POLICY BRIEF

Falling further behind:
How policy choices are deepening poverty for people receiving social assistance

Policy implications of *Welfare in Canada, 2025*

Jennefer Laidley and Tania Oliveira

September 2026

Maytree
Poverty • Rights • Change

CALEDON
INSTITUTE OF SOCIAL POLICY

The full version of *Welfare in Canada, 2025* is available to download at https://maytree.com/changing-systems/data-measuring/welfare-in-canada/.

About the authors

Jennefer Laidley is a Maytree fellow.
Tania Oliveira is a Policy Advisor at Maytree.

About Maytree

Maytree is a Toronto-based human rights organization committed to advancing systemic solutions to poverty and strengthening civic communities. We believe the most enduring way to fix the systems that create poverty is to ensure that economic and social rights are respected, protected, and fulfilled for all people living in Canada. Through our work, we support non-profit organizations, their leaders, and people they work with.

ISBN: 978-1-996945-10-0

Maytree
77 Bloor Street West, Suite 1600
Toronto, ON M5S 1M2
Tel.: 416-944-2627

E-mail: info@maytree.com
Website: www.maytree.com

Introduction

The annual *Welfare in Canada* report compiles and analyzes data on the total welfare incomes of example households receiving social assistance in all 13 provinces and territories. The report's analyses of adequacy and trends over time are the primary source for evaluating Canada's progress on fulfilling the human right to an adequate standard of living for households receiving social assistance.

Canada acceded to the *International Covenant on Economic, Social, and Cultural Rights* in 1976. The Covenant calls on all levels of government to use their maximum available resources to progressively realize the right to an adequate standard of living. Yet when it comes to households receiving social assistance, little progress has been made.

In 2025, welfare incomes remained inadequate across Canada.[1] Compared to the prior year, most households relying on social assistance fell further behind and were forced into even deeper poverty. This is despite some positive changes in a few jurisdictions, including the introduction of inflation indexing to help protect benefits from rising costs of living and the creation of new programs and benefits.

In this policy brief, we expand on the analysis presented in the 2025 report. Our main findings are:

1. Total welfare incomes were deeply inadequate across Canada in 2025.
2. The loss of carbon tax rebates was a heavy blow for people receiving social assistance.
3. The Canada Groceries and Essentials Benefit disadvantages the lowest-income single adults.
4. Extremely low shelter benefits don't cover housing costs.
5. The Canada Disability Benefit is out of reach for too many people with disabilities.

We also identify several policy recommendations to improve the incomes of households receiving social assistance in Canada:

1. The provinces and territories must invest in the adequacy of welfare incomes, by:
    - Investing in higher social assistance benefits and tax-delivered income supports.

1 Laidley, J. and T. Oliveira. 2026. *Welfare in Canada, 2025*. Toronto: Maytree. See https://maytree.com/publications/welfare-in-canada-2025-a-crisis-of-inadequacy/.

- Indexing all social assistance benefits and tax-delivered benefits and credits to inflation.

2. The federal government must do more to support people receiving social assistance, including by:
    - Changing the structure of the Canada Groceries and Essentials Benefit so that the full Supplement amount goes to all low-income single adults.
    - Providing a new federal direct housing transfer, like the proposed Canada Renters Credit, to help with housing affordability now.
    - Fixing the Canada Disability Benefit so that eligibility can be granted automatically to anyone who qualifies for social assistance as a person with a disability in their province or territory.
    - Using other policy levers at their disposal, such as increasing the Canada Social Transfer, increasing the value of existing refundable tax credits (the Canada Workers Benefit, Canada Disability Benefit, and Canada Child Benefit), and leading efforts to create a joint federal, provincial, and territorial plan to achieve adequate welfare incomes and an end to poverty.

1. Total welfare incomes were deeply inadequate across Canada in 2025

Total welfare incomes in 2025 continued the pattern of inadequacy that we have seen in *Welfare in Canada* reports for nearly 40 years. Overall, 98 per cent of example households (55 out of 56 households) were living on incomes below the Official Poverty Line, with 71 per cent (40 out of 56 households) in deep poverty, which means living on an income below 75 per cent of the Official Poverty Line.

Analysis by household type

Welfare in Canada presents welfare incomes of at least four example household types in each of the 13 jurisdictions in Canada. Here we compare the situation across the country by household type to illustrate the tremendous variation in adequacy. For a robust analysis, this section uses two measures of adequacy:

1. Total welfare income as a percentage of the Official Poverty Line for each household.
2. The size of the poverty gap, defined as the dollar difference between the Official Poverty Line and total welfare income.

Before proceeding, it should be noted that all households in Nunavut also had very low, inadequate incomes; however, the inadequacy of welfare incomes in Nunavut is likely overestimated by our calculations, as explained in *Welfare in Canada*.[2]

Unattached single considered employable households

Of the four example household types examined in *Welfare in Canada*, single adults who are considered employable had the least adequate incomes overall. Across the 14 of these households, total welfare income ranged from 29 to 105 per cent of the Official Poverty Line. Thirteen were living in poverty, and 12 were living in deep poverty.

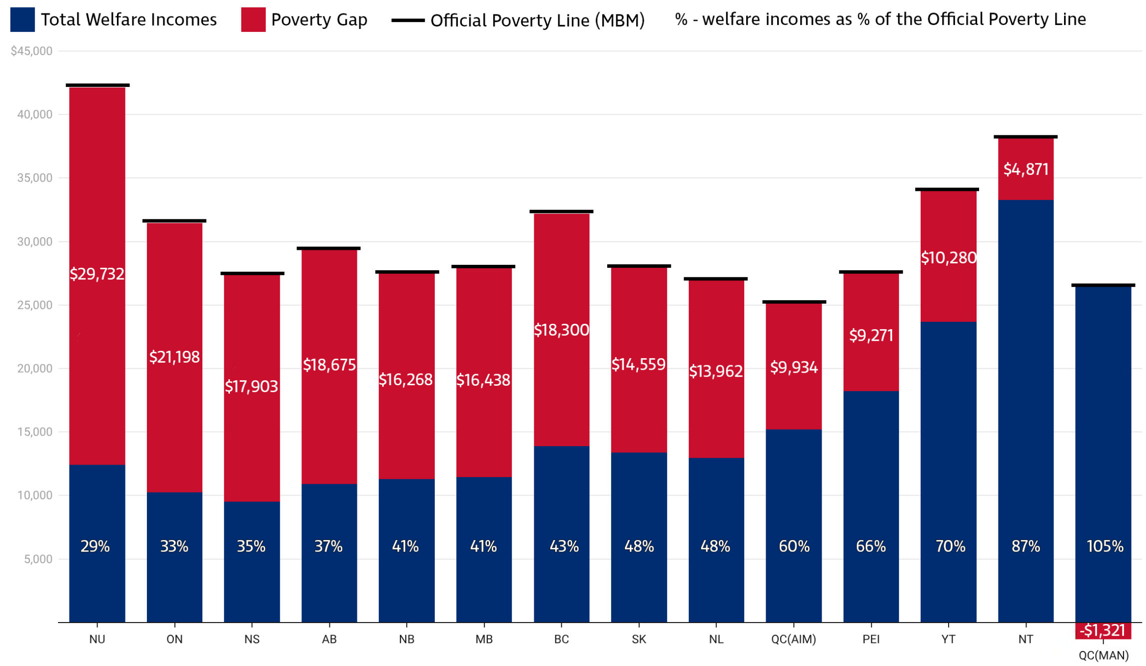
The only one of these households with a total welfare income above the Official Poverty Line in 2025 was the unattached single considered employable in Quebec receiving benefits through the Manpower Training measure (MAN), which is a stream under that province's Social Assistance Aim for Employment (AIM) program.[3] While this is notable, only 2.6 per cent of unattached singles receiving social assistance in Quebec receive AIM, and even fewer receive the MAN stream under AIM.[4] Because only a very small share of the number of people receiving social assistance in the province received incomes at this level, comparisons between Quebec and other jurisdictions should be interpreted with caution for this specific household type.

