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Federal Support for Low Income Individuals and Families

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The Parliamentary Budget Officer (PBO) supports Parliament by providing analysis, including analysis of macro-economic and fiscal policy, for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

The Honourable Pierre Poilievre (Carleton – CPC) requested that the PBO prepare a cost estimate of establishing a guaranteed income program. As a first step in addressing this question, this report identifies, categorizes and summarizes federal programs and tax expenditures for low income individuals and families and other groups vulnerable to having low income. As such, it provides a baseline of federal support for low income Canadians and vulnerable groups.

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Table of Contents

Executive Summary	4
1. Introduction	5
2. What is Low Income	6
3. Vulnerable Groups	9
4. Identifying Programs and Tax Expenditures	10
4.1. Low Income Criteria	10
4.2. Vulnerable Groups	11
4.3. Partially Targeted Programs and Tax Expenditures	12
5. Findings	13
5.1. Program Spending	14
5.2. Tax Expenditures	15
5.3. Selected Programs and Tax Expenditures	16
5.4. What this means for the Government's Poverty Reduction Strategy	16
Appendix A: Tax Expenditures for People with Low Income and People with Disabilities	18
Appendix B: Programs for People with Low Income and Various Vulnerable Groups	22
Notes	34

Executive Summary

Approximately 3.2 million to 5.0 million Canadians have low income. To help mitigate the effects of low income and to address the causes of economic disadvantage, the Government of Canada provides a range of tax credits, services and payments to individuals and families.

In 2016, the Government committed to developing a poverty reduction strategy. To support parliamentarians in their deliberations regarding this strategy, the Parliamentary Budget Officer initiated a census of all existing federal support and services to low income Canadians and vulnerable groups. This baseline provides an important starting point regarding the amount of money currently being spent, as well as its efficacy. It sets the context for the PBO's forthcoming report on the cost of establishing a federal guaranteed minimum income program.

Overall, we identified 75 federal initiatives that provide roughly \$57 billion of financial support or services to people with low income and other vulnerable groups in 2017-18—55 programs with expenditures of \$39.3 billion and 20 tax expenditures that provided \$17.5 billion.

Importantly, the various programs and tax expenditures we identified are diverse in their purpose, design and target populations. They were created independently of one another, at different times and in response to different policy problems. Problematically, while the *Financial Administration Act* mandates program evaluations every five years, there is no similar requirement for tax expenditures. The absence of these evaluations creates an information gap.

1. Introduction

Approximately 3.2 million to 5.0 million Canadians have low income, depending on the measure used. A number of vulnerable groups are more likely to be low income, including people with disabilities, Indigenous people and recent immigrants.

In addition to its transfers to provinces and territories for social programs, the Government of Canada spends billions of dollars each year on a range of tax credits, services and payments to individuals and families with low income, as well as to groups vulnerable to being low income.

In 2016, the Government committed to developing a poverty reduction strategy.¹ It is likely that a number of the programs and tax expenditures identified in this report will be part of that strategy.

To have a better sense of how much the Government spends annually in this area, the PBO decided to identify and categorize the Government's tax expenditures and programs that provide targeted support to low income people and groups vulnerable to being low income.

2. What is Low Income

The Government does not have an official definition of poverty. Instead, it uses several different measures to determine the number of Canadians with a low income:

- The [low income cut-offs](#) are income thresholds below which a family must devote 20 per cent more of its income than the average family devotes to the necessities of food, shelter and clothing. Statistics Canada provides LICOs that vary by seven family sizes and five community populations.²
- The [low income measure](#) is 50 per cent of median household incomes. It is often used to make international comparisons. Statistics Canada uses this measure to provide low income statistics by family types and census areas.³
- The [market basket measure](#) is based on the cost of buying a specific set of goods and services that represent a basic standard of living, including clothing, footwear, transportation, shelter and other expenses. Statistics Canada uses a reference family of two adults aged 25 to 49 and two children (aged 9 and 13) to provide thresholds for various regions.⁴ If the cost of this basket of goods is greater than a family's disposable income; the family is deemed to be "low income".

As each of these measures has a different basis, they provide different estimates for the percentage and number of Canadians with a low income (see Table 2-1).

Table 2-1 Percentage and Number of Canadians with Low Income, 2015

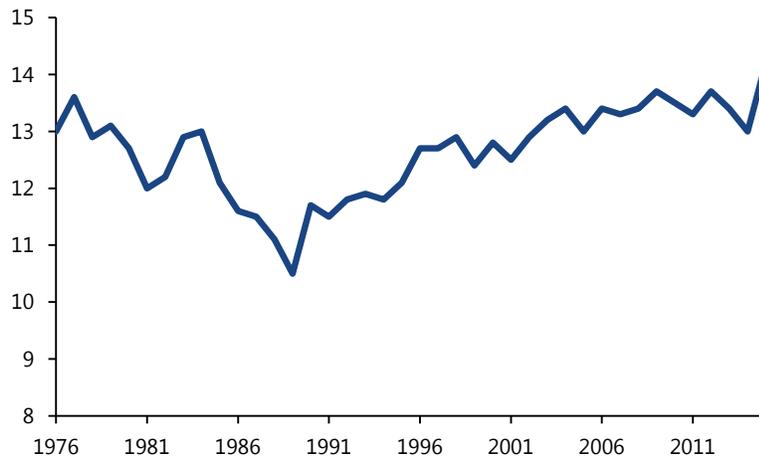
Measure	Percentage of Canadians with low income	Number of Canadians with low income (millions)
Low income cut-offs	9.2	3.2
Low income measure	14.2	5.0
Market basket measure	12.1	4.2

Source: Statistics Canada, [CANSIM Table 206-0042](#).

The competing measures of low income, offer differing views regarding whether the incidence of low income is increasing or decreasing in Canada. As shown in Figure 2-1, using the low income measure, the percentage of Canadians with low income fell from 13.0% in 1976 to 10.5% in 1989, before rising gradually to 14.2% in 2015.

