

MEMBER NEWS

Social Assistance and Assets

Imagine that you lost your job, times are tough and you exhaust your employment insurance benefits and are still unemployed. You turn to the next level of our social safety net, provincial income assistance. The application process will involve an accounting of your assets. You will need to include your car, your bank accounts and all savings and investments such as your retirement savings and even the cash value of your life insurance policy. In BC the total of these assets will be compared to [set asset limits](#) that range from \$1500 to \$5000 depending on your family size and employability status. According to a report by the [National Council on Welfare](#) these provincial asset limits were based on formulas worked out in 1975 in a cost sharing arrangement for income assistance between the federal and provincial levels of government.

If you have too much, according to government policy, you are “required to deplete your assets to the limits applicable to income assistance recipients”. Translation: come back when you have hit the bottom of your financial barrel. This may seem reasonable, the system is designed to help the people who most need it. In reality this level of asset stripping increases people’s vulnerability, creates desperation and a slide into poverty. Once receiving income assistance the asset limits act as a barrier to building the assets that support greater self sufficiency. If the amounts were adjusted for inflation welfare asset exemption levels would be just under \$5,500 for a single person and \$9,100 for a family. See [Canadian Social Research Links](#) for more on asset based social policy.

Rent Banks Stabilize Housing

A Rent Bank is a community based program that provides small interest free loans to low income working people in jeopardy of losing their housing or utilities due to a short term financial crisis. It fills a much needed gap for people who need financing and do not have access to mainstream credit sources and could therefore be forced into a very expensive payday loan cycle of borrowing in order to maintain their housing.

The programs often involve systemic advocacy to ensure that tenants at risk of eviction are protected and supported and can also include mediation assistance, information and referral, counselling and financial literacy workshops. These programs are at the crisis end of the continuum of service by assisting people to stabilize one of their most fundamental assets – a place to call home. A rent bank is a short term response but also a first step toward building a range of assets that will result in greater resilience to crisis in the future.

There are a number of rent banks in Canada with good examples in [Calgary](#) and [Toronto](#). In BC there is a rent bank program at the Prince George Aboriginal Business Development Centre and a brand new program just starting at [NAGS](#) in Surrey—stay tuned for more information!

International Asset Building and Financial Inclusion

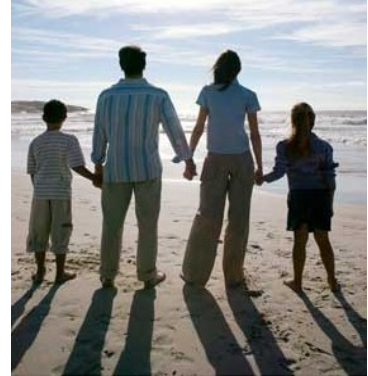
Thrift Is In! Combating Poverty by Building Assets

by Ray Boshara, New America Foundation

“In the US we’ve over-focused (**but under-funded**) income support, excluded and even penalized savings and asset ownership among the poor, and extended too much and the wrong kinds of credit--toxic sub-prime mortgages, deceptive credit cards, usurious pay-day and “refund anticipation” loans, etc.--to the very people who can least understand and afford them.

Meanwhile, we massively and wastefully subsidized wealth accumulation in the United States--to the tune of \$400 billion a year--for households in the upper half of the income scale, those who need it least and would accumulate wealth anyway. Should it be any surprise, then, that prior to the meltdowns in the housing and financial sectors and the onset of the recession, one in three American households had no more than \$10,000 in net worth, and one in six had negative net worth? **That wealth inequality dwarfs income inequality?”**

[Read the full article](#)



SPOTLIGHT ON...

PUBLIC POLICY

All provinces and territories have announced a partial or full exemption of Registered Disability Savings Plan (RDSP) assets and income. [Provincial contacts for more details.](#)

FINANCIAL LITERACY

Money Blogs and Forums:

[BCABC Financial Literacy Forum](#)

[Canadian Personal Finance](#)

[A Canadian Money Coach](#)

[Money Minding Monitor](#)

[Canadian Money Advisor](#)

[Canadian Money Forum](#)

RESEARCH

SEDI research reports:
[Financial Inclusion for Homeless Persons and Those At Risk: A Step Up on the Ladder of Self-Sufficiency](#)

[Independent Living Accounts: Leaving Homelessness in the Past](#)

Caledon Institute of Social Policy report:
[Student Aid Meets Social Assistance](#)

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