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# MEMO

TO: Ruth Beck  
FROM: Krista James  
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RE: Employment equity and poverty

## **Barriers to access to employment created by legislation (legislated poverty)**

(1) **Income assistance rates are so low that getting by can take up most of your time.** eg. finding inexpensive food and clothes and freebies. appealing to the Ministry for further funds when crises arise that a person cannot prepare for on such a low income. This is very stressful.

(2) **Income assistance rates are so low that it is a challenge for people on income assistance to sustain the physical and mental health required to look for work or participate in training initiatives.** Poverty is correlated to poor health. It is very difficult - if not impossible - to eat healthy food on income assistance rates (Resource: National Council on Welfare materials - can't follow Canada Food Guide on income assistance rates). Surviving on such a low income contributes to feeling of hopelessness and isolation: it is hard to feel motivated when every day is a struggle.

(3) **The Ministry process is so complex, time consuming and demanding that just meeting the requirements of the income assistance system can take up a lot of your time.** eg following up on your worker's requests for more information, getting forms filled out by doctors. appealing for additional benefits in times of need, applying for disability status if you have a disability. If you live in a rural area you may have to travel 2 hours each way just to talk to your worker because workers do not travel out of the district office.

(4) **Minimum wage is too low to provide an economic incentive to leave income assistance.** A single parent with 2 kids receives \$969 (not taxable) per month on income assistance (plus her tax child tax benefits) while a person working full time for minimum wage earns \$1140 minus taxes and employment insurance and Canada pension plan payments. As your income increases you must also bear more and more of the costs of child care.

(5) **people on income assistance often cannot afford to look for work or participate in training.** The legislation does not provide for a job hunting allowance (for appropriate clothes, supplies to do resumes, buying newspapers, travel to and from communities with more jobs, travel to and from training - especially important for people in rural communities). Rates are so low that people do not have money left over in their monthly cheques for these kinds of expenses. There is no funding for travel to a job interview.

## **Positives in legislation**

(1) **Work clothes benefit.** Problem: only available once you have found work. There is no budget for clothing for a job interview.

(2) **Moving benefit.** Problem: only available once you have confirmed employment.

(3) **Work force entry benefit** provides for up to \$200 to cover incidental costs related to entry into the work

force. Problem is that the benefit is only available to single parents who have commenced full time work. The reality is that most single parents need to move toward full time work gradually or cannot manage full time work and parenting. Also non single parents have expenses in relation to entering the work force.

**(4) Transition to work benefit** provides for up to \$150 per month for 12 consecutive months to cover the costs a family incurs due to employment for transportation, child care or both. Problem: only available to parents, to families who stop being eligible for income assistance due to income from work. Once-in-a-lifetime benefit - reality is that it may take a person many "tries" to successfully transition to full time work.

**(5) Earnings exemption** allow people on income assistance to keep a limited amount of earnings from employment without an affect on benefits. Last week the government announced the restoration of earnings exemptions for single people (\$100 per month) and families (\$200 per month).

**(6) Employment-related program benefit:** up to \$100/month for transportation and attendance costs, tuition costs, books, supplies, \$200 for safety clothing. Problem: approved training program are limited. For example cannot use to go to college or university even if you cannot get a student loan. Does not allow people much autonomy in making career choices.

**(7) Disability pilot project:** in Nelson the ministry subsidises a supported employment program which assists people with disabilities in finding work and provides them with support throughout the transition period so they can sustain work. Problem: people in the program are paid minimum wage or very low wages.

**(8) Child care subsidies:** provides subsidies for in home child care, day care and pre school socialisation. Problem: number of hours of child care provided is limited when you are looking for work rather than working. No subsidy available to support volunteer work as a preparation for work. The more income you make, the lower your subsidy will be: you can wind up paying most of your earnings for necessities and child care so that there is no economic benefit to employment unless your salary is substantial.

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