Figure 2-1 Percentage of Canadians below the Low Income Measure, 1976 – 2015

Percentage

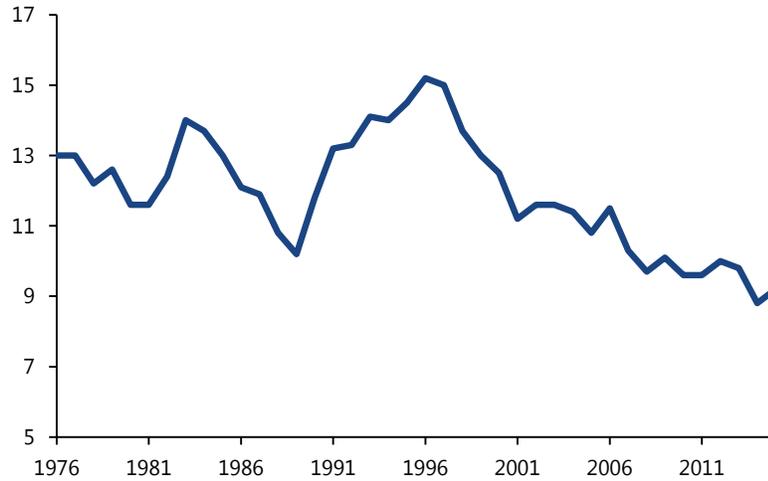


Source: Statistics Canada, CANSIM table 206-0042

In comparison, the share of Canadians falling below the low income cut-off has fallen over the past 40 years, from 13.0% to 9.2% (Figure 2-2).

Figure 2-2 Percentage of Canadians below the Low income Cut-Off, 1976 – 2015

Percentage



Source: Statistics Canada, CANSIM table 206-0042

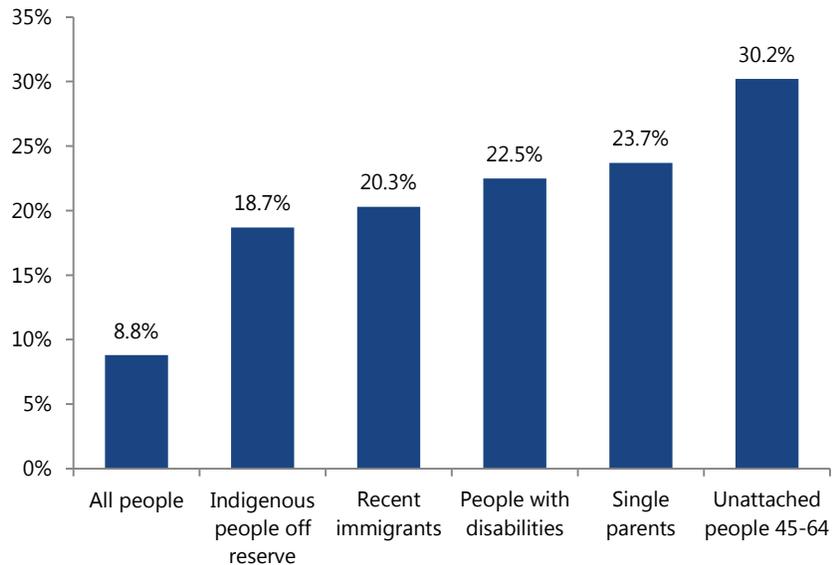
The differing conclusions depicted by the two measures stem from their statistical properties. The low income measure is a comparison of the distribution of household incomes. In contrast, the low income cut-off accounts for how those incomes are actually spent and the costs of necessities.

It is important to note that the measurement of low income is determined by households' after-market incomes, which include transfers from various levels of government. In the absence of these government programs, low income incidence would be significantly greater. PBO estimates that in 2017, the low income measure based on market income would be 26.8% (9.7 million individuals), compared to the low income measure based on disposable income (after government taxes and transfers), which would be 11.0% (or 4.0 million individuals).

3. Vulnerable Groups

Some vulnerable groups of Canadians, as shown in Figure 3-1, have significantly higher rates of low income. Unattached people aged 45 to 64, single parents, people with disabilities, recent immigrants, and Indigenous people living off reserve are more likely to be low income.⁵

Figure 3-1 Percentage of Individuals falling below the Low income Cut-Off for Various Vulnerable Groups, 2014



Source: Government of Canada, *A Backgrounder on Poverty in Canada*, October 2016.

The Government targets some of its programs and services to vulnerable groups, most notably, Indigenous people, recent immigrants and people with disabilities.⁶

4. Identifying Programs and Tax Expenditures

The Government has a variety of programs targeted to low income people and vulnerable groups. These programs may transfer money directly to individuals, such as the Guaranteed Income Supplement, provide services and supports, such as rehabilitation services for veterans, or give funding to other levels of government and non-government organizations which in turn provide services and supports, such as Labour Market Development Agreements and literacy services.

In addition to direct spending, the Government also provides specific tax measures to assist low income people and vulnerable groups. As the measures represent foregone revenue and are used in place of spending programs, they are called tax expenditures.

Tax credits can be refundable or non-refundable. Through refundable tax credits, such as the GST/HST Sales Tax Credit, an eligible individual may receive funds from the Government, regardless of whether any tax is owed. Other tax credits, such as the Age Credit, reduce the amount of taxable income or the amount of tax owed.

4.1. Low Income Criteria

To determine which Government programs and tax expenditures should be identified as supporting people with low income, we utilized criteria developed by the United States Congressional Research Service, as follows:

For Whom	<ul style="list-style-type: none"> • The measure contains provisions that base an individual's eligibility or priority for service on a measure (or proxy) of low income; • The measure targets resources in some way using a measure (or proxy) of low income; • The measure prioritizes services to low income segments of a larger target population; or • The measure's purpose clearly indicates a presumption that participants will be low income.⁷
From Where	<ul style="list-style-type: none"> • The measure is funded through general revenues.⁸
For What	<ul style="list-style-type: none"> • The measure seeks to ameliorate or mitigate the effects of low income by providing cash or non-cash benefits to help people meet basic needs, such as food, housing and health care; or • The measure seeks to address the root causes of economic disadvantage by providing education, training and other services to improve people's employability and earnings capacity.⁹

Our goal was to identify programs and tax expenditures that are not intended to be universal, but that provide targeted benefits or services to low income individuals or families.

