the early to mid-1990s is perhaps easy to associate with a significant recession of that period, social-assistance rates appear to have been much less sensitive to the most recent recession of 2008–09. Also interesting is how a rapid increase in the SA rate in Quebec during the late 1970s stands in sharp contrast to the rapid fall in the SA rate during the same period in Manitoba, Saskatchewan, Alberta, and Newfoundland and Labrador. While those differences in the evolution of the SA rate suggest drivers of the SA rate that are province-specific, the nearly simultaneous beginning of the dramatic fall in the SA rate in all provinces in the mid-1990s is suggestive of an explanation commonly felt in all provinces at the same point in time. An explanation that deserves attention is the replacement, in 1996, of shared federal-provincial financing of social assistance under the Canada Assistance Plan with its replacement, the Canada Health and Social Transfer, putting the sole responsibility for financing on provinces. No longer able to spend “50-cent dollars” as under CAP, the provinces introduced significant changes in program design, rules and regulations. Finally, while for most provinces the long-term trend described by our four-plus decades of data has been toward a lower social-assistance rate, in Ontario the trend is in the opposite direction.

A thorough understanding of social-assistance use and adequacy requires data such as we have supplied here, but also requires a good deal more. The income and other benefits that social-assistance programs provide and the demographic characteristics of those receiving benefits are other crucial pieces of information that are required before judgements can be made about the effectiveness of current programs or contemplated program reforms. So too are detailed descriptions of program regulations and the exact timing of changes in those regulations. Unfortunately, information along these other dimensions is fragmentary and often available for shorter periods of time than is required for analysts to identify behavioural responses of social-assistance recipients to changes in program design.

The now defunct National Council of Welfare provided a good deal of these sorts of data from the mid-1980s, but notably absent from their work was a continuous series of information on social-assistance incomes prior to 1989.¹⁰ The result is that empirical examinations of social-assistance programs in Canada have been limited to relying on data available only since 1989.¹¹ We believe the data we have presented here highlights how unfortunate that limitation is. Variation in social-assistance rates over time and across provinces during the 20 years before 1989 — variation that seems difficult to easily associate with changing economic conditions — would seem to raise some important questions about what other considerations have been responsible for the rise and fall of social-assistance use in Canada.

¹⁰ This should in no way be interpreted as a criticism; it is only an observation. We join other researchers in cheering the commitment of the Caledon Institute to continuing the good work of the National Council of Welfare.

¹¹ See, for instance, Ronald Kneebone and Katherine White, “Fiscal Retrenchment and Social Assistance in Canada”, *Canadian Public Policy* 35, 1 (March 2009): 21-40; and, more recently: Nathan Berg and Todd Gabel, “Effects of New Welfare Reform Strategies on Welfare Participation: Microdata Estimates from Canada,” University of Otago, *Economics Discussion Papers* 1304 (February 2013).

APPENDIX

This appendix details the sources of data for Tables 1 and 2 in the text. Key sources of historical data are the following:

- *Welfare in Canada: The Tangled Social Safety Net*, National Council of Welfare, November 1987. (NCW)
- *Welfare Incomes 2003*, National Council of Welfare Reports, Volume 121, Spring 2004 (<http://tdrc.net/resources/public/WelfareReport.pdf>). (NCW1)
- *Social Assistance Statistical Report: 2005*, Federal-Provincial-Territorial Directors of Income Support, August 2006, <http://publications.gc.ca/collections/Collection/HS25-2-2005E.pdf>. (SASR2005)
- *Social Assistance Statistical Report: 2008*, Federal-Provincial-Territorial Directors of Income Support, September 2010, http://publications.gc.ca/collections/collection_2011/rhdcc-hrsdc/HS25-2-2008-eng.pdf. (SASR2008)
- *Social Security Statistics, Canada and the Provinces, 1968-69 to 1992-93*, Minister of Supply and Services Canada, 1994 (Table 361). (SSS1)
- *Social Security Statistics, Canada and the Provinces, 1975-76 to 1999-2000*, Minister of Supply and Services Canada, 2001 (Table 361). (SSS2)

Our focus in this policy brief is on social-assistance use by province. We did not extend our analysis to the territories of Yukon, Nunavut and Northwest Territories. Information on social-assistance recipients for the Yukon and the Northwest Territories is available from SSS1 (from 1971 for Yukon and from 1980 for NWT). Information on cases is available starting in 1994 in both territories and is available from SASR2005 and SASR2008. SASR2008 provides data on social-assistance recipients and cases in Nunavut beginning in 2001 and ending in 2008. Given our focus on the provinces, we did not investigate the availability of more recent data.