2 For more information about the methodology used to calculate total welfare incomes in Nunavut and the Northern Market Basket Measure for Nunavut, see both the Methodology and Nunavut sections of *Welfare in Canada, 2025*, available at: https://maytree.com/changing-systems/data-measuring/welfare-in-canada/methodology/

3 More information about Quebec's Aim for Employment program and Manpower Training measure is available in the Quebec section of *Welfare in Canada, 2025*: https://maytree.com/changing-systems/data-measuring/welfare-in-canada/quebec/. Note that we focus on calculating incomes for Aim for Employment and Manpower Training, rather than the general Social Assistance program, because our methodology assumes that our households are new entrants into the program(s) in their jurisdictions as of January 1 of the calendar year in question. For more information see the Methodology and Quebec sections of *Welfare in Canada, 2025*.

4 For more information, see: Oliveira, T. 2026. *Social assistance summaries, 2025*. Toronto: Maytree. Available at: https://maytree.com/changing-systems/data-measuring/social-assistance-summaries/.

Figure 1: Total welfare income, poverty gap, and percentage of the Official Poverty Line for unattached single considered employable households, 2025



Note: AIM refers to Quebec's Aim for Employment program. MAN refers to Quebec's Manpower Training measure.

As shown on the left side of Figure 1, when considering total welfare income as a percentage of the Official Poverty Line, the single employable households with the least adequate incomes were in Nunavut, Ontario, Nova Scotia, Alberta, New Brunswick, Manitoba, British Columbia, Saskatchewan, and Newfoundland and Labrador. In each of these jurisdictions, total welfare incomes fell below 50 per cent of the Official Poverty Line.

In Quebec (for those receiving AIM), Prince Edward Island, and the Yukon, total welfare income ranged from 60 to 70 per cent of the Official Poverty Line. These households were a bit better off but still living in deep poverty.

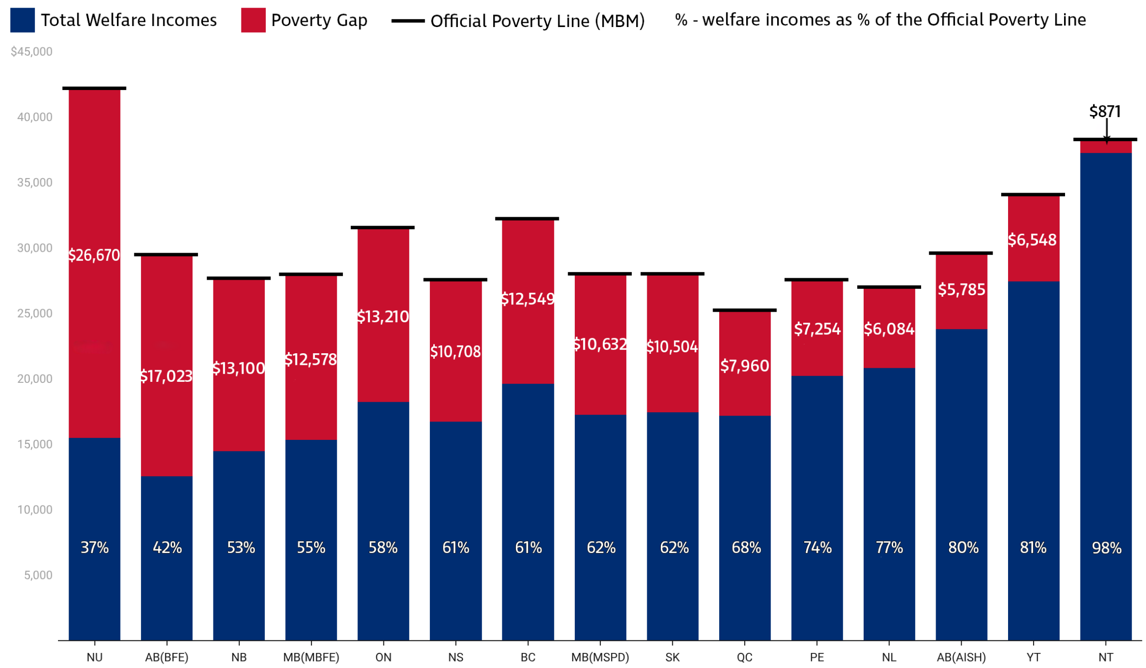
In only two jurisdictions did the total welfare incomes of these households surpass the Deep Income Poverty threshold: in the Northwest Territories and in Quebec (for those receiving Manpower benefits).

However, repeating this analysis using a poverty gap measure changes the picture in important ways. As seen in Figure 1, the largest poverty gaps are now found in Nunavut at $29,732, Ontario at $21,198, Alberta at $18,675, and British Columbia at $18,300. This approach exposes how households in several of the larger provinces live in deeper poverty despite reaching a higher percentage of the poverty line.

Unattached single with a disability households

Adequacy for unattached single with a disability households ranged from 37 to 98 per cent of the Official Poverty Line across the country, depending on the jurisdiction. In other words, all 15 households analyzed were living below the Official Poverty Line; 11 were living in deep poverty.

Figure 2: Total welfare income, poverty gap, and percentage of the Official Poverty Line for unattached single with a disability households, 2025



Note: BFE refers to the Barriers to Full Employment category of Alberta's Income Support program. AISH refers to Alberta's Assured Income for the Severely Handicapped program. MBFE refers to the Medical Barriers to Full Employment category of Manitoba's Employment and Income Assistance program. MSPD refers to the Manitoba Supports for Persons with Disabilities program.

The unattached single with a disability households with the least adequate total welfare incomes were in Nunavut and in Alberta (for those receiving benefits through the Barriers to Full Employment program), at 37 and 42 per cent of the Official Poverty Line, respectively. These were the only jurisdictions where incomes did not reach at least 50 per cent of the poverty line.

In nine jurisdictions, this household's total welfare income ranged from 53 to 74 per cent of the Official Poverty Line, placing them above 50 per cent but still living in deep poverty.

Finally, this household had total welfare incomes that were above the Deep Income Poverty threshold in four jurisdictions: Newfoundland and Labrador, Alberta (for those receiving benefits through the Assured Income for the Severely Handicapped, or AISH, program), the Yukon, and the Northwest Territories.

Generally, households consisting of unattached singles with a disability had incomes that were more adequate than those of unattached singles considered employable in 2025. However, the poverty line still does not account for the higher cost of living often faced by people with disabilities. As such, the level of their poverty is likely underestimated.

Repeating this analysis using a poverty gap measure, we again find that the order changes. The largest poverty gaps were in Nunavut at $26,670, Alberta (BFE) at $17,023, and Ontario at $13,210. While Ontario appears more adequate when assessed as a percentage of the Official Poverty Line, this household faces one of the greatest depths of poverty – an important finding given that nearly half of the people with disabilities receiving social assistance in Canada are in Ontario.[5]

Households with children

Households with children fared better than single adults without dependents in 2025, largely because federal child benefits accounted for a greater share of their total welfare incomes (see the discussion below). Nevertheless, all of these households were living below the Official Poverty Line in 2025.