Thus, some programs that provide important support to low income individuals, such as the Canada Pension Plan, are not included because the support is not targeted to low income. Rather, eligibility is based on age and payments are based on the amount contributed. Additionally, the Canada Pension Plan is not funded through general revenue, but by payments made by workers and employers that are invested by the Canada Pension Plan Investment Board.

Similarly, while Employment Insurance is targeted to individuals without employment income, it is not included because it is also funded through separate account.

While pension income splitting may help couples over 65 reduce their tax burden, it is not included because it is not targeted to low income seniors.

4.2. Vulnerable Groups

As noted earlier, some vulnerable groups have higher rates of low income and some of the Government's programs and services are directed towards these groups. So, we also identified tax expenditures and programs that are targeted to them, specifically, people with disabilities, Indigenous people and recent immigrants (we did not identify any programs or tax expenditures targeted to single parents or unattached people aged 45-64).

We included support for veterans specifically directed towards assisting those who have disabilities. We also included all support for recent immigrants and refugees.¹⁰

4.3. Partially Targeted Programs and Tax Expenditures

Some programs and tax expenditures are partially targeted to low income individuals and families. While they provide benefits to a broader range of people, the benefits decline as income increases. As the overall amount spent on these measures is considerable, we endeavoured to identify the amounts specifically provided to people with low income.

To do so, we utilized Statistics Canada's Social Policy Simulation Database and Model (SPSD/M), which is a statistically representative database of Canadian individuals in their family context that can be used to assess the cost implications or income redistribution effects of changes in the personal taxation and cash transfer system.

While there are a number of programs and tax expenditures whose benefit declines as income increases, we focused on the largest. We examined:

- Old Age Security;
- the Age Credit; and
- the Canada Child Benefit.

We used the low income measure (LIM) to determine the amounts targeted to low income individuals and families because the Government of Ontario is using it to measure progress on its poverty reduction strategy and as part of its basic income pilot project. More specifically, we used the LIM based on disposable income.

To determine the LIM in SPSPD/M, we followed the approach used by Statistics Canada.¹¹ First, we calculated the equivalent household disposable income for each household by adjusting for its size, and we assigned this adjusted income to every person within the household. We then used the Distributional Analysis Facility of SPSPD/M to identify the median of the adjusted disposable income.¹² Lastly, the LIM is a fixed percentage (50%) of the latter.

5. Findings

Overall, as shown in Table 5-1, we identified approximately \$17.5 billion in tax expenditures and \$39.3 billion in program spending that provide financial support or services to people with low income and other vulnerable groups, for a total of \$56.8 billion in fiscal year 2017-18.

The largest spending item is the Guaranteed Income Supplement (\$11.8 billion), which accounts for 21% of the total spending. The next largest items are Canada Pension Plan Disability Benefits (\$4.6 billion), the GST/HST Sales Tax Credit (\$4.5 billion), the Canada Child Benefit (\$4.2 billion) and the Old Age Security pension (\$3.9 billion). Together, these five items account for 52% of the total spending.

The Government also provides \$14.1 billion in services and benefits to people with disabilities, including veterans.

Table 5-1 Federal Support for People with Low Income and Various Vulnerable Groups, 2017-18

	Tax Expenditures		Programs	
	Number	Spending (\$ millions)	Number	Spending (\$ millions)
Low income and multiple vulnerable groups	8	12,710	14	24,701
Persons with disabilities	12	4,802	16	9,351
Indigenous people	--	--	16	4,003
Recent immigrants	--	--	9	1,281
Total	20	17,512	55	39,336

Sources: PBO calculations, using Finance Canada's Tax Expenditure Report and departmental plans

The specific tax expenditures and programs that we identified as supporting people with low income and various vulnerable groups are set out in the appendixes. It should be noted that the program figures include administrative costs.

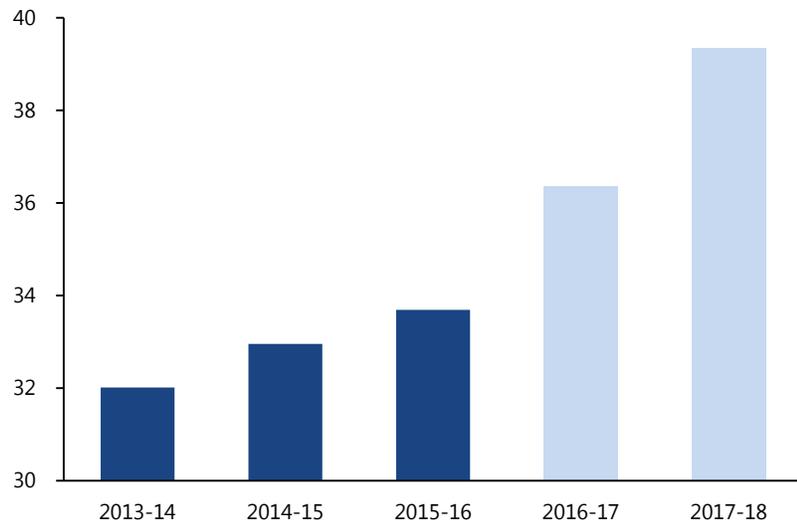
5.1. Program Spending

Program spending for people with low income and various vulnerable groups is predominantly accounted for by the Guaranteed Income Supplement (\$11.8 billion), Canada Pension Plan Disability Benefits (\$4.6 billion), and the Old Age Security pension (\$3.9 billion), which together constitute 52% of the \$39.3 billion in total program spending.

As shown in Figure 5-1, from 2013-14 to 2017-18, program spending for people with low income and various vulnerable groups has grown from \$32.0 billion to \$39.3 billion, an increase of \$7.3 billion, or 23%.

Figure 5-1 Program Spending for People with Low Income and Various Vulnerable Groups, 2013-14 to 2017-18

\$ billions



Sources: PBO calculations and departmental plans and results reports.

Note: For 2013-14 to 2015-16, the chart presents actual spending. For 2016-17 and 2017-18, the chart presents planned spending.