Newfoundland and Labrador

BENEFICIARIES:

1969–92: SSS1

1993–current: Government web site

CASES:

1981–86: NCW, Table 1

1993–current: Government web site

Notes:

- Beginning in January 1992, monthly data on beneficiaries and cases are available from the government of Newfoundland and Labrador website at http://www.stats.gov.nl.ca/Statistics/Social/PDF/Income_Support.pdf. The average of monthly data is used to create fiscal year values from 1993.

Prince Edward Island

BENEFICIARIES:

1969–93: SSS1
1994–96: SASR2005
1997–2008: SASR2008

CASES:

1981–86: NCW, Table 1
1994–96: SASR2005
1997–2008: SASR2008

Notes:

- Some post-2008 data can be found from the provincial government website, but it tends not to be consistent with information contained in SASR 2008.

Nova Scotia

BENEFICIARIES:

1969–93: SSS1
1994–96: SSS2
1997–1999: NCW1
2000–2005: SASR2005
2006–current: Government web site

CASES:

1981–86: NCW, Table 1
2000: SASR2008
2001–2010: Government website

Notes:

- The SASR2005 reports from 1994, but does not include the number of beneficiaries of Municipal Social Assistance until 2000. SSS2 does include these benefits but reports only to 1996. Data for 1997–1999 inclusive is from NCW1, Appendix A. The data in NCW1 extend to 2003 and so overlaps with SASR2005 for years 2000 to 2003. During these overlapping years, the data in NCW1 and SASR2005 match, confirming that NCW1 includes the number of beneficiaries of Municipal Social Assistance.
- For 1994–1999, SASR2005 and SASR2008 report only the number of cases for the Family Benefits Program. SASR 2008 reports cases for all programs only for 2000 to 2008.
- For 2006–2012, the number of beneficiaries is inferred from information contained in Nova Scotia Department of Community Services, Statement of Mandate, 2013–14 (http://www.gov.ns.ca/coms/department/documents/DCS-Statement_of_Mandate-2013-2014.pdf), which reports the number of beneficiaries as a percentage of the provincial population. Using population data from Statistics Canada, we infer the number of beneficiaries reported in Appendix B.
- For 2001–2010, the number of cases is reported in Nova Scotia Department of Community Services, Annual Accountability Report, Fiscal Year 2009–2010 (<https://www.novascotia.ca/coms/department/documents/Accountability-Report-2009-10.pdf>). The data from this source exactly matches the data from SASR2008 for years 2001 to 2008 inclusive.

New Brunswick

BENEFICIARIES:

1969–93: SSS1
1994: SASR2005
1995–2013: Government of New Brunswick

CASES:

1981–86: NCW, Table 1
1994: SASR2005
1995–2013: Government of New Brunswick

Notes:

- SASR2005 and SASR2008 report beneficiaries and cases for each of three programs: Transitional Assistance Program, Extended Benefits Program, and Interim Assistance Program. These are summed to provide data on beneficiaries and cases for all programs.
- Data on beneficiaries and cases for 1995–2013 are from Department of Social Development. These data are available monthly. The monthly data were used to create the fiscal year data reported in Appendix B. These data were kindly provided by Helene LeBreton of the Department of Social Development. These data, although only from 2009, are available from the Department of Social Development website (http://www2.gnb.ca/content/gnb/en/departments/social_development/statistics/social_assistance_caseload_and_recipients.html).

