

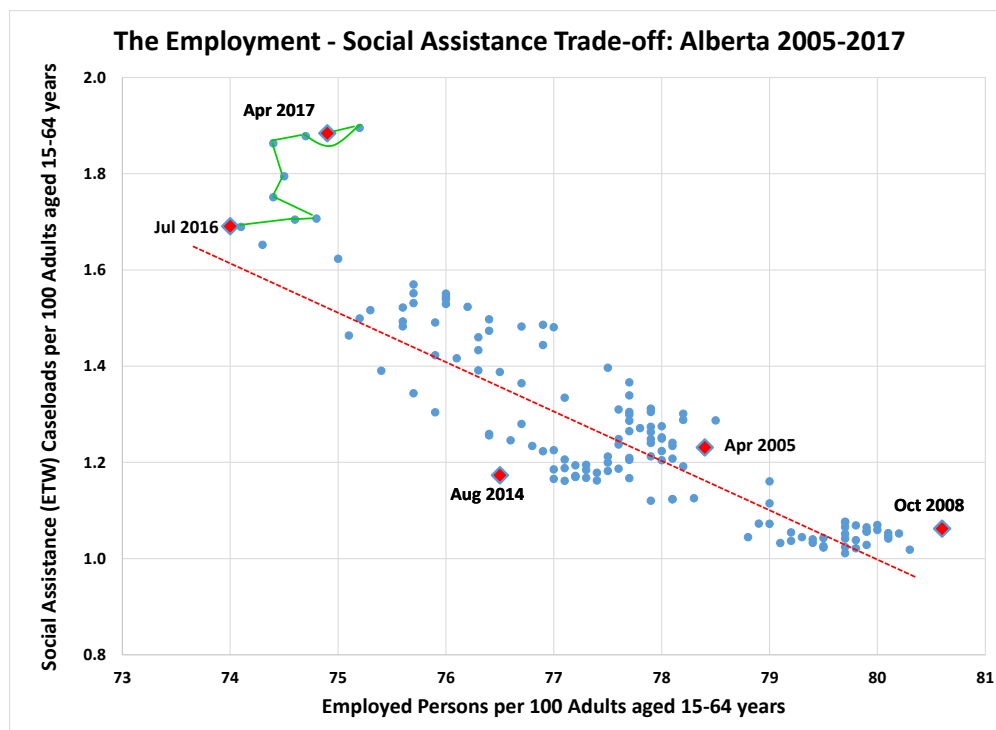
THE TRADE-OFF BETWEEN EMPLOYMENT AND SOCIAL ASSISTANCE CASELOADS, ALBERTA, 2005-2017

As employment falls, social assistance caseloads typically rise. Caseloads have recently increased considerably more than in the past, which may suggest a new trend

Social assistance is part of a social safety net that “catches” individuals who have lost their jobs. In this issue of *Social Policy Trends* we plot monthly data on the number of employed persons per 100 adults aged 15-64 years, versus the number of social assistance caseloads in the same age bracket, from April 2005 to April 2017. Our attention is restricted to social assistance cases defined by the provincial government as “expected to work (ETW)” cases. Such cases are established for those who are either employable persons temporarily out of work, or adults whose market income is insufficient to meet their basic needs.

Recent increases in social assistance caseloads suggest the possibility that the relationship between employment and social assistance has changed

In October 2008, at the height of Alberta’s economic boom, nearly 81 of every 100 adults in Alberta were employed and there was just over one social assistance case for every 100 individuals. The recent fall in energy prices has moved us from the lower right to the upper left corner of the chart, where employment is lower and social assistance caseloads are higher. In July 2016, there were 74 employed individuals with 1.7 cases of social assistance per 100 adults.



Source: CANSIM series v21581483 and v21581495; <https://open.alberta.ca/dataset/income-support-caseload-alberta>; and author’s calculations.

The dashed red line shows the trend in the relationship between employment and caseloads using data from April 2005 to July 2016. Based on those eleven years of observations we would expect that employment growth after July 2016 would result in a movement down that trend line. Instead, since July 2016 we see an apparent upward shift in that trend. Although there has been a small improvement in employment, the number of social assistance caseloads has continued to climb rather than fall. This movement suggests there may have occurred significant changes in Alberta’s labour market compared to the past, and a different norm is being shaped with more social assistance support caseloads per working Albertan.