The key drivers of the growth in program spending are:

- the Guaranteed Income Supplement, which increased by \$2.5 billion, primarily owing to policy decisions that increased the generosity of the program;
- programs for disabled veterans, which increased by \$1.2 billion, which also reflect Government policy decisions to increase benefit generosity;

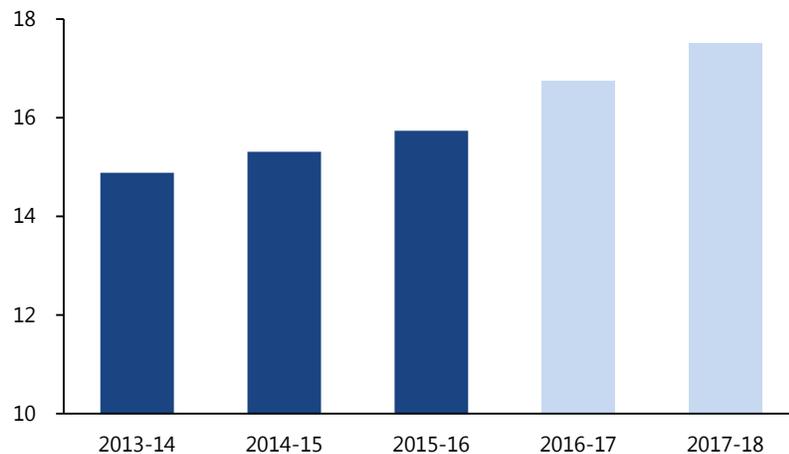
- Old Age Security, which increased by \$760 million, attributable to automatic increases that are linked to the population over the age of 65 and inflation) and,
- Canada Mortgage and Housing Corporation's housing programs, which increased by \$923 million, as a result of new federal initiatives to increase investments in social housing.

5.2. Tax Expenditures

Tax expenditures for people with low income and various vulnerable groups are predominantly accounted for by the GST/HST Sales Tax Credit (\$4.5 billion) and the Canada Child Benefit (\$4.2 billion), which together constitute 50% of the \$17.5 billion total tax expenditures.

As shown in Figure 5-2, from 2013-14 to 2017-18 tax expenditures for people with low income and various vulnerable groups have grown from \$14.9 billion to \$17.5 billion, an increase of \$2.6 billion, or 18%.

Figure 5-2 Tax Expenditures for People with Low Income and Various Vulnerable Groups, 2013-14 to 2017-18



Source: PBO calculations, using Finance Canada's Tax Expenditure Report

Note: For the period 2013-2014 to 2015-2016, the table shows actual expenditures. For the 2016-17 and 2017-18 fiscal years, the table shows planned spending.

One of the primary drivers of the increase is the introduction in 2016 of the Canada Child Benefit, which replaced the Canada Child Tax Benefit. The Canada Child Benefit has increased tax expenditures by \$1.0 billion over previous child benefits from 2013-14 to 2017-18, and represents 39% of the total increase in tax expenditures for people with low income and various vulnerable groups.¹³

5.3. Selected Programs and Tax Expenditures

As noted earlier, we identified the amounts specifically provided to people with low income for:

- Old Age Security;
- the Age Credit; and
- the Canada Child Benefit.

For each of these programs and tax expenditures, we also calculated the percentage of funding provided to individuals and families below the low income measure, based on disposable income, and the percentage of funding provided to individuals and families above the low income measure.

As can be seen in Table 5-2, these measures are not effectively targeted to low income individuals and families.

Table 5-2 Selected Program and Tax Expenditure Funding for Low Income Individuals and Families, 2017

	Below the Low Income Measure		Above the Low Income Measure	
	Spending (\$ millions)	%	Spending (\$ millions)	%
Old Age Security	3,853	9.6	36,478	90.4
Age Credit	698	11.5	5,363	88.5
Canada Child Benefit	4,138	18.6	18,079	81.4

Source: PBO calculations, using Statistics Canada's SPSPD/M.

5.4. What this means for the Government's Poverty Reduction Strategy

The various programs and tax expenditures we identified are diverse in their purpose, design and target populations. They were created independently of one another, at different times and in response to different policy problems.

Reducing poverty requires setting meaningful goals, prioritizing programs and policies, ensuring that various activities are consistent and coordinated, establishing indicators with which to measure progress and making adjustments based on lessons learned.

The Government's ability to track progress will be aided by evaluations of its various grants and contributions programs, which the *Financial Administration Act* mandates must be conducted every five years. However, as the Auditor General noted in 2015, there is no similar requirement for tax expenditures.¹⁴

The identification of programs and tax expenditures supporting low income individuals and families should not be confused with a poverty reduction strategy, which would have a broader focus on the causes and effects of poverty, and may also include supports that are universal in nature.

Appendix A: Tax Expenditures for People with Low Income and People with Disabilities¹⁵

Tax Expenditure	Description	Reason for Inclusion	Projected Cost, 2017-18 (\$ millions)
Low income individuals or families			
Age Credit	The credit is provided to individuals aged 65 and over. The credit is income-tested.	The credit decreases as net income rises above \$35,927 and is thus partially targeted to lower income seniors.	709
Canada Child Benefit	<p>The benefit provides a maximum benefit of \$6,400 per child under the age of 6 and \$5,400 per child aged 6 through 17. The benefit is income-tested based on adjusted family net income with the benefit phase-out rate depending on the number of children.</p> <p>The Child Disability Benefit is an additional amount provided to families caring for a child eligible for the Disability Tax Credit. It is included in Canada Child Benefit payments made to eligible families.</p>	The benefit decreases as net family income rises above \$30,000 and is thus partially targeted to low income families.	4,161
GST/HST Sales Tax Credit	A refundable income tax credit (now known as the GST/HST Credit) was established at the time of the introduction of the GST to ensure that low income families would be better off under the new sales tax regime than under the former federal sales tax. The amount of the credit depends on family size and income.	The credit is directed towards low income families.	4,516