Quebec

BENEFICIARIES:

1969–93: SSS1
1994–96: SSS2
1997–98: SASR2008
1999–current: Government website

CASES:

1981–86: NCW, Table 1
1994–96: SASR2005
1997–98: SASR2008
1999–current: Government website

Notes:

- Since April 1998, the government of Quebec has published monthly data on cases and beneficiaries (http://www.mess.gouv.qc.ca/statistiques/prestataires-assistance-emploi/archives_en.asp). The average of monthly data is used to create the fiscal year values reported in the table.

Ontario

BENEFICIARIES:

1969–93: SSS1
1994–1996: SSS2
1997–1998: NCW1
1999–2007: SASR2008
2008–2009: Open Policy Ontario website
2010–current: Government website

CASES:

1981–86: NCW, Table 1
1999–2007: SASR2008
2008–2009: Government websites
2010–current: Government website

Notes:

- Starting in June 2007, monthly data on beneficiaries of both Ontario Works (OW) and Ontario Disability Support Program (ODSP) are available from the website “Open Policy Ontario” (<http://openpolicyontario.com/social-assistance-recipients-in-ontario/>). We use these data for 2008 and 2009. Note that the 2008 value is based on average monthly beneficiaries calculated over just 10 months. That site reports the data as being from Ministry of Community and Social Services. The links that are provided to those original documents are, however, broken.
- Data for 2010–current on both beneficiaries and cases for both OW and ODSP are from Ontario Social Assistance Monthly Statistical Report. Current reports are available here: <http://www.mcass.gov.on.ca/en/mcass/programs/social/reports/index.aspx>. Archived reports are found here: <http://find.gov.on.ca/?searchType=simple&owner=mcass&url=www.mcass.gov.on.ca&collection=&offset=0&lang=en&type=ANY&q=statistics+and+analysis+unit&Search.x=-1033&Search.y=-143>. These are monthly data and reported for both OW (from April 2007) and ODSP (from April 2009). The monthly data have been used to produce the fiscal year data since 2010.
- Data on ODSP cases from 2004 to 2009 are available from the Office of the Auditor General of Ontario, 2009 Annual Report (http://www.auditor.on.ca/en/reports_en/en09/309en09.pdf). The data on ODSP cases for 2008 and 2009, combined with data on OW cases available from Ontario Social Assistance Monthly Statistical Report, produce our data on total social-assistance cases for 2008 and 2009.

Manitoba

BENEFICIARIES:

1969–93: SSS1
1994–1996: SSS2
1997–1999: NCW1
2000–2003: Government of Manitoba
2004–2005: SASR2008
2006–2012: Government of Manitoba

CASES:

1981–86: NCW, Table 1
2000–03: Government of Manitoba
2004–2005: SASR2008
2006–2012: Government of Manitoba

Notes:

- Data on beneficiaries and cases are available from annual reports of Manitoba Family Services. Our data for 2000 are from the 2001–02 report of the employment and income assistance program (http://www.gov.mb.ca/fs/about/annual_reports/2001-02/annual_2001-02_sec4.pdf) while our data for 2001–2003 inclusive are from the 2002–03 annual report (http://www.gov.mb.ca/fs/about/annual_reports/2002-03/annual_2002-03_sec4.pdf). Our data for 2006 and 2007 are from the 2007–08 report of Family Services and Housing (http://www.gov.mb.ca/fs/about/annual_reports/2007-08/annual_report_2007_08.pdf). For 2008 and 2009, our data are from the annual report of Family Services and Consumer Affairs (http://www.gov.mb.ca/fs/about/annual_reports/2009-10/fscs_annual_report_09_10.pdf). Finally, data for 2010–2012 are from the annual report of Entrepreneurship, Training and Trade (http://www.gov.mb.ca/ctt/pdfs/11_12_ett_ar.pdf). We could find no data on government websites for fiscal years 2004 and 2005.

- Prior to 2004, social assistance was provided by the province and by the City of Winnipeg. Beginning in 2004, the province assumed responsibility from municipalities. SSS1 and SSS2 reports on both amounts. Until 2004, the data in SASR2005 and SASR2008 are for the province only and does not include municipal-program caseloads. Data in those sources are therefore useful only from 2004 forward. Our data for 2004 and 2005 are from SASR2008.