Only the households with children in Nunavut had total welfare incomes below 50 per cent of the poverty line. However, as noted above, the inadequacy of welfare incomes in Nunavut is likely overestimated due to *Welfare in Canada* methodology.

Among households consisting of a single parent with one child, total welfare incomes in seven jurisdictions fell below the Deep Income Poverty threshold but above 50 per cent of the Official Poverty Line. In order from lowest to highest, these were Ontario, Nova Scotia, British Columbia, Alberta, New Brunswick, Saskatchewan, and Manitoba, ranging from 54 to 69 per cent of the poverty line. By contrast, there were five jurisdictions where this household type had total welfare incomes that were above the Deep Income Poverty threshold. In order from lowest to highest, these were Newfoundland and Labrador, Quebec, Prince Edward Island, the Northwest Territories, and the Yukon, ranging from 77 to 93 per cent of the Official Poverty Line.

5 Oliveira T. and M. Caballero. 2026. *Social Assistance Summaries, 2025*. Toronto: Maytree. Available at: https://maytree.com/wp-content/uploads/Social_Assistance_Summaries_2025.pdf.

When using a poverty gap analysis, the largest poverty gaps for single parents with one child households were in Nunavut at $37,011, Ontario at $20,300, and British Columbia at $16,549. Notably, the household in British Columbia is comparatively better off when we consider total welfare income as a percentage of the Official Poverty Line, but the household is living in deeper poverty compared to those in other jurisdictions.

Among households consisting of couples with two children, total welfare incomes in eight jurisdictions fell below the Deep Income Poverty threshold but above 50 per cent of the Official Poverty Line. In order from lowest to highest, these were: Ontario, New Brunswick, British Columbia, Manitoba, Nova Scotia, Alberta, Saskatchewan, and Newfoundland and Labrador, ranging from 56 to 71 per cent of the poverty line. By contrast, there were four jurisdictions (totalling five households) where this household type had total welfare incomes that were above the Deep Income Poverty threshold. In order from lowest to highest, there were the Northwest Territories, Quebec (AIM), the Yukon, Prince Edward Island, and Quebec (MAN), ranging from 77 to 98 per cent of the Official Poverty Line.

Using a poverty gap analysis, the largest poverty gaps were in Nunavut at $45,746, Ontario at $27,526, British Columbia at $22,595, New Brunswick at $21,028, and Alberta at $19,946. Notably, the households in British Columbia and Alberta appear comparatively better off when we consider total welfare income as a percentage of the Official Poverty Line, but these households are living in deeper poverty compared to those in other jurisdictions.

While the adequacy of total welfare incomes varied considerably for all households examined in *Welfare in Canada*, households in all jurisdictions have one thing in common: the province or territory in which they live has yet to fulfill the human right to an adequate standard of living for everyone who relies on social assistance.

Where incomes are most and least adequate

Overall, looking across the household types analyzed above, five jurisdictions stand out as having incomes closer to adequacy, defined as having two or more households with incomes above the Deep Income Poverty threshold. These five are: the Northwest Territories, Prince Edward Island, Quebec (with the caveat above), the Yukon, and Newfoundland and Labrador.

Two of these five jurisdictions provided enough for unattached single considered employable households to escape deep poverty and three did the same for unattached singles with a disability. All five provided single parent with one child households enough to escape deep poverty, while four did the same for couples with two children. No other jurisdiction had any households with incomes above deep poverty apart from unattached single with a disability households receiving benefits from Alberta's AISH program.

Turning to the least adequate jurisdictions, we use incomes below 65 per cent of the poverty line as our threshold to identify households with comparatively low welfare incomes. Only in Nunavut and Ontario did all households fail to meet this most basic of thresholds (noting the caveats regarding Nunavut discussed previously). In another four jurisdictions, at least three households failed to reach the 65 per cent threshold: Alberta, British Columbia, New Brunswick, and Nova Scotia.

Overall, total welfare incomes remained grossly inadequate in 2025, continuing a pattern that has persisted for decades. Increasing social assistance benefit amounts and other supports is necessary both to improve the adequacy of incomes and to recognize the basic human dignity of social assistance recipients.

Improvements to welfare incomes did not keep pace with inflation

From 2024 to 2025, the total welfare incomes of over 70 per cent of all households analyzed in *Welfare in Canada* increased in nominal terms. The highest nominal increases were seen for households of unattached singles considered employable and single parents with one child in the Northwest Territories (increases of 13.6 and 15.8 per cent respectively) due to significantly higher Basic Allowance rates being in effect for the full year. The next highest nominal increase was in Nova Scotia, where unattached singles with a disability saw a 10.6 per cent increase due to previous restructuring of benefits and new indexation. Other jurisdictional successes should also be acknowledged: Prince Edward Island introduced a new provincial child benefit program in 2025, and Newfoundland and Labrador restructured its basic and shelter benefits and introduced a new Back to School benefit.

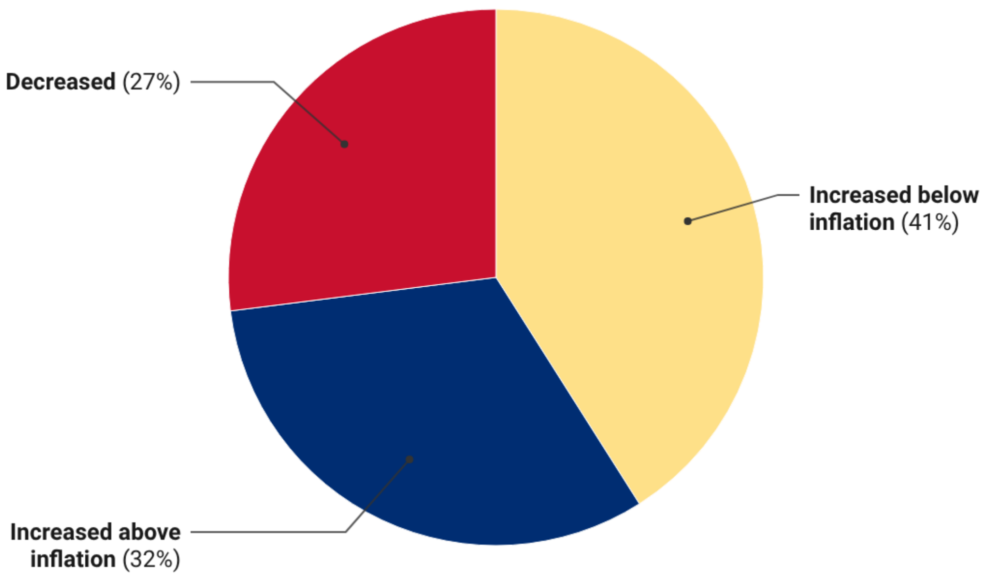
When taking inflation into account, however, the situation is grim. The national rate of inflation in 2025 was 2.1 per cent,[6] which means that households must have seen their total welfare incomes increase by more than this amount for adequacy to have improved. However, as shown in Figure 3, only about one-third

6 Statistics Canada. 2025. Table 18-10-0005-01. *Consumer Price Index, annual average, not seasonally adjusted*. Government of Canada. Available at: https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1810000501.

of all households analyzed in *Welfare in Canada* had their incomes increase at a rate higher than inflation. An additional 41 per cent saw nominal gains that were more than wiped out by inflation, leaving them worse off in purchasing power. And, unfortunately, 27 per cent of households saw nominal declines in their total incomes even before taking inflation into account.