Tax Expenditure	Description	Reason for Inclusion	Projected Cost, 2017-18 (\$ millions)
Non-taxation of Guaranteed Income Supplement and Allowance benefits	The Guaranteed Income Supplement is an income-tested benefit payable to low income seniors as part of the Old Age Security program. The Supplement and Allowance benefits provided to an eligible spouse, common-law partner, widow or widower are effectively non-taxable. Although these benefits must be included in income, an offsetting deduction from net income is provided.	The supplement provides a benefit to low income seniors.	195
Non-taxation of social assistance benefits	Social assistance payments generally must be included in income for tax purposes, but an offsetting deduction from net income is provided.	Social assistance payments are provided to low income individuals.	218
Refundable Medical Expense Supplement	The supplement is a refundable credit that provides low income working Canadians with assistance for medical and disability-related expenses. The supplement is reduced based on income.	The credit provides low income individuals with assistance for disability-related expenses.	156
Spouse or Common-Law Partner Credit	A taxpayer supporting a spouse or common-law partner may be eligible for the non-refundable credit. The credit amount is reduced dollar-for-dollar by the net income of the dependent spouse or common-law partner.	The credit is directed toward individuals with spouses or common-law partners who have low income.	1,590
Working Income Tax Benefit	The benefit is a refundable tax credit that supplements the earnings of low income workers. It is phased-out based on income. An additional supplement is provided to persons eligible for the Disability Tax Credit.	The credit supplements the earnings of low income workers.	1,165
Total low income			12,710
People with disabilities			
Caregiver Credit	The credit provides tax relief to individuals providing in-home care to a parent or grandparent 65 years of age or over or an infirm adult dependent relative. The credit is reduced based on the dependant's net income.	The credit compensates individuals for providing care to disabled relatives.	151

Tax Expenditure	Description	Reason for Inclusion	Projected Cost, 2017-18 (\$ millions)
Disability supports deduction	Attendant care as well as certain other disability supports expenses incurred to carry on a business or for education or employment purposes are deductible from income unless they have been reimbursed by a non-taxable payment (e.g., insurance payment).	The deduction provides compensation for disability supports expenses.	3
Disability Tax Credit	The credit provides tax relief for non-itemizable disability-related costs in respect of an eligible individual that has been certified by a qualified medical practitioner as having a severe and prolonged disability.	The credit provides tax relief for disability-related costs.	1,005
Eligible Dependent Credit	A taxpayer that does not have a spouse or common-law partner may claim a non-refundable credit in respect of a co-habiting and dependent parent or grandparent, or of a co-habiting child, grandchild, brother or sister who is either under the age of 18 or is wholly dependent due to physical or mental infirmity. The credit amount is reduced dollar-for-dollar by the net income of the dependant.	The credit is directed toward single-parents providing care to someone who is wholly dependent due to physical or mental disability.	945
Family Caregiver Tax Credit	The credit provides tax relief to caregivers of dependants with a mental or physical infirmity. With the exception of a dependant who is a minor child of the claimant, the amount is reduced dollar-for-dollar by the dependant's net income above a certain threshold.	The credit is directed towards caregivers of dependants with a mental or physical disability.	71
Home Accessibility Tax Credit	The credit provides a non-refundable tax credit to persons with disabilities who are eligible for the Disability Tax Credit and seniors (65 years of age or older). Eligible expenses include such things as the purchase and installation of wheelchair ramps, walk-in bathtubs, wheel-in showers and grab bars.	The credit provides compensation for accessibility expenses for persons with disabilities.	41
Infirm Dependent Credit	The credit provides tax relief to individuals providing support to an infirm adult relative. The amount the supporting relative can claim depends on the net income of the dependant.	The measure is directed toward individuals providing support to dependents with a disability.	10
Medical Expense Tax Credit	The credit provides tax relief for qualifying above-average medical or disability-related expenses incurred by individuals on behalf of themselves, a spouse or a common-law partner, or a dependent relative.	The credit provides tax relief for disability-related costs expenses.	1,625

Tax Expenditure	Description	Reason for Inclusion	Projected Cost, 2017-18 (\$ millions)
Non-taxation of RCMP pensions and other compensation in respect of injury, disability or death	Pension payments or compensation received in respect of an injury, disability or death associated with the service of a member in the Royal Canadian Mounted Police (RCMP) are exempt from tax.	Pension payments to RCMP members with a disability are exempt from tax.	30
Non-taxation of veterans' Disability Awards and Critical Injury Benefits	The Disability Award provides injured Canadian Armed Forces members or veterans with an award for an injury or illness resulting from military service.	The award provides compensation to disabled Canadian Armed Forces members or veterans.	199
Non-taxation of workers' compensation benefits	Compensation received under the employees' or workers' compensation law of Canada or a province in respect of an injury, disability or death must generally be included in income, but an offsetting deduction for the purposes of the calculation of taxable income is provided.	Workers' compensation benefits are provided to individuals who became disabled as a result of an injury incurred while working.	664
Registered Disability Savings Plan	A Registered Disability Savings Plan (RDSP) is a tax-assisted long-term savings plan that may generally be established for the benefit of an individual under 60 years of age who is eligible for the Disability Tax Credit.	The savings plans may be established for individuals with disabilities.	58
		Total disability	4,802
Total			17,512

Appendix B: Programs for People with Low Income and Various Vulnerable Groups¹⁶

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017–18 (\$)
Low income individuals and families, or more than one vulnerable group				
Employment and Social Development Canada	Labour Market Development Agreements	The agreements help unemployed Canadians find and return to work and to develop a skilled labour force that meets the needs of employers.	The program provides services to unemployed people.	2,146,079,776
Employment and Social Development Canada	Canada Job Fund Agreements	The agreements fund employment services and supports to those who are unemployed and do not qualify for Employment Insurance and low-skilled workers as well as a range of employer-sponsored training initiatives, such as the Canada Job Grant, that encourage employer involvement in skills training.	The program provides services to unemployed people who do not qualify for Employment Insurance.	501,918,544
Employment and Social Development Canada	Targeted Initiative for Older Workers	The initiative provides unemployed older workers (normally between the ages of 55 and 64) with employment assistance services, skills upgrading and work experience to reintegrate them into the workforce and/or increase their employability.	The program provides services to unemployed people.	13,715,065
Employment and Social Development Canada	Literacy and Essential Skills	Some Canadians, particularly from vulnerable groups, may not have the literacy and essential skills needed to fully participate in the labour force. The program supports Canadians to improve their literacy and essential skills to help them to better prepare for, get and keep a job and to adapt and succeed at work.	The program's target population is vulnerable groups.	28,921,263