Saskatchewan

BENEFICIARIES:

1969–1993: SSS1
 1994–96: SASR2005
 1997–2003: SASR2008
 2004–2012: Government of Saskatchewan

CASES:

1981–86: NCW, Table 1
 1994–96: SASR2005
 1997–2003: SASR2008
 2004–2012: Government of Saskatchewan

Notes:

- Data for 2004 and 2005 are from pages 7 and 15 of the 2004–2005 Annual Report of Saskatchewan Community Resources and Employment (<http://www.socialservices.gov.sk.ca/2004-05-DCREann-report.pdf>). Data for 2006 are from page 13 of the 2005–2006 annual report (<http://www.socialservices.gov.sk.ca/2005-06-DCREann-report.pdf>). Data for 2007–2011 inclusive are from pages 13 and 24 of the 2010–11 Annual Report of the Ministry of Social Services (<http://www.socialservices.gov.sk.ca/2010-11MSS-AnnualReport.pdf>). Finally, our 2012 data are from the 2010–11 Annual Report of the Ministry of Social Services (<http://www.finance.gov.sk.ca/PlanningAndReporting/2011-12/201112SSAnnualReport.pdf>). This last source reports the number of cases, but reports the number of beneficiaries only as a percentage of the population aged zero to 64 years. We used Statistics Canada CANSIM data on the population aged zero to 64 years to arrive at the implied number of beneficiaries.

Alberta

BENEFICIARIES:

1969–1993: SSS1
 1994–96: SASR2005
 1997–2007: SASR2008
 2008–2012: Government of Alberta

CASES:

1981–86: NCW, Table 1
 1994–96: SASR2005
 1997–2005: SASR2008
 2006–2012: Government of Alberta

Notes:

- Alberta data include Assured Income for the Severely Handicapped (AISH). AISH is only paid to the recipient and so the number of cases is equal to the number of recipients.
- SSS2 does not appear to include AISH data for 1994–96 inclusive and so should be used with caution. SASR2005 and SASR2008 both report AISH separately from Alberta Works data. We sum the two amounts to arrive at a total for both programs for years 1994 to 2007.

- Beginning in April 2005, monthly caseload data is available for “Income Support.” See Office of Statistics and Information (OSI), Government of Alberta (<https://osi.alberta.ca/osi-content/Pages/OfficialStatistic.aspx?ipid=879>). These monthly data are used to produce fiscal year values for Income Support cases.
- OSI does not publish similar data on beneficiaries. A request to the government of Alberta provided point-in-time data (for March 31st) on the number of Income Support beneficiaries for 2008–2013. (Thanks to Kevin Inkster, Senior Manager, Financial Program Policy, Alberta Human Services.) A similar request to the Ministry of Seniors and Community Supports (thanks to Donna Wood for making this request and providing us with these data) provided monthly AISH-caseload data from 2001 to 2011. Combining these data with the data on income support cases requested from OSI enabled us to produce totals for 2008–12.

British Columbia

BENEFICIARIES:

1969–1993: SSS1

1994–95: SASR2005

1996–2013: Government of B.C.

CASES:

1981–86: NCW, Table 1

1994–96: SASR2005

1996–2013: Government of B.C.

Notes:

- Beginning in January 1995, monthly data on beneficiaries and cases are available from the Ministry of Social Development and Social Innovation. Data for 1995 to 2011 are available here: <http://www.sd.gov.bc.ca/research/archive/index.htm>. Current data are available here: <http://www.sd.gov.bc.ca/research/>. Until July 2008, the number of cases (equal to beneficiaries) of the Children in Homes of Relatives (CIHR) program was reported separately. Recent data no longer include CIHR and so we removed CIHR from historical data. Until October 2001, cases and beneficiaries of the provincial Seniors Benefits program were reported separately. It is no longer possible to separate these data from regular income-support data. The size of the Seniors Benefits program is very small relative to the regular income-support program (less than one per cent of cases and beneficiaries).

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