Overall, 2025 was a year in which most households relying on social assistance fell further behind and were forced into even deeper poverty.

Figure 3: Welfare income changes in relation to inflation, all jurisdictions, 2025



Inflation is a critical factor in the adequacy of total welfare incomes over time, and it has been unusually high in the years since the COVID-19 pandemic. Even though the rate of inflation slowed in 2025, prices remained elevated, increasing 20 per cent over the last five years.[7]

Moreover, looking only at overall inflation is arguably insufficient. In the last five years, the price of groceries and rented accommodation each increased by 31 per cent.[8] In other words, the cost of essential goods and services – which are often the primary expenses for people receiving social assistance – increased at rates far in excess of overall inflation.

7 Statistics Canada. 2026. *The Daily - Consumer Price Index: Annual review, 2025*. Government of Canada. Available at: https://www150.statcan.gc.ca/n1/daily-quotidien/260119/dq260119b-eng.htm.

8 Statistics Canada. 2026. Table 18-10-0004-01. *Consumer Price Index, monthly, not seasonally adjusted*. Government of Canada. Available at: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000401.

For people who rely on social assistance, the high cost of living places a disproportionate burden on already limited incomes, making basic necessities such as food and housing increasingly difficult to afford – and potentially contributing to the sharp increase in homelessness across the country over the last five years.[9] That's why indexing social assistance benefits to inflation should be a minimum expectation of all governments. In 2025, only one jurisdiction – Nova Scotia – introduced inflationary indexing of its social assistance benefits, joining only four other jurisdictions where these benefits are indexed and two more where disability benefits are indexed. Of course, inflation indexing is not a substitute for adequacy. Further investments must be made in the benefits and credits that make up total welfare incomes so that they are adequate to meet the cost of living.

2. The loss of carbon tax rebates was a heavy blow

One of the most notable changes to total welfare incomes in 2025 came not from a change in income support policy but from a change in environmental policy, made by the federal government.

In 2018, the federal government introduced a national fuel charge – the "carbon tax" – to mitigate climate change by putting a price on carbon emissions. While some provinces and territories already had their own carbon pricing systems, the federal government set standards that it required them all to meet, whether in their own programs or by subscribing to the federal one.

To make the carbon tax revenue neutral, the federal government also introduced a carbon rebate program – first called the Climate Action Incentive and later the Canada Carbon Rebate – which provided payments in amounts that ensured that "most households get more back through the Canada Carbon Rebate than they pay as a result of the federal carbon pollution pricing system, with lower-income households benefiting the most."[10] Provinces and territories with their own carbon pricing programs also provided rebates.

9 Housing, Infrastructure and Communities Canada. 2026. *Everyone Counts 2025: Results from the Annual Enumeration of Homelessness*. Government of Canada. Available at: https://housing-infrastructure.canada.ca/homelessness-sans-abri/reports-rapports/everyone-counts-2025-tout-monde-compte-eng.html.

10 Department of Finance Canada. 2024. *Canada Carbon Rebate amounts for 2024-25*. Government of Canada. Available at: https://www.canada.ca/en/department-finance/news/2024/02/canada-carbon-rebate-amounts-for-2024-25.html.

In 2025, however, after a long and heated debate about the benefits and impacts of carbon taxes, the federal government removed the federal fuel charge and the carbon pricing requirement on the provinces and territories. This policy change meant the end of all carbon tax rebate payments, not only in the provinces in which the Canada Carbon Rebate was in effect, but also in the provinces and territories that had their own programs. These rebate programs ended in spring 2025, and households across the country received significantly reduced rebate payment amounts in 2025 compared to 2024. Of course, low-income households were impacted the most.

Figure 4 shows the amount of the carbon rebate that was lost by each *Welfare in Canada* household in 2025 as compared to 2024.[11] In 2026, households will have lost the entire 2024 value of the rebate. As such, the full impact of the loss of carbon rebates will be captured in the next edition of *Welfare in Canada*.

Figure 4: The amount of carbon rebate lost by each Welfare in Canada household in all jurisdictions, 2025 vs 2024, in dollars and percentages

	Program	Loss in %	Loss in $		
			Single adults (both considered employable and with a disability)	Single parent with one child	Couple with two children
AB	Canada Carbon Rebate	48%	$415	$622.50	$830
BC	BC Climate Action Tax Credit	47%	$223.50	$335.25	$446.75
MB	Canada Carbon Rebate	48%	$282	$423	$564
NB	Canada Carbon Rebate	44%	$164	$246	$328
NL	Canada Carbon Rebate	51%	$313	$469.50	$626
NT	NT Cost of Living Offset	50%	$220.50	$467	$934
NS	Canada Carbon Rebate	51%	$220	$357	$440
NU	Nunavut Carbon Credit	75%	$154	$308	$616
ON	Canada Carbon Rebate	46%	$251	$376.50	$502
PE	Canada Carbon Rebate	51%	$230	$345	$460
SK	Canada Carbon Rebate	46%	$340	$510	$680
YT	Yukon Government Carbon Price Rebate	55%	$186	$372	$744

11 Note that Quebec did not participate in the federal fuel charge, as the province operates its own cap-and-trade system and was therefore excluded from the federal rebate program. As a result, households in Quebec did not receive carbon tax-related rebate payments prior to the end of the CCR.

While the amount of the CCR isn't large in proportion to the total welfare income of each of these households – somewhere in the range of 1 to 4 per cent – it did make a difference given the depth of poverty of these households. In fact, assuming the CCR had continued through 2025 – and assuming it provided the same amount of benefit in the second half of the year as it did in the first – the outcomes for these households would have been very different. Instead of the conclusions presented in Figure 3 above:

- None of the 15 households that saw a nominal decrease in their incomes between 2024 and 2025 would have experienced that decline. In other words, all 56 *Welfare in Canada* households would have seen their incomes increase in nominal terms.
- 17 of the 23 households whose nominal increases were negated by inflation would have actually seen their incomes increase above the rate of inflation. In other words, these 17 households would have been better off in 2025 than in 2024, increasing the proportion of better-off households from 32 to 63 per cent.
- 20 of the 56 households would have seen their incomes increase below the rate of inflation, reducing that proportion from 41 to 36 per cent.

This analysis is imprecise, given that we can't know what the amount of the CCR would have been for the last half of 2025.[12] What is clear, however, is that policy changes in areas other than income support can have seriously adverse ripple effects, and that relatively small changes in income can have a large impact on people receiving social assistance.

The latter issue is particularly relevant in the context of the federal government's new Canada Groceries and Essentials Benefit (CGEB). In July 2026, the federal government replaced the GST Credit with the CGEB in an effort "to support those most affected by the rising price of food."[13] While the CGEB promises to temporarily increase amounts available to people with low incomes in Canada over the next five years, this increase will only partially offset the loss of carbon

12 Unlike the GST Credit/Canada Groceries and Essentials Benefit, which increases in July of each year based on indexation to inflation, the amount of the CCR changed in July of each year based on changes to federal carbon tax amounts in each jurisdiction. See, for example, Environment and Climate Change Canada. 2022. *Greenhouse Gas Pollution Pricing Act: Annual report for 2020*. Government of Canada. Available at: https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/greenhouse-gas-annual-report-2020.html#toc9.