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Employment and Social Development Canada	Canada Student Loans and Grants and Canada Apprentice Loans Program	The program provides repayable loans and non-repayable grants to help Canadians finance their participation in post-secondary education. Recipients of these loans and grants include full- and part-time students, students from low- and middle-income families, students with dependants and students with permanent disabilities.	The program partially targets students from low income families.	1,972,346,785
Employment and Social Development Canada	Canada Education Savings Program	The program is intended to make post-secondary education more affordable by encouraging early planning and saving for education. Eligible low income families can also benefit from the Canada Learning Bond, which provides funds that are added to the Registered Education Savings Plans of children born on or after January 1, 2004.	The program partially targets low income families.	996,729,808
Employment and Social Development Canada	Workplace Equity	This program helps to achieve equitable representation in workplaces by requiring federally regulated private-sector employers and federal contractors to identify and eliminate employment barriers for the four designated groups (women, Indigenous peoples, persons with disabilities and members of visible minorities) under the Employment Equity Act.	The program targets Indigenous people and persons disabilities.	1,562,826
Employment and Social Development Canada	Wage Earner Protection Program	This program is designed to reduce the economic insecurity of Canadian workers who are owed unpaid wages and vacation, termination and severance pay when their employer declares bankruptcy or becomes subject to receivership.	The program targets workers who are, at least temporarily, low income due to the bankruptcy of their employer.	51,190,916

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Employment and Social Development Canada	Old Age Security	The Old Age Security (OAS) pension is a monthly payment available to seniors aged 65 and older who meet the Canadian legal status and residence requirements.	The OAS is partially related to income. The pension payments diminish for net incomes greater than \$73,756.	3,920,125,000
Employment and Social Development Canada	Guaranteed Income Supplement	The Guaranteed Income Supplement (GIS) contributes to the income security of seniors by providing an additional benefit, on top of the Old Age Security pension, to low income seniors.	To be eligible for the GIS, recipients must have an income below \$17,687.99, not including OAS payments.	11,848,000,000
Employment and Social Development Canada	Homelessness Partnering Strategy	The objective of the strategy is to support the implementation of effective, sustainable and community-based solutions to prevent and reduce homelessness across Canada.	The program targets homeless people, who are usually low income.	174,650,829
Employment and Social Development Canada	Social Development Partnerships Sub-Sub-Program: Children and Families	With the objective of supporting the creation of more responsive programs, services or tools to better serve the diverse needs of children and their families, particularly those living in disadvantaged circumstances, the program makes strategic grant and contribution-based investments.	The program targets vulnerable populations, including child and family in disadvantaged circumstances.	16,227,168
Public Health Agency of Canada	Conditions for Healthy Living: Healthy Communities	The sub-sub-program aims to improve the community capacity to contribute to better health outcomes for Canada's population, including those who are vulnerable and at-risk, such as seniors, new Canadians, Indigenous Peoples or those living with a communicable or infectious disease.	The program's target population is vulnerable and at risk individuals.	29,121,996
Canada Mortgage and Housing Corporation	Housing programs	The majority of the funding in Housing programs helps support low income households living in existing social housing on and off-reserve.	The programs' target population is low income households.	3,000,250,000 ¹⁷

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Total low income individuals and more than one vulnerable group				24,700,839,976
People with disabilities				
Employment and Social Development Canada	Labour Market Agreements for Persons with Disabilities	The agreements are designed to improve employment outcomes for persons with disabilities by enhancing their employability, increasing employment opportunities and demonstrating the best possible results for Canadians.	The program provides services to persons with disabilities.	222,895,461
Employment and Social Development Canada	Opportunities Fund for Persons with Disabilities	The fund assists persons with disabilities to prepare for, obtain and maintain employment through a wide range of programs and services, including job search supports, skills development, wage subsidies, work placements and employer awareness initiatives to encourage employers to hire persons with disabilities.	The program provides services to persons with disabilities.	44,240,732
Employment and Social Development Canada	Federal Workers' Compensation	This program oversees income maintenance, medical benefits, support of the return to work process and vocational rehabilitation services to workers in the federal public sector who sustain an occupational injury or illness.	The program provides services to federal workers who have a disability due to an occupational injury or illness.	173,992,145
Employment and Social Development Canada	Canada Pension Plan Disability Benefits	The Canada Pension Plan (CPP) disability benefit is designed to provide partial income replacement to eligible CPP contributors who are under age 65 with a severe and prolonged disability.	The program provides a partial income replacement to disabled people.	4,583,760,675

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Employment and Social Development Canada	Canada Disability Savings Program	This program complements the Registered Disability Savings Plan (RDSP) by providing Canada Disability Savings Grants and Canada Disability Savings Bonds as additional supports to encourage savings.	The program targets disabled people.	574,981,112
Employment and Social Development Canada	Social Development Partnerships Sub-Sub-Program: Disability	The program supports projects intended to improve the participation and integration of persons with disabilities in all aspects of Canadian society with respect to social inclusion.	The program targets persons with disabilities.	18,153,826
Employment and Social Development Canada	Enabling Accessibility Fund	The objective of the fund is to improve accessibility, remove barriers and enable Canadians with disabilities to participate in and contribute to their community.	The program targets persons with disabilities.	17,013,372
Royal Canadian Mounted Police	Members Injured on Duty - Compensation, VAC Disability Pension	This sub-program provides both financial and health care assistance to members of the RCMP who suffer a permanent work-related illness or injury that causes loss in quality of life.	The program provides financial support to disabled RCMP officers.	211,427,182
Veterans Affairs Canada	Disability Pension Benefits and Allowances	This program recognizes and compensates eligible Veterans, as well as Canadian Armed Forces members who applied for a disability pension before April 1, 2006, survivors, dependants and, in certain circumstances, civilians for the effects of a service-related disability and/or death.	The program provides financial support to disabled veterans.	1,315,660,369

