

PERCENTAGE OF ALBERTA AND ONTARIO HOUSEHOLDS RELIANT ON SOCIAL ASSISTANCE

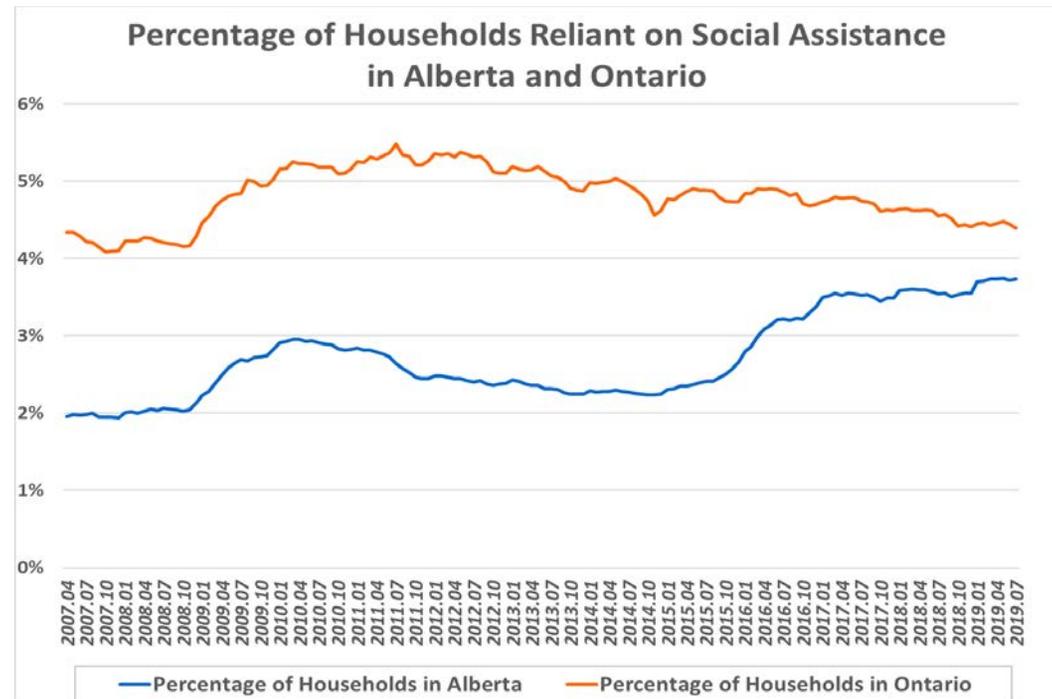
Social assistance cases continue to rise in Alberta, while in Ontario they continue a slow decline.

There are many different indicators to measure the health of an economy. One of those measures is the number of families relying on social assistance. Social Assistance is a program funded by provincial governments that is provided to people who do not have the resources to meet basic needs. The focus of this note is on social assistance provided to people who are not prevented by disabilities from gaining employment. People dealing with long term disabilities are granted support through other programs.

The continued rise in social assistance caseloads in Alberta poses a serious problem for policy makers. It suggests that for Alberta, the recent recession is not over.

The graph shows the percentage of all households in Alberta and Ontario, receiving benefits through *Alberta Works* and *Ontario Works*, respectively. The time span is from April 2007 until July 2019. The data shows that over this period, the percentage of households reliant on *Alberta Works* benefits has risen twice. The first instance was following the 2008 financial crisis, where it peaked at 3.0% in March 2010. It then rose sharply for the second time after the fall in energy prices in 2015. In July 2019, 3.7% of Alberta households were reliant on social assistance. In Ontario, the percentage of households reliant on social assistance peaked in July of 2011 at 5.5%, after which it has gradually declined to 4.4% in July 2019.

Historically well below the value in Ontario, the percentage of Alberta households relying on social assistance has nearly doubled since 2007 and is now at a very close level to that observed in Ontario.



Source: Monthly data on Alberta caseloads prior to 2012 courtesy of Alberta Ministry of Community and Social Services. After 2012, data is from [Government of Alberta](#). Data on Ontario caseloads is from [Government of Ontario](#). Data on number of households is from [CMHC](#). Monthly data on the number of households is obtained by interpolation.

The largest part of the increase in the reliance on *Alberta Works* benefits is due to the recession in the energy sector, a recession sparked by the fall in energy prices in 2015 and prolonged by the uncertainty surrounding pipeline construction and approvals for other energy projects.

Whereas by some measures the recession in Alberta following the 2015 fall in energy prices has ended, for those households forced onto social assistance, the recession is continuing and shows little sign of abating. Hence appropriate policy responses are required to support these individuals and families.