13 Department of Finance. 2026. B*ackgrounder: The new Canada Groceries and Essentials Benefit*. Government of Canada. Available at: https://www.canada.ca/en/department-finance/news/2026/01/the-new-canada-groceries-and-essentials-benefit.html.

rebates experienced by households receiving social assistance. We will provide a full analysis of this issue with next year's *Welfare in Canada* report.

Another major – and related – problem is that a structural disadvantage for those with the lowest incomes, which was already baked into the GST Credit design, has carried over into the CGEB. The next section examines this problem.

3. The Canada Groceries and Essentials Benefit disadvantages the lowest-income single adults

As noted above, only one of the fourteen single employable adult households that we track in *Welfare in Canada* had an income above the Official Poverty Line in 2025, and only one other had an income above deep poverty. Most of these households were trying to live on incomes that were between $4,800 and $29,700 below the Poverty Line. As well, none of the 15 single adult with a disability households had an income above the Official Poverty Line, and only four had incomes above deep poverty. Their incomes were between $870 and $26,670 below the Poverty Line.

This staggering depth of poverty among single adults in 2025 is due not only to the very low basic social assistance benefit amounts they receive – in the range of $675 to $1,577 per month for those below the deep income poverty threshold – but also the lack of support they receive from the federal government. Besides provincial or territorial tax credits and, in eight jurisdictions,[14] the federal carbon rebate, they received income from only one federal source – the GST Credit. But the amount of the GST Credit is relatively small, and its design disadvantages those with the lowest incomes.

The GST Credit is made up of two primary parts: the Credit itself, the amount of which depends on household makeup,[15] and the GST Credit Supplement, which is

14 As of 2025, the federal fuel charge, and therefore the Canada Carbon Rebate, applied in Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, and Saskatchewan.

15 The Credit consists of a base amount for the tax filer, an amount for their spouse, and an amount for each dependent child under age 19.

an additional amount provided only to single adults.[16] In 2025, the Credit provided an annual amount of about $345 for a single adult while the Supplement provided up to an additional $181.50.[17] And while these amounts are small, they make a difference when you are living below the deep poverty line.

Importantly, however, the Supplement only goes to those whose incomes are between a particular range. Those with the lowest incomes – below about $11,300 for amounts paid in the second half of 2025, for example[18] – receive nothing. A partial payment goes to those whose incomes are between the phase-in threshold and the full benefit threshold – between, for example, $11,300 and about $20,500. The full amount only goes to those with incomes between the full benefit threshold and the reduction threshold – from $20,500 to about $45,500. Those with incomes above the reduction threshold get increasingly smaller amounts until eligibility runs out.

This means that single adults who get the least from the social assistance programs in their province or territory also get the least support from the federal government. They are doubly disadvantaged.

In fact, when it comes to supporting households receiving social assistance in the provinces and territories, the federal government's share is woefully small. The combination of few federal benefits for single adults and a design that disadvantages those in greatest need means that unattached single households received only between 2 and 7 per cent of their total income from federal sources in 2025, as shown in Figure 5.

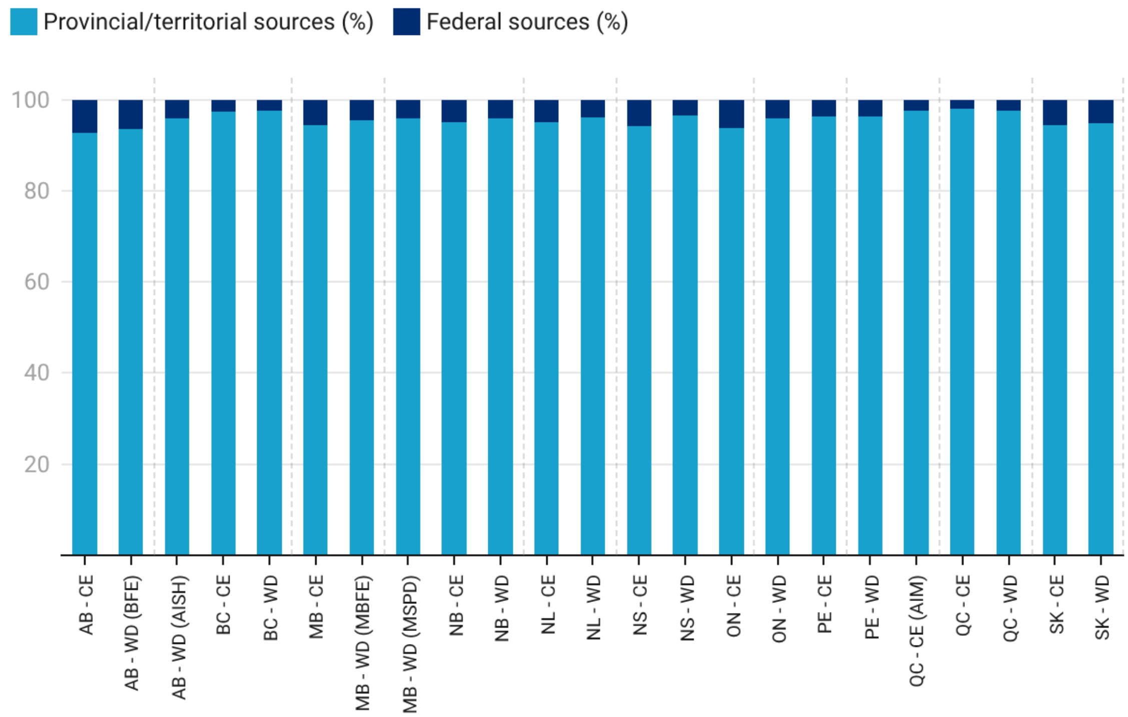
---

16 GST Credit and Credit Supplement eligibility and amounts are determined based on income from two previous tax years. The benefit year starts in July, so for any given calendar year, the first half is based on income received two years previous, and the second half on income in the previous year.

17 These amounts represent the total provided in 2025, with half coming from the previous benefit year and half from the upcoming benefit year. As such, they do not align with amounts that are published by the federal government, which represent those in effect for a benefit year rather than a calendar year. As noted above, the GST Credit and Supplement are calculated and delivered based on a July-June benefit year.

18 These amounts reflect the thresholds for the base year 2024, which were used to determine the amounts for the Supplement in the second half of 2025.

Figure 5: Proportion of total welfare income from provincial/territorial and federal sources for unattached single households, 2025

