



Increase Employment and Income Assistance (EIA) Rental Allowance NOW!

Proposed action: The Province of Manitoba increase EIA rental allowance to 75% of median market rent. The Province estimates this will cost approximately \$18.5 million annually. This is less than 1% of the Manitoba budget.

Overview of Issue: EIA recipients are provided with a rental allowance that has increased marginally since 1992 when compared to market rents which have gone up by approximately 60-70% during the same period.

A big part of the solution is to increase the supply of social housing and the Province has made some progress in this regard. But it is not nearly enough and the majority of EIA recipients rent in the private market.

The Province justifies not increasing the rental allowance by pointing to new programs they have introduced such as Rent Aid and the Portable Housing Benefit. However these programs are not available to all EIA recipients and they do not sufficiently address the affordability gap. As shown in the table below, depending on family size and the number of bedrooms required, there is currently a gap between what EIA recipients receive and median market rent from a minimum of at least \$200 up to more than \$600.

Unit Size	Median Market Rent 2011 (Winnipeg)	Current EIA Rental Allowance*	Our Proposal: 75% of Median Market Rent
Bachelor**	NA	\$285.00	NA
1 Bedroom	\$665	\$285-\$387	\$499
2 Bedroom	\$890	\$430-\$471	\$668
3 Bedroom	\$1100	\$471-\$513	\$825

*Does not include other supplements because they are not available to all recipients.

**the median market rate for bachelor units was not available. The current average rate is \$524, which is almost double the rental allowance for single adults.

Increasing the EIA rental allowance to 75% of median market rent will restore the 1992 market rent/rental allowance relationship. This will not close the gap for EIA recipients but it will give them a more fair opportunity to compete for market rental housing. The province will also need to index rates to inflation to ensure that rates do not fall behind in the future.

Why is this the most important issue to tackle now? Because it makes sense. Housing is a critical foundation and one of the best lines of defense against poverty. People who are adequately housed have better health and access to jobs. Children with adequate stable housing have better education outcomes. Every penny provided to EIA recipients goes directly back into the economy. An American study reveals that every \$1 in rental income generates just over \$2 in economic activity for local economies. An increase in rent allowance means that people don't have to dip into their food budgets to pay their rent and that means fewer will have to rely on food banks.

The time to increase the EIA rental allowance is long overdue. Manitobans need to join together to make it happen now.

Please contact Kirsten Bernas at manitoba@makepovertyhistory.ca to indicate your support.