

FEDERAL AND PROVINCIAL CONTRIBUTIONS TO SOCIAL ASSISTANCE

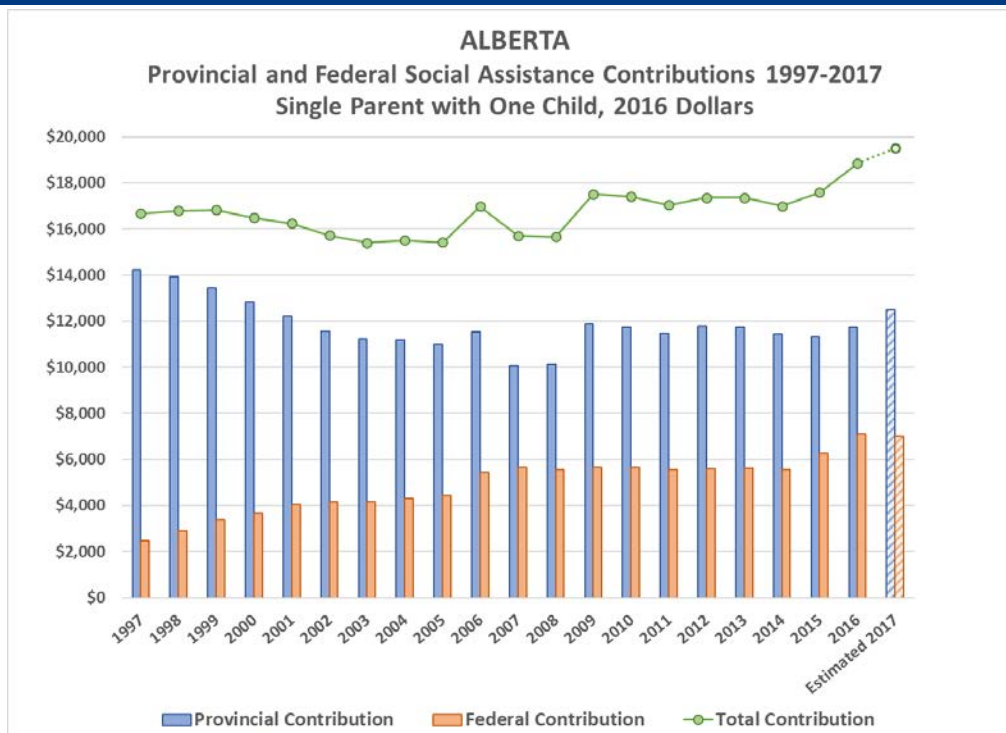
Since 1997, the federal government has contributed a growing share of the total support provided to families receiving social assistance

Persons receiving social assistance are given support in a number of ways by both the government of the province in which they live in and, increasingly, by the federal government. Support is provided in the form of basic social assistance, a GST and other tax credits, and, when children are involved, child tax benefits. The graph shows information for Alberta assuming a lone parent with one child aged less than 6 years. All values are adjusted for inflation.

The height of the blue bars identifies the total provincial contribution given by the government of Alberta. It combines the amount of basic social assistance with minor additional benefits.

The support provided by the federal government to lone parents receiving social assistance has increased from 15% of the total in 1997 to 36% in 2017

The orange bars identify the total support provided by the federal government, of which the main component is the Federal Child Tax Benefit, in addition to a much smaller GST credit. The green line shows how the combined provincial and federal level of support has changed over time. From 1997 to 2008, the growing contribution given by the federal government was coupled with a shrinking provincial contribution, leaving total support fairly constant. From 2008 until 2015, both the provincial and federal contributions remained stable. Since 2015, the



Source: Social Assistance incomes from Caledon Institute and <https://apps.cra-arc.gc.ca/ebsci/icbc>; All Items CPI from CANSIM table 3260021 and author's estimate for 2017. The benefits calculation for 2017 accounts for a full year of the Alberta Child Benefit (\$1,114) first introduced in July 2016, as well as an amount due to the introduction of the provincial carbon tax (\$375) expected in 2017.

contributions have increased due to the expansion of child benefits from the federal and provincial governments. Not shown in the graph is the steady erosion of basic social assistance by inflation.

The growing preference of governments to use the tax filing system to increase financial support for low income individuals is concerning, because some individuals who are eligible for benefits do not submit tax forms. It is also noteworthy that neither of the two largest components of support – basic social assistance provided by the province and the federal child tax credit – are indexed to inflation.