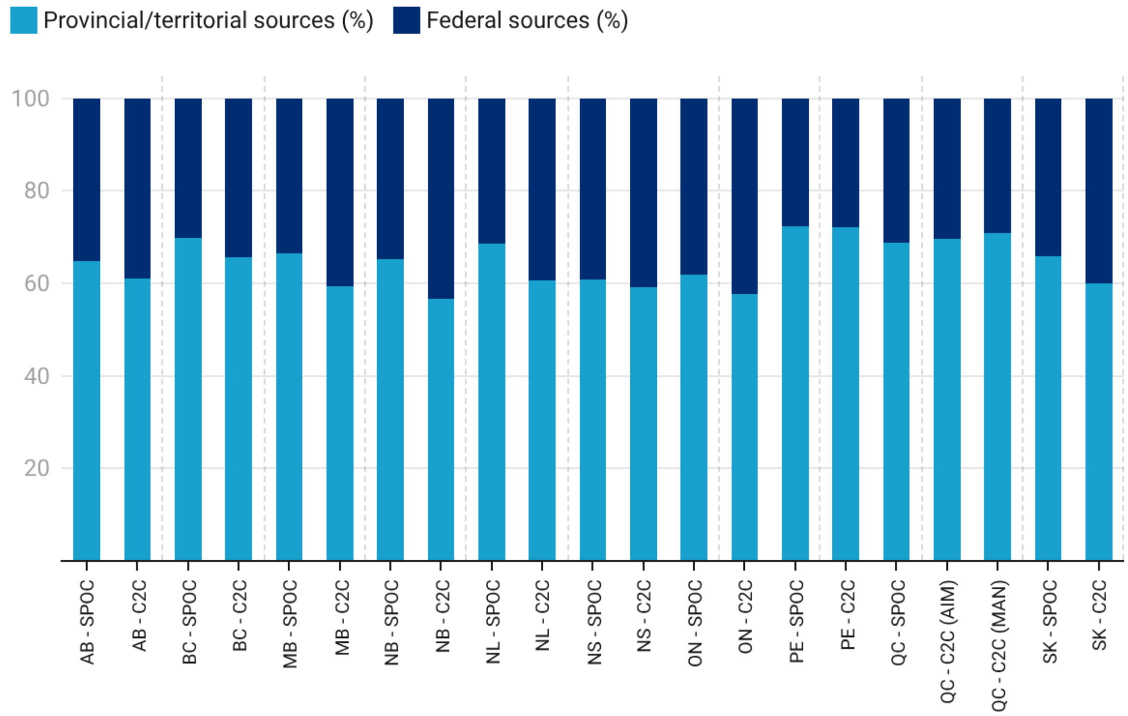


Note: CE = unattached single considered employable; WD = unattached single with a disability

For households with children, that proportion was much higher – between 28 and 43 per cent, as shown in Figure 6. That's for two reasons: not only did they receive higher benefit amounts from the GST Credit,[19] they also received the Canada Child Benefit, which in 2025 provided an annual amount of at least $6,660 per child.

19 Besides the base credit, households with children receive separate credit amounts for each dependent, including spouses and children. As well, low-income single parents with children receive the full GST Credit Supplement and are not subject to the phase-in reductions.

Figure 6: Proportion of total welfare income from provincial/territorial and federal sources for households with children, 2025



Note: SPOC = single parent one child; C2C = couple with two children

The Groceries and Essentials Benefit retains the GST Credit's unfair design

Recognizing that there was room to do more for low-income households in Canada, in 2026 the federal government replaced the GST Credit with the temporarily more generous Canada Groceries and Essentials Benefit. This change had the express policy purpose of addressing the high cost of food for low-income families. Compared to the value of the GST Credit, the CGEB will provide both a 25 per cent increase for the five years between 2026 and 2031 as well as an additional 50 per cent top-up in 2026.

However, while the amount of the benefit has temporarily increased, the structure of and eligibility for the CGEB have not changed. This means that in the first year of the CGEB (2026–2027), single adults with the lowest incomes won't see the full benefit of the proposed increases.

First, single adults whose welfare incomes were below $11,337 in the 2024 tax year[20] would not receive the 50 per cent top-up paid in June 2026. They'll have missed out on $92, simply because their incomes were too low. Second, those with incomes below $11,564 in 2025 won't get the full 25 per cent increase, so they'll miss out on $46.75. And given that they aren't eligible for the Supplement in the first place, they'll also miss out on $187. This means a total loss of $326 for those with the lowest incomes in the first year of the CGEB. Again, while the amounts may seem small, they make a big difference when incomes are so low.

Single adults whose incomes were above the phase-in threshold but below the full benefit threshold in those tax years[21] will also be disadvantaged, as they'll receive only a partial benefit from the increase and the top-up, depending on the level of their income. Only those with incomes between about $20,537 and $45,521 in 2024 and $23,264 and $46,432 in 2025 will receive the full benefit.

Of the 29 single adult households whose incomes we track in *Welfare in Canada*, only four will receive the full benefit of the CGEB increase – both the 25 per cent increase and the 50 per cent top-up – in 2026. Twenty will receive part of the 25 per cent increase and seventeen will receive part of the 50 per cent top-up. Five – those with the lowest incomes – will receive no additional benefit at all. Overall, the vast majority of the households that we track will receive either no additional benefit or only a partial benefit, purely because the structure of the Supplement favours those with higher incomes.

And the structure also creates the bizarre situation where the same person living in one jurisdiction would receive a much lower benefit from the federal government than if they lived in another jurisdiction, simply because their province or territory provides a lower rate of income assistance.

The rationale for the design of the Supplement comes from 1989, when the GST Credit was created as a mechanism "to offset the impact of the GST."[22] Recognizing that single people face a higher burden based on "the costs of

---

20 As noted earlier, the GST Credit / CGEB benefit year runs from July to June and eligibility depends on income reported in previous tax years. For any given calendar year, eligibility for the first half of the year is determined by the level of income in the tax year two years previous, and for the second half of the year by income in the previous year. Welfare incomes in this instance refers only to the portion made up of benefits from the social assistance program in their jurisdiction, which is effectively the income used to determine eligibility and benefit amounts.

21 Between $11,337 and $20,537 in 2024, and between $11,564 and about $23,264 in 2025.

22 All quotes in this paragraph are taken from pages 15 and 16 of Department of Finance. 1989. *Goods and Services Tax: Technical Paper*. Issued by The Honourable Michael H. Wilson, Minister of Finance. Government of Canada. Available at: https://publications.gc.ca/site/eng/9.828547/publication.html.

maintaining a separate household," the Credit was designed such that "adults who are not married, whether single or single parents, will be eligible for an additional credit" – i.e., the Credit Supplement. However, to target the benefit of the Supplement at "lower-income working or retired singles who maintain their own households and are not dependant on parents or other supporting persons," it was designed with the phase-in and reduction structure described above.

In other words, unattached single adult households with the lowest total welfare incomes – those struggling to survive on the small amounts described above – were excluded from eligibility for the Supplement, even though it was specifically intended to address the higher cost burdens that they face. It appears that the assumption was that it would be highly unlikely that people living on incomes below the phase-in threshold could be "maintaining a separate household."

While the rationale for the design and structure of the Credit Supplement might have been appropriate for the labour market and the tax and income support systems of 1989, it can well be argued that it no longer applies in 2026. It is certainly not appropriate for the CGEB, which is specifically intended to, as noted above, "support those most affected by the rising price of food."[23]

Households with the lowest incomes from social assistance programs across the country are undoubtedly among those most affected by the rising price of food. But instead of seizing the opportunity to do more for them, and for others who have very low incomes from other sources, the federal government is replicating the disadvantage they already face.

The federal government needs to step up for unattached single adults. One small way to do that would be to change the structure of the Supplement portion of the CGEB to ensure that every unattached single adult with a low income in Canada – and particularly those with the lowest incomes – receive the full amount of this enhanced benefit.

23 Department of Finance. 2026. *Backgrounder: The new Canada Groceries and Essentials Benefit*. Government of Canada. https://www.canada.ca/en/department-finance/news/2026/01/the-new-canada-groceries-and-essentials-benefit.html.

4. Extremely low shelter benefits don't cover housing costs

Canada's housing crisis continued in 2025, with affordable rental housing still out of reach for many. And while governments focus on increasing housing supply, a lack of investment in the incomes of people receiving social assistance means they continue to struggle to pay the cost of their housing.

We first demonstrated the discrepancy between housing benefits and the cost of rental housing in our 2024 *Welfare in Canada* policy brief. In 2025, not much changed.