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Veterans Affairs Canada	Disability Awards, Critical Injury and Death Benefits	The program recognizes and compensates eligible Canadian Armed Forces (CAF) Veterans and members, and in some cases surviving spouses/common-law partners and surviving dependent children, for the non-economic effects of service-related disability, death, and/or detention.	The program provides financial support to disabled veterans.	1,538,095,849
Veterans Affairs Canada	Earnings Loss Benefit	This program provides income replacement to respond to the economic impact a military career-ending or service-connected health problem may have on a Veteran's ability to earn income after release from the CAF.	The program provides financial support to disabled veterans.	426,962,844
Veterans Affairs Canada	Career Impact Allowance	A monthly allowance is payable to Canadian Armed Forces Veterans who received a disability benefit for health conditions that are creating a permanent and severe impairment and for which rehabilitation services and vocational assistance program eligibility have been approved. The allowance is payable at an increased amount to Veterans not capable of suitable gainful employment (due to eligible health problems).	The program provides financial support to disabled veterans.	131,277,465
Veterans Affairs Canada	Retirement Benefits	This program provides eligible Canadian Armed Forces (CAF) Veterans with assurance that they will have sufficient funds to meet their basic needs after age 65.	The program provides financial support to disabled veterans.	4,389,759
Veterans Affairs Canada	Canadian Forces Income Support Benefit	This program ensures that eligible Veterans have a minimum level of family income to meet basic needs while they are engaged in job search activities.	The program provides financial support to disabled veterans.	1,775,100

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Veterans Affairs Canada	War Veterans Allowance	This program provides financial assistance to eligible Veterans, Merchant Navy Veterans, qualified civilians and their survivors, dependants, and orphans. In recognition of war service, qualified persons are provided with a regular monthly income to meet basic needs and/or access to other Veterans Affairs Canada programs.	The program provides financial support to disabled veterans and their families.	7,646,806
Veterans Affairs Canada	Rehabilitation Services	This program provides Veterans with military career ending or service connected health problems with funding, post military release, to ensure timely access to the rehabilitation or vocational assistance services needed to improve their functional capacity, their employability, and reduce barriers to re-establishment in civilian life.	The program provides services to disabled veterans.	78,444,228
Total disabled people				9,350,716,925
Indigenous people				
Employment and Social Development Canada	Aboriginal Skills and Employment Training Strategy	The strategy (ASETS) aims to increase Indigenous participation in the Canadian labour market, ensuring that First Nations, Inuit and Métis people are engaged in sustainable, meaningful employment.	The program's target population is Indigenous people.	379,218,785
Employment and Social Development Canada	Skills Partnership Fund	The fund supports time-limited projects by Indigenous organizations and their private-sector and government partners to help First Nations, Inuit and Métis people develop the necessary skills and job training to secure jobs.	The program's target population is Indigenous people.	57,635,336

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Health Canada	Supplementary Health Benefits for First Nations and Inuit	The program provides registered First Nations and recognized Inuit residents in Canada with a specified range of medically necessary health-related goods and services, which are not otherwise provided to eligible clients through other private or provincial/territorial programs.	The program provides health services to Indigenous people that aren't provided by provincial programs.	1,238,036,465
Indigenous and Northern Affairs Canada	Post-Secondary Education	This sub-program provides funding to First Nations, tribal councils or regional First Nation and Inuit organizations to assist eligible students to pay for tuition fees, books, travel, and living expenses (when applicable).	The program's target population is Indigenous individuals.	367,910,279
Indigenous and Northern Affairs Canada	Income Assistance	This sub-program provides funding to assist eligible individuals and families living on reserve who are in financial need, through the provision of basic and special needs that are in alignment with the rates and eligibility criteria of reference for provinces or territories.	The program provides financial assistance to Indigenous individuals.	963,793,716
Indigenous and Northern Affairs Canada	Assisted Living	This sub-program provides funding for non-medical, social support services so that seniors, adults with chronic illness, and children and adults with disabilities (both mental and physical) can maintain functional independence.	The program provides services to disabled Indigenous individuals.	84,860,186
Indigenous and Northern Affairs Canada	Family Violence Prevention	This sub-program provides funding for family violence shelter services and family violence prevention activities by providing funding to Indigenous communities and organizations.	The program provides services to vulnerable Indigenous individuals.	38,666,742

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Indigenous and Northern Affairs Canada	Business Capital and Support Services	This sub-program provides funding and support to a national network of Aboriginal Financial Institutions (AFIs), Indigenous organizations and non-Indigenous organizations to enhance access to capital for Indigenous entrepreneurs.	The program's target population is Indigenous people.	44,231,852
Indigenous and Northern Affairs Canada	Business Opportunities	This sub-program facilitates access by Indigenous businesses to public- and private-sector business opportunities, including federal procurement contracts, using instruments like the Procurement Strategy for Aboriginal Businesses, various partnership and participation approaches; capacity and network building; and assistance in establishing business strategies.	The program's target population is Indigenous people.	3,048,402
Indigenous and Northern Affairs Canada	Lands and Economic Development Services	This sub-program supports communities to effectively build and manage a land base for economic development.	The program's target population is Indigenous people.	141,452,109
Indigenous and Northern Affairs Canada	Investment in Economic Opportunities	This sub-program supports First Nations and Inuit communities seeking greater participation in large and complex economic opportunities.	The program's target population is Indigenous people.	33,815,940
Indigenous and Northern Affairs Canada	Strategic Partnerships	This program supports Indigenous community preparedness activities to engage with partners in economic opportunities.	The program's target population is Indigenous people.	32,407,433
Indigenous and Northern Affairs Canada	Housing	This sub-program provides funding for First Nations to: plan and manage housing needs; design, construct and acquire new housing units; as well as renovate existing housing units.	The program's target population is Indigenous people.	371,098,042

