



Canada Social Report

Federal Policy Monitor

January 2016



CANADA SOCIAL REPORT



The [Caledon Institute of Social Policy](#) regularly scans for the release of federal government policies and programs that impact areas of interest, including income security, disabilities, health, housing, poverty reduction, recreation, seniors and youth.

Monitors can be searched on the Canada Social Report website by date and category.

DEMOGRAPHICS

The January issue of *Canadian Megatrends* examines the major demographic and linguistic changes that have taken place between 1901 and 2011, both nationally and within Québec. Slow and steady growth in bilingualism across the country in the second half of the 20th century drove the rate higher and, by 2011, more than 18 percent of those ages 5 and older (about 5.1 million Canadians) had the ability to converse in both official languages.

Megatrends link:

[http://www5.statcan.gc.ca/olc-cel/olc.action?ObjId=11-630-X&Obj-
Type=2&lang=en&limit=0](http://www5.statcan.gc.ca/olc-cel/olc.action?ObjId=11-630-X&Obj-
Type=2&lang=en&limit=0)

Release link:

<http://www.statcan.gc.ca/daily-quotidien/160128/dq160128e-eng.htm>

EMPLOYMENT

Statistics Canada reported that, in November 2015, 544,200 people received regular Employment Insurance (EI) benefits, up slightly from October (+3,200 or +0.6 percent). Provincially, the number of beneficiaries increased in Saskatchewan (+4.6 percent), Alberta (+2.7 percent) and Manitoba (+1.9 percent), continuing an upward trend that has been seen in these provinces since the autumn of 2014. In addition, there were slightly more beneficiaries in Québec and Nova Scotia. There were slightly fewer beneficiaries in New Brunswick and British Columbia. The remaining provinces had little change. On a year-over-year basis, the total number of EI beneficiaries was up 45,800 or 9.2 percent, the largest increase since February 2010. About two-thirds of this increase was in Alberta. Despite the large year-over-year increase, the number of beneficiaries in Canada has levelled off in recent months.

<http://www.statcan.gc.ca/daily-quotidien/160121/dq160121a-eng.htm>

GOVERNANCE

The Parliamentary Budget Officer released *Expenditure Monitor 2015-16 Q2*. It reports that total government expenditures for the first half of 2015-16 were \$124.7 billion, an increase of 5.5 percent over the same period last year (\$118.2 billion). This is slightly higher than the 3.4 percent increase in total program expenses outlined in Budget 2015. Most of this increase draws from the government's new enhanced Universal Child Care Benefit (UCCB). The first cheques for this enhanced benefit were delivered in July, adding \$3.2 billion to the previous year's UCCB payments. Infrastructure spending is responsible for most of the remaining increase.

<http://www.pbo-dpb.gc.ca/en/blog/news/Expenditure%20Monitor>

HOMELESSNESS

The federal government, in partnership with 30 communities across Canada, will lead the first broadly coordinated Point-in-Time (PiT) Count of homelessness. Participating communities will follow a common methodology. Between January 1 and April 30, they will select a 24-hour period during which they will survey and enumerate all of the individuals in their community who are, at that time, sleeping in shelters, on the



streets, and in other public locations. The PiT Count survey will provide vital information to participating communities about their homeless population, helping to identify their needs and plan their resources accordingly. The information collected will also contribute to the government's ongoing work in combatting homelessness, and will guide the development of a broader strategy to help ensure that all communities have the opportunity to be part of nationally coordinated PiT Count.

[Link](#)

HOUSING

Canada Mortgage and Housing Corporation's *Housing Market Assessment (HMA) 2016 Q1* reports moderate evidence of overvaluation in housing markets across the country. Broken down across the 15 centres covered by the HMA, overvaluation and overbuilding are the most prevalent problematic conditions with overvaluation detected in eight centres and overbuilding in seven centres.

<http://www.schl.ca/en/corp/nero/nere/2016/2016-01-27-1200.cfm>

INCOME SECURITY

Statistics Canada released the Social Policy Simulation Database and Model (SPSD/M), version 22.1, which is based on 2010 microdata. The most recent SPSPD/M can be used to study the impact of changes to federal and provincial tax and benefit programs on families and governments from 1997 to 2021. It allows analysts to estimate the income-redistributive effects or cost implications of changes in the personal taxation (including the goods and services tax and other commodity taxes) and cash transfer systems. The SPSPD/M helps analysts examine the potential impacts of changes in taxes, earnings, demographic trends, and a wide range of other factors.

<http://www.statcan.gc.ca/daily-quotidien/160127/dq160127f-eng.htm>

A report by the Parliamentary Budget Officer concludes that the indebtedness of Canadian households continues to trend higher. In the third quarter of 2015, total household debt (i.e., credit market debt plus trade payables) reached 171 percent of disposable income. In other words, for every \$100 of disposable income, households had debt obligations of \$171. This is the highest level recorded since 1990.

http://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2016/Household%20Debt/Household_Debt_EN.pdf

The Parliamentary Budget Officer analyzed the fiscal and distributional impact of two changes to the federal personal income tax (PIT) regime announced by the government in December 2015 (effective January 1, 2016):

- the introduction of a 33.0 percent PIT rate on taxable income over \$200,000
- the reduction of the PIT rate on the second tax bracket (taxable income of \$45,283 to \$90,563 in 2016) from 22.0 percent to 20.5 percent.

A third consideration – the effect of reducing the PIT rate on the first income tax bracket from 15.0 percent to 14.0 percent (up to \$45,282 of taxable income in 2016) – was also included in the analysis.

PBO estimates that the net fiscal impact of the first two changes will reduce PIT revenues by \$0.4 billion in 2015-16 and about \$1.7 billion annually on average from 2016-17 to 2020-21. That is, the estimated revenue gains from introducing a new tax rate of 33.0 percent on taxable income over \$200,000 fall short of covering the estimated loss in revenues from reducing the PIT rate on the second tax bracket by \$8.9 billion from 2015-16 to 2020-21. Reducing the first personal income tax rate from 15.0 to 14.0 percent would reduce revenue by \$0.9 billion in 2015-16 and about \$4.1 billion on average annually from 2016-17 to 2020-21.

Report link:

http://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2016/PIT/PIT_EN.pdf

Release link: <http://www.pbo-dpb.gc.ca/en/blog/news/PIT>

INDIGENOUS PEOPLES

The Canadian Human Rights Tribunal on the Assembly of First Nations and First Nations Child and Family Caring Society of Canada concluded that the system of program supports and funding currently serving the most vulnerable members of First Nations communities on reserve is failing. The federal government has committed to working with Indigenous Peoples to establish a nation-to-nation relationship, based on recognition of rights, respect, cooperation and partnership to make real progress on issues like child welfare.

<http://news.gc.ca/web/article-en.do?nid=1029679&tp=980>

WOMEN

Statistics Canada reports that, from 2006 to 2014, 76 percent of immigrant wives – landed immigrant women aged 25 to 54 living with employed immigrant men in the same age group – participated in the Canadian labour force. The corresponding proportion for their Canadian-born counterparts was 11 percentage points higher at 87 percent. Two factors account for about half of this difference. Immigrant wives generally come from countries where the labour market participation of women is lower than that of men. In addition, immigrant wives tend to have larger families than their Canadian-born counterparts.

<http://www.statcan.gc.ca/daily-quotidien/160107/dq160107b-eng.htm>