

My submission to the Canadian Poverty Reduction Strategy

by Anemone Cerridwen, submitted May 31, 2017 via email (with formatting, and a few spelling mistakes fixed)

Background

I'm 52, female, and white. I grew up in a well-off family. Other than the apartment we lived in when I was a baby, my parents owned the houses we lived in, and they still live in the house in the upper class neighbourhood we moved to when I was 14. They also have a cottage and an acreage and go south for three months in the winter. They both inherited money (both sides of the family have money going way back - I'm descended from John Molson on one side and Sir Richard Scott on the other). My father is a millionaire-next-door type (I don't know his net worth) and kept my mother on a meager housekeeping allowance, which she supplemented with part time work. I believe that's considered abusive now, but it may have been common at the time.

I went to good schools, was an honour student, and then got three university degrees - a BSc and MSc in one field, then a BSc in another field. I mostly paid my own way through university with summer jobs and scholarships, and lived with my parents for the first three years of my first degree. The third degree I did on student loans, but ran out of both money and energy before I could go on to grad school. I crash and burn fairly easily.

My father kicked me out of the family when I was in my late 20s, after I stood up for myself. I was dealing with PTSD at the time from child abuse and still have problems with trauma-related issues. (I can't have sex, and have significant difficulty trusting men, or anyone for that matter.) I was also diagnosed with an autistic spectrum disorder in my early 30s, after spending years trying to get help on this issue. (I knew instinctively as a child, but appeared too high functioning to get support before this.) Both the autism and the PTSD contribute to significant isolation.

After a few years of boom-bust attempts to support myself in entry level clerical jobs, I gave up and went on disability full time. At this time I started writing, hoping to write something that would earn me money. I self-published my first book after being unable to get a publisher, and am researching a second one. I also have two scientific publications, one from my MSc and one from some research I did independently while on welfare in Vancouver. Someone else came on as second author when I was unable to get the second one published on my own. I work constantly, but my work is not valued or paid, with the exception of some media interviews and a few self-published sales.

I have eight years of university, worked for about four to five years total as an adult (some part time), been on EI and savings for a couple of years, and been on some sort of welfare (general welfare, disability) for almost 20 years (3.5 years intermittent, then 16+ years continuous). I've lived on welfare/disability in four provinces: Ontario, BC, Quebec and Alberta. It is only in the last year (since going on AISH) that I've had enough money to keep the wolf from the door. (It's sitting under a tree a short way off keeping an eye on the door now.) I've lived in substandard housing and developed health problems from mould, in addition to the stress from lack of sound proofing (I have sensory issues so this is a particularly bad issue for me). I'm currently living in a rooming house so I can save money for grad school, but could afford my own apartment if I thought I was capable of living in a concrete box again. I'm not cut out for roommate situations - the social demands are too high.

I would not wish life on welfare in Canada on anyone, not even my worst enemy. I've had times where my food money ran out before the end of the month, and I had to sell belongings to get enough to eat. I've never gone to a food bank or soup kitchen because I have significant food intolerances so there's no point. For a long time I lost my appetite and could get by on 6-800 calories a day without feeling hungry, though I would then go on sugar binges to compensate. I have since restored my appetite and have to eat red meat multiple times a day or I get insomnia. Fortunately I have freezer space and can buy food in bulk right now to save money.

The Fraser Institute's Basic Needs Measure underestimates the amount of money people actually need to meet basic needs, both because they don't take mouldy/bad housing into account (rents are depressed and housing is undermaintained due to the poverty of tenants) and they don't include the need for breathing room/mistakes. At the same time, the vast majority of disability recipients in Canada aren't even getting that much. Certainly I never got that much until I got onto AISH. There's no excuse for this whatsoever.

I am exhausted - it's bone deep. After I gave up working and went on disability, I disintegrated steadily. (I was only in hysterics from stress a lot before that.) Every year I thought I had reached bottom and all that could be stripped from me without killing me was gone, but then every year I'd disintegrate even more. It felt like I was in a plane that was headed straight for the ground, and I had to try to figure out how to pull up before crashing. After moving to Montreal, where the rent is cheaper (if you don't mind no soundproofing and lots of mould and vermin), I started to

feel like I was pulling out of it, and now that I'm in Alberta, AISH has helped a lot. But I'm still vulnerable to bad housing and disordered eating from stress. I'm still exhausted and struggling to find the resources I need to participate in society. And I know that fashions can change and welfare rates can be not only frozen, but also rolled back. I never really feel economically secure. It's hard.

Questions for Discussion

1. How do you define poverty? How should it be measured? Are there data gaps that need to be addressed to help improve our understanding of poverty in Canada?

Absolute poverty means not having enough money for adequate food, shelter, transportation, and other non-negotiable costs of living. Relative poverty means not having enough money to cover the costs of socializing and participating in society. Based on my experience with both, I would put absolute poverty at about 50% of the median individual income. Relative poverty is relative, of course.

Inflation should be measured separately for each income quintile, because the rate of inflation for people at the very bottom is higher than it is for people in the middle. Electronics keep getting cheaper, but if you can't afford to buy them regardless, then it's irrelevant. In the meantime, inflation has only doubled general prices since I last lived in Edmonton, but the rent for the apartment I lived in then has tripled. And welfare rates have not tripled. Even AISH isn't triple what it used to be.

2. What will success look like in a Poverty Reduction Strategy? What target(s) should we pick to measure progress?

I think the best target is an absolute end to absolute poverty. Bring every single individual adult up to at least 50% of the median income. This is doable. This could also reduce relative poverty, depending on how it's done.

3. Which indicators should we use to track progress towards the target(s)?

You can use tax returns to track progress. You can also track health care costs and the costs of police/courts/jails (plus any other things that are due in part to poverty). If you're reducing poverty, you will also be reducing those costs because the need for those services will go down.