Figure 7 shows the amount of either the maximum monthly shelter benefit or maximum monthly combined benefit provided by social assistance programs to *Welfare in Canada*'s unattached single considered employable household in nine Census Metropolitan Areas (CMAs), and the average monthly asking price for a single room in those CMAs.[24] A CMA is a large urban area with a central core, with a total population of at least 100,000 of which at least 50,000 live in the core.[25] Average monthly asking prices for housing in smaller urban centres are not available and thus we are unable to offer these comparisons for households living in the territories or Prince Edward Island.

A specific monthly benefit is provided for shelter costs in six of the nine jurisdictions examined. In the other three, a combined benefit is provided for all costs. We are comparing benefits with the price of a room because a room represents the lowest end of market rental housing, which is often where people receiving social assistance are forced to live.

24 Statistics Canada. 2026. Table 46-10-0092-01. *Asking rent prices, by rental unit type and number of bedrooms, experimental estimates*. Government of Canada. Available at: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=4610009201.

25 Statistics Canada. 2022. *Census metropolitan area (CMA) and census agglomeration (CA)*. Dictionary, Census of Population, 2021. Government of Canada. Available at: https://www12.statcan.gc.ca/census-recensement/2021/ref/dict/az/definition-eng.cfm?ID=geo009.

Figure 7: Comparison of asking prices for a room versus monthly shelter or combined benefits for an unattached single considered employable, by CMA, 2025

Census Metropolitan Area (CMA)	Average of quarterly asking prices for a room	Social Assistance		Difference
		Maximum monthly shelter benefit	Maximum monthly combined benefit	
Calgary	$730	$373	-	-$357
Vancouver	$1,085	$500	-	-$585
Winnipeg	$592.50	$676	-	$83.50
Moncton	$682.50	-	$875	$192.50
St. John's	$685	$522	-	-$163
Halifax	$857.50	-	$726	-$132
Toronto	$842.50	$390	-	-$453
Montreal	$715	-	$829	$114
Saskatoon	$680	$660	-	-$20

In five of the six jurisdictions where a separate shelter benefit is provided, the amount of that benefit is not sufficient to pay for the asking rent for a room; only in Winnipeg is the Manitoba Rent Assist shelter benefit enough for an unattached single considered employable to pay for this form of housing.

In the three jurisdictions where social assistance benefits are delivered in a single monthly combined amount, one is not sufficient to pay for a room, whereas two would leave a small amount of money left over for all other needs. In Halifax, an unattached single would not have received enough money from their entire monthly benefit amount to pay the average rent for a room. In Moncton and Montreal[26] they would have been left with only a small amount of money to cover all other monthly needs.

Supply-side approaches to the housing crisis do very little to respond to the pressing need that people receiving social assistance have for additional income today. Injecting funds into building more housing neither guarantees housing affordability nor addresses the impossibility of trying to pay rent while receiving social assistance right now. Direct financial support is also required.

26 In Montreal, the combined benefit reflects the entire monthly amount available to an unattached single considered employable who does not receive employment-related benefits from the Aim for Employment or Manpower Training program streams. While we include those benefits in our *Welfare in Canada* analysis of total welfare incomes, this calculation better reflects the reality for more unattached single households in Quebec.

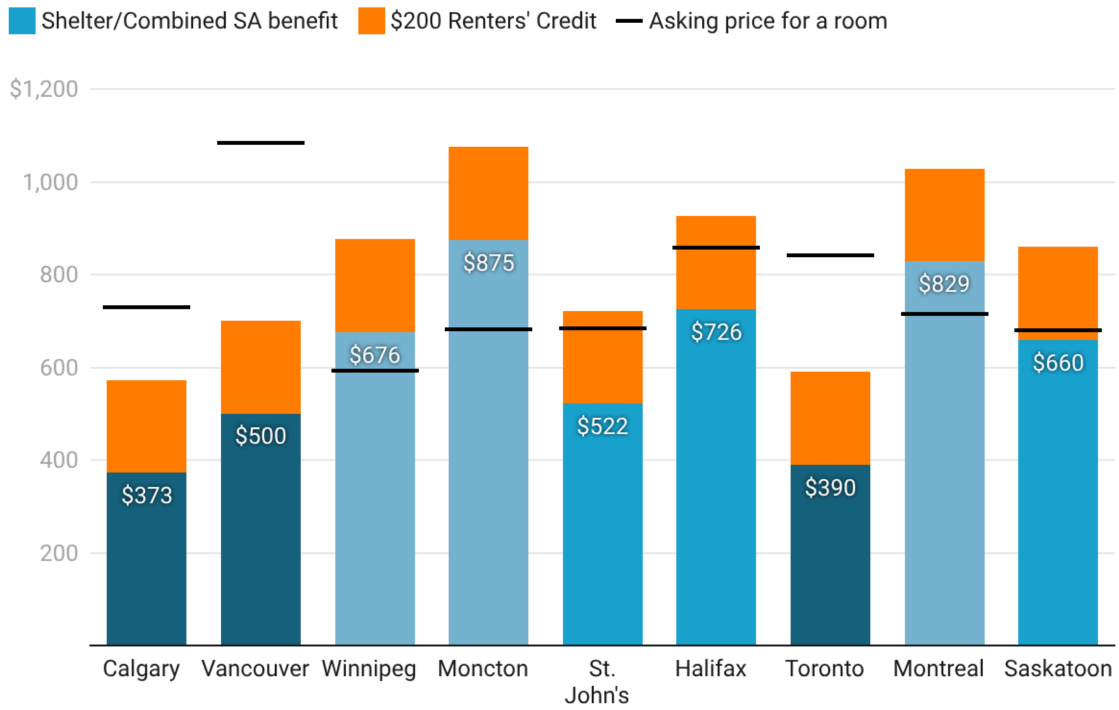
Maytree's recent proposal for a Canada Renters Credit (CRC) would go some way to filling the gap between shelter benefits and real market rents.[27] The proposed CRC would be a refundable tax credit that would provide up to $200 per month to low-income single renter households who are renting at market rates, with benefit levels scaled to the size of the household. The full CRC amount would go to those with incomes below 75 per cent of the Low Income Measure (LIM), with a gradual reduction as incomes increase. All of the unattached single considered employable households that we examined in the provinces in 2025 would qualify for this benefit.

Figure 9 shows how much the CRC would fill the gap between the asking price of a room versus the amount of benefits a single employable adult received in 2025. The bars represent the total income available to this household from both social assistance and the CRC while the black lines are the asking rents for a room in that CMA..

The blue parts of the bars represent the amount of the social assistance benefit that a single employable adult in that CMA received for shelter (as per Figure 7) while the orange sections represent the amount of the CRC they would have received, if it had been in effect in 2025.

27 DiBellonia, S. 2026. *Proposal for a Canada Renters Credit*. Toronto: Maytree. Available at: https://maytree.com/publications/proposal-for-a-canada-renters-credit/.

Figure 8: Canada Renters Credit impact on affordability of a room for an unattached single considered employable, by CMA, 2025



The light blue bars are those CMAs where the benefit received through social assistance is sufficient to allow the unattached employable single to rent a room (with the caveats mentioned above) – Winnipeg, where Rent Assist is provided, and Moncton and Montreal, where the bars represent the entire combined amount of the benefits received for all expenses.

The dark blue bars are where a significant gap would still exist despite the addition of the CRC – Calgary, Vancouver, and Toronto, where rent is often high. The mid-blue bars are where the CRC would fill the gap and allow a single employable adult to afford to rent a room – St. John's, Halifax (using the entire benefit), and Saskatoon.

