



Single mom Shawn Marie Oliver says an increase in the minimum wage will help, but says it would work better if it were tied to inflation. DAVID BEBEE, RECORD STAFF

She's exactly who this budget wants to help, but woman still wary of plan

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As a single mother collecting a small amount of social assistance while working a low-wage job, Shawn Marie Oliver initially saw an increase to the minimum wage as a blessing.

But after thinking it through, Oliver, a Cambridge resident, no longer believes the hike to \$10.25 an hour will be the fix-all solution many low-income earners hoped for.

"It does sound great," Oliver said. "Ten dollars would help me out so much, but unless someone can assure me my taxes and my rent won't go right up with it, I'm afraid there will be consequences."

As with many anti-poverty and labour activists, Oliver would like to see the minimum wage tied to inflation.

For now, she and the rest of the province will have to settle for the Liberal government's three-year plan.

Before the current government came to power in 2003, the province's minimum wage was frozen at \$6.85 for more than eight years.

Since then, the rate has risen steadily to \$8 an hour.

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Yesterday, the government proposed to bump up the province's minimum wage to \$10.25 by 2010 — a change that would take place in 75-cent increments starting in March 2008.

It was all part of a provincial budget aimed at families and low-wage earners that would not only see increases to the minimum wage, but a new child benefit for low-income families and a new housing allowance program.

While it's a step in the right direction, yesterday's budget doesn't go far enough to help the province's most vulnerable, said Brice Balmer of the House of Friendship and the Interfaith Social Assistance Reform Coalition.

"We're still keeping the poorest poor," he said. "I think they did the right things in terms of the working poor, but I don't agree with everything they've done because I think the people on social assistance still can't take care of their kids."

He points to the so-called provincial clawback, which many expected to be eliminated completely in yesterday's budget, as one of the ways families on social assistance aren't getting help in getting ahead.

For families on social assistance, the province claws back \$120 of the maximum \$162 monthly payment from the federal government's National Child Benefit Supplement given to parents earning less than \$36,000 a year.

Yesterday's budget did chalk out an end to the clawbacks — initially aimed at encouraging those on social assistance to seek employment — but not until 2011.

Instead, the province announced a \$2.1-billion investment in a provincial child benefit program — one which will provide assistance to parents regardless of if they are working or not.

Anti-poverty advocates say the move is nothing more than pre-election posturing on the part of McGuinty's Liberals.

"Today we have this new initiative and we're expected to ignore the fact that he clawed back the federal child benefit for four years?" said Catherine Fife of The Childcare Action Network of Waterloo Region.

"It shouldn't take an impending election to have the premier take child poverty seriously."

While it may be a situation of too little too late for Ontario voters, labour economists point to the program as something that actually addresses the issue of child poverty.

Increases to the minimum wage have less effect on the poorest members of society precisely because they're wide-reaching and effect only those currently working, said Mikal Skuterud, an assistant professor in economics at the University of Waterloo.

"They're an extremely blunt policy instrument because about 50 to 60 per cent of people who are on a minimum wage are young people, under 25, and a good chunk of them are students," he said.

"The really poor people in Ontario, the people we should care most about, those parents don't work or work part-time."

"The child benefit initiatives have much more bang for their buck because they directly target these low-income families whether they're working or not."

Oliver is still wary of the province's child benefit plan — worried that, like the federal benefit, the government could choose to hold back the cash from those on social assistance in the future.

But, she sees more benefit for low-income families in that plan than she sees in an increase in the minimum wage.

"That money could get my daughter her back-to-school clothes," said Oliver, who has a teenager at home. "That could put food in our mouths. That could be a big deal."

After living through years of broken political promises to help low-income families, Oliver pulls back before she invests too much hope in this latest endeavour.

"The NCBS (National Child Benefit Supplement) is a prime example," she said. "We're like little mice. They act like they're going to give us the cheese and it's just a trap. . . There's an election coming (and) in my opinion, this just could be something they're saying now. We'll see what really happens."

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