4. On which groups should we focus our efforts? Which dimensions of poverty should be prioritized?

Please do not single out specific groups. That is how people slip through the cracks. I knew two different young men last year who were in poor health and bad housing because they were proud and didn't want to go on AISH. This kind of stupidity (which is normal for young adults) costs taxpayers money in the long run. If everyone got a basic income, no matter what, then not only would we not have to worry about rates being clawed back (because prices and minimum wage would shift as a result, and because it would replace other programs), but it would end the problem of people slipping through the cracks, or having to jump through too many hoops to get support, or of wrecking their health through misguided pride. Minimum standards for everyone. (Besides, it's good for the economy.)

5. Which Government of Canada programs and policies do you feel are effective at reducing poverty? Are there programs and policies that can be improved? What else could we do?

I think you should scrap the RDSP, and put that money into people's pockets directly instead. As it is, it rewards people who already have more, instead of helping people who need it the most. I went in to get an RDSP but couldn't get one because the person at the bank didn't know what he was doing. He said I needed a number other than my SIN. I was going to go back and try again, but in the meantime I realized that I wouldn't be able to touch any of the grants for ten years. I needed the money then, and figured that if I didn't die of stress before the ten years would up, I'd likely inherit enough money to make them moot, so what was the point? The only reason I'd get one now is to sock money away if my savings topped the limit for AISH (which is \$100,000 now, a figure I am unlikely to reach on my own). With a basic income, there'd be no need for shelters for savings, because there would be no limit to how much we could save.

I also have a big problem with subsidized housing. The problem with subsidized housing is that a few lucky people get all sorts of support while the rest of us are left out in the cold. There are very long waiting lists, and so of course it doesn't work for people who have to move for whatever reasons. The clawback for people earning income can be a disincentive to working. It's also administratively heavy and lacks responsiveness to people's actual needs. I recognize the need for supportive housing for people who cannot live independently, but the vast majority of us just need more

money for rent, and would prefer to choose our own housing rather than be assigned a unit as if we're inmates somewhere, or children. Subsidized housing is the wrong approach. It's paternalistic rather than empowering. Also it's all about tokenism - the lucky few make the government look good and the rest of us are ignored.

I've heard other people go on about gaps in services, and some basic income advocates also want subsidized housing. My concern is that we can't afford everything right now. I think it's better to make sure everyone has a minimum threshold of money than to try to make some people so comfortable they don't have any more wants, while leaving others in the lurch. I also think it's impossible to close all gaps in services - there will always be some of us whose needs aren't addressed, and that's just life - but it is possible to close all gaps in income redistribution.

I do think people need access to more legal resources when filing human rights complaints. Tribunals and commissions are not enough. People need independent legal support. (I had problems with the Canadian Transportation Agency, as well as two provincial human rights commissions, and really needed a lawyer and expert medical witness, but didn't have the resources for them.)

6. How can the Government of Canada align its Poverty Reduction Strategy so that it supports existing efforts by provinces, territories, municipalities and communities?

I think a basic income could be split 50:50 between the federal government and the provinces/territories, especially if it were set at 50% of the provincial/territorial median income rather than the federal median income. Each province could decide how it wanted to pay for its half of the costs. Also, because provinces are responsible for administering costs for health care and the justice system, they have a built-in incentive to reduce poverty, once they start seeing results. Provinces can be more responsive to local conditions, while the federal government can promote minimum standards.

7. What are some initiatives/innovations in Canada or elsewhere that other governments, community organizations, academia, or businesses have introduced or proposed to effectively reduce poverty?

A basic income set at 50% of the median income is affordable, based on my calculations, provided:

A. It's a universal demogrant rather than a negative income tax - everyone 18+ gets it.

B. It replaces existing income transfer programs, including CPP/EI (which aren't universal), with top-ups for people who are already getting more (seniors); though it would not replace the child tax benefit.

C. The income tax system is overhauled so that everyone pays a flat 50% rate on any income other than the basic income, including corporations (it's profits, after all), and all tax deductions are scrapped, including the discount on capital gains and dividends, and of course future RRSPs and TFSA's. The bottom two thirds of income earners would be better off, and the top third can afford to pay higher taxes. People who have taxes deferred in RRSPs could get a lower rate for those taxes the first few years as a favour.

D. A combined provincial/federal sales tax at about 15% total would be enough to finish paying for a basic income at this level. There would be downstream savings in health care, policing and the justice system, but those savings would probably be swallowed up with backlogs and unmet needs to start with, so it would be better to not need those savings to fund a BI.

I have crunched these numbers, and this is what it would take to provide 50% of the median income (federal average), with some wiggle room for a top-up for seniors. As much as I'd like the BI to be even higher, the money isn't there.

The advantages of a universal demogrant and taxing everyone at a flat rate are transparency and a we're-all-in-it-together situation where even higher income earners need their basic income too.

Moving from one province to another (to access resources, to start over again for whatever reason) is particularly difficult for people in poverty because you have to establish residence before you can apply for provincial disability or other income support, but it's really hard to establish residence when you have no income. As a result, it's easy to end up in very bad housing, or homeless. A basic income would solve this problem, too.

8. How can the Government encourage an ongoing dialogue with other levels of government, community organizations, academia and businesses on its poverty reduction efforts?

I would really like to see the government talk more about the research, and do less politics. For example, we know now that austerity measures shrink economies. We also know that both absolute and relative poverty drive up health care costs and criminal activity. (Both sets of research by public health researchers, not economists!) If this were widely known, politics could shift from arguing about whether or not to engage in austerity measures vs income

redistribution, to arguing about how to go about ending absolute poverty and reducing income disparity because of all the amazing benefits we can't afford to do without.

Anemone Cerridwen