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Indigenous and Northern Affairs Canada	Urban Indigenous Participation	This Program supports participation of urban Indigenous individuals and communities in the economy by providing funding to urban Indigenous community organizations to deliver programs and services that are designed to remove barriers and encourage innovative partnerships.	The program's target population is Indigenous people.	29,582,303
Indigenous and Northern Affairs Canada	Nutrition North	This sub-program aims to improve access to perishable nutritious food for residents of isolated northern communities that lack year-round surface or marine transport.	The program's target population is residents of isolated northern communities, who are often Indigenous people.	89,072,123
Public Health Agency of Canada	Conditions for Healthy Living: Healthy Child Development	The sub-sub-program engages key stakeholders to identify and address shared priorities related to healthy childhood and adolescent development, including fetal alcohol spectrum disorder, maternal and infant health, oral health, positive parenting practices and health status in Indigenous and Northern communities.	The program's target population is Indigenous people.	128,520,659
Total Indigenous people				4,003,350,372
Recent immigrants				
Immigration, Refugees and Citizenship Canada	Government-Assisted Refugees	The primary objectives of the program are to provide individual protection solutions to refugees, to affirm Canada's humanitarian commitment to assist refugees in need of international protection through the provision of government assistance, and to assist the countries hosting them through responsibility sharing.	The program provides services to refugees.	3,601,022

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Immigration, Refugees and Citizenship Canada	Privately Sponsored Refugees	The primary objective of the program is to partner with civil society to provide durable solutions to more refugees than would otherwise be admitted under the Government-Assisted Refugees Program.	The program provides services to refugees.	8,597,224
Immigration, Refugees and Citizenship Canada	Blended Visa Office Referred Refugees	Under the program, refugees receive six months of income support from the Government of Canada via the Resettlement Assistance Program and six months of income support from their sponsor.	The program provides services to refugees.	600,221
Immigration, Refugees and Citizenship Canada	In-Canada Asylum	Flowing from Canada's international and domestic legal obligations, Canada's asylum system provides protection to persons fleeing persecution and risk of torture, risk to life, or risk of cruel treatment or punishment, by way of legislative and regulatory measures that enable Canada to meet those obligations.	The program provides services to asylum seekers.	11,456,000
Immigration, Refugees and Citizenship Canada	Language Training	The program funds various language learning services for newcomers, including language assessment and official language instruction.	The program provides services to recent immigrants.	325,018,277
Immigration, Refugees and Citizenship Canada	Community and Labour Market Integration Services	The program funds the design and delivery bridging services that facilitate newcomers' connections to the labour market and the wider community	The program provides services to recent immigrants.	404,563,712

Department	(Sub)program	Description	Reason for Inclusion	Planned Spending, 2017-18 (\$)
Immigration, Refugees and Citizenship Canada	Grant to Quebec	Under the Canada-Quebec Accord, signed in 1991, Canada has devolved settlement and resettlement responsibility to Quebec, with a grant that includes reasonable compensation for costs. The compensation to Quebec covers services for reception services and linguistic, cultural and economic integration services, provided that they are equivalent to similar federal services in other parts of the country.	The program provides services to recent immigrants.	378,213,000
Immigration, Refugees and Citizenship Canada	Resettlement Assistance Program	The program provides direct financial support and funds immediate and essential services for clients, including government-assisted refugees and persons in refugee-like situations admitted to Canada under a public policy consideration or on humanitarian and compassionate grounds, to meet their resettlement needs.	The program provides financial assistance to refugees.	93,701,185
Immigration, Refugees and Citizenship Canada	Interim Federal Health	The program provides temporary coverage of health-care benefits to protected persons, including resettled refugees, refugee claimants, persons detained under IRPA, and certain others who are not eligible for provincial or territorial health insurance.	The program provides services to refugees.	55,490,581
			Total recent immigrants	2,010,823,211
Total				39,336,148,495

Notes

1. Government of Canada, [Canadian Poverty Reduction](#).
2. Statistics Canada, [CANSIM Table 206-0092](#).
3. Statistics Canada, [CANSIM Table 206-0042](#).
4. [Statistics Canada, CANSIM Table 206-0093](#).
5. While Statistics Canada does not annually publish low income data for First Nations individuals living on reserve, living conditions on reserves suggest that the poverty rate on reserve is higher than off reserve.
6. It is important to note that despite being vulnerable, most people in these groups are not low income. Thus, it would not be appropriate to conclude that all support to these groups goes to low income people or is meant to address their low income status.
7. Congressional Research Service, [Federal Benefits and Services for People with Low Income: Overview of Spending Trends, FY2008-FY 2015](#), July 2016, p. 19.
8. Congressional Research Service, [Federal Benefits and Services for People with Low Income: Programs, Policy, and Spending, FY2008-2009](#), January 2011, p. 1.
9. Ibid.
10. We did not select programs that are targeted to vulnerable groups, such as the Court Challenges Program which seeks to advance language and equality rights, that did not have the objective of mitigating the effects of low income or addressing the root causes of economic disadvantage. We also did not include programs and services normally provided by provinces and territories that are universal in nature, such as programs for Indigenous people for primary and secondary education, primary health, child and family services, water and wastewater, and community infrastructure.
11. Statistics Canada, [Low Income Lines, 2013-2014](#), 2015.
12. As defined by Statistics Canada: "The primary function of the SPSM distributional analysis facility is to allow the analyst to gauge visually the statistical properties of an SPSP/M variable. A frequency histogram, using percentile cut-points provided by the analyst, and incorporating tail truncation if desired, is generated from a sample of observations of the variable." [SPSD/M User's Guide](#).
13. To develop a trend analysis and make a comparison, prior to 2016, we used all child benefits.
14. Auditor General of Canada, "[Report 3 – Tax-Based Expenditures](#)," in *Reports of the Auditor General of Canada – Spring 2015*, Ottawa, 2015.

15. The descriptions and data in this appendix come from Finance Canada's [*Report on Federal Tax Expenditures 2017*](#). As this report provides estimated costs for the calendar year, the costs have been adjusted for the fiscal year 2017-18.
16. The descriptions and data in this appendix come from the 2017-18 departmental plans.
17. The Canada Mortgage and Housing Corporation reports planned spending by calendar year. Its figure has been adjusted to account for the fiscal year 2017-18.