The Canada Renters Credit would therefore fill the rent gap for single employable adults in three of the six CMAs where shelter or combined benefits are insufficient to pay for a room, and would help to close the gap in three more CMAs. While this is not pictured in the figure, the CRC would also help unattached singles with a disability in these CMAs as well as households not living in urban centres to fill much or all of the rent gap that they experience to rent a room.

The federal government could contribute much more to the incomes of households receiving social assistance, and particularly unattached single households, through a direct federal benefit for housing costs such as the CRC.

5. The Canada Disability Benefit is out of reach for too many people with disabilities

The Canada Disability Benefit (CDB), a long-awaited benefit for people with disabilities, began rolling out in July 2025. Readers may notice it is absent from *Welfare in Canada* calculations, which is because it is not accessible to all social assistance recipients.[28]

One of the eligibility criteria for the CDB is to have qualified for the Disability Tax Credit (DTC) certificate. However, the DTC relies on a very narrow definition of disability and consequently excludes many people with disabilities who have already qualified as "a person with a disability" for the purposes of receiving provincial or territorial social assistance benefits.

While the federal government should be applauded for introducing the CDB, previous editions of the *Welfare in Canada* Policy Brief have pointed out flaws in the CDB's design that show that the work of improving the incomes of low-income people with disabilities in Canada is far from done.[29]

The most concerning flaws are: the CDB's maximum benefit is far too low to address the depth of disability poverty in Canada; the income threshold is too low and prevents some social assistance recipients from receiving the full benefit; the eligibility criteria are too restrictive; and the application process is too burdensome.

In 2024, we calculated the effect of the CDB on the adequacy of the total welfare incomes of unattached single with a disability households in all 13 jurisdictions.

---

28 For information about the assumptions behind total welfare income calculations, see the Methodology section of *Welfare in Canada, 2025*, available at: https://maytree.com/changing-systems/data-measuring/welfare-in-canada/.

29 See Laidley, J. and M. Tabbara. 2024. *Interpreting the data: Key takeaways from Welfare in Canada, 2023*. Toronto: Maytree, available at: https://maytree.com/publications/six-key-takeaways-from-welfare-in-canada-2023/ and Laidley, J. and A. White. 2025. *From data to action: Policy implications of Welfare in Canada, 2024*. Toronto: Maytree, available at: https://maytree.com/publications/from-data-to-action-policy-implications-of-welfare-in-canada-2024/.

We used their 2024 incomes and assumed they received the full benefit amount of $2,400 (except in the Yukon and the Northwest Territories, where the CDB's income thresholds were exceeded, resulting in reduced benefits of $1,782.80 and $349.80 respectively). The simulation resulted in none of our example households being lifted out of poverty. In Alberta, AISH recipients were no better off because that province has instituted a dollar-for-dollar claw back. Nevertheless, the CDB has the potential to reduce the depth of poverty of many people with disabilities by bringing welfare incomes closer to the Official Poverty Line. The federal government needs to make the benefit more generous and accessible, and it must ensure that all jurisdictions treat it as additional to existing supports.

Unlocking the full potential of the CDB requires a government-wide shift toward treating disability support as a right to be realized, not a perk to be rationed, alongside an ambitious federal reform agenda, which, among other measures, includes granting automatic federal qualification to anyone already receiving provincial or territorial disability benefits.[30]

Recommendations

Poverty is not inevitable. Instead, it is a policy choice made by governments. Drawing on the findings of the *Welfare in Canada, 2025* report, we offer the following recommendations to address the poverty of households receiving social assistance in Canada and to work to guarantee the human right to an adequate standard of living.

1. Provinces and territories must invest in the adequacy of welfare incomes
    - Provinces and territories should invest in higher social assistance benefits and tax-delivered income supports.

      When total incomes from all sources leave 98 per cent of our example households living in poverty, and 71 per cent living in deep poverty, drastic measures are necessary. The provinces and territories must make significant investments in social assistance benefits, particularly for unattached single adults, to help bridge the adequacy gap. This includes increasing shelter benefits so they better reflect the actual cost of adequate, appropriate housing for all households.

30 For more details and analysis on the required reforms, consult Maytree's 2026 policy brief: White, A. 2026. *From screening out to welcoming in: Promoting access to federal disability benefits*. Toronto: Maytree. Available at: https://maytree.com/publications/from-screening-out-to-welcoming-in-promoting-access-to-federal-disability-benefits/.

- Provinces and territories should index all social assistance benefits and tax delivered low-income benefits or credits to inflation where they don't already do so.

  In 2025, only five jurisdictions had indexed their basic social assistance benefits – Alberta, New Brunswick, Nova Scotia, Quebec, and the Yukon, with two others – Manitoba and Ontario – indexing basic benefits in one program but not the other.

  As well, in 2025, only five jurisdictions had indexed their child benefits – Alberta, Newfoundland and Labrador, Ontario, Quebec, and the Yukon – and only three had indexed their low-income tax credits – Ontario, Quebec, and Saskatchewan.

  All jurisdictions should immediately index all benefits and credits where they aren't already indexed. To properly protect the value of benefits and credits from being eroded by the increasing costs of living, jurisdictions should also monitor whether food and shelter costs are rising faster than overall inflation and make adjustments accordingly.

2. The federal government must do more to support people receiving social assistance
   - The loss of the Canada Carbon Rebate and provincial and territorial carbon rebates was a real blow to people receiving social assistance in Canada. The impact of that loss won't be fully felt until 2026, and it likely won't be made up for by the additional income available through the temporarily enhanced Canada Groceries and Essentials Benefit (CGEB).
   - In addition, while the CGEB represents a good start, for unattached single adults on social assistance, that additional contribution is negated by the design of the Supplement. The federal government should change the structure of the CGEB so that the full Supplement amount goes to all low-income single adults. Doing so would provide a direct, immediate financial benefit to the millions of Canadian single adults who receive the lowest total incomes from the social assistance and tax credit/benefit systems and are living in the deepest poverty.
   - The federal government's forthcoming National Housing Strategy offers another opportunity. Given the very low amount of shelter benefits relative to asking prices for rents in the private market, a new federal direct transfer, like the proposed Canada Renters Credit, would help with housing affordability now.

- While the creation of the Canada Disability Benefit (CDB) is an important first step, it does not reach nearly enough people. The federal government needs to fix the CDB so that eligibility can be granted automatically to anyone who qualifies for social assistance as a person with a disability in their province or territory. This important step would improve incomes immediately for the hundreds of thousands of people with disabilities and their families who relied on social assistance in 2025.[31]
- Other policy levers at the federal government's disposal include increasing the Canada Social Transfer to assist provinces and territories to raise social assistance benefit rates, as well as increasing the value of the refundable tax credits it already provides – the Canada Workers Benefit, Canada Disability Benefit, and Canada Child Benefit – as a proven and effective approach to alleviating poverty. Regardless of the specific policy levers selected, Canada is in desperate need of a joint federal, provincial, and territorial plan to achieve adequate welfare incomes and an end to poverty. It's long past time for the federal government to step up and lead this effort.

31 Oliveira T. and M. Caballero. 2026. *Social Assistance Summaries, 2025*. Toronto: Maytree. Available at: https://maytree.com/changing-systems/data-measuring/social-assistance-summaries/.

Maytree

Poverty • Rights • Change

77 Bloor Street West, Suite 1600, Toronto, Ontario M5S 1M2 | www.maytree.com