

## MEMORANDUM

**TO:** The Honourable Carla Qualtrough, P.C., M.P., Minister of Employment, Workforce Development and Disability Inclusion

**FROM:** Brian Dijkema, Vice President, External Affairs  
Renze Nauta, Program Director, Work & Economics  
Andreae Sennyah, Director of Policy

**DATE:** July 14, 2023

**SUBJECT: Facilitating Access to Work when Designing the Canada Disability Benefit**

Dear Minister Qualtrough,

We are writing on behalf of Cardus, a non-partisan think tank dedicated to clarifying and strengthening, through research and dialogue, the ways in which society's institutions can work together for the common good. Cardus's Work and Economics program promotes a view of the economy situated in a larger social context with individual human beings at the centre. We believe that human persons have dignity that must be safeguarded in economic markets. This includes the dignity of work. Access to the labour market should be promoted, particularly for the most disadvantaged among us.

Congratulations on the passage of Bill C-22: *Canada Disability Benefit Act*. We share your commitment to helping Canadians with disabilities lift themselves out of poverty. We believe that every person should receive a living wage, whether through private earnings, public income support, or some combination of the two. We know that the ability to earn income is constrained for some, and that in those cases it is a moral public duty for governments to provide supports.

However, employment income and government income support should not be in direct conflict. We are writing to restate our position that the Canada Disability Benefit should incentivize employment among those persons with disabilities who can work. Work is a fundamental human good to which all persons should have access. Work is about more than money and is integral to human flourishing. A large body of research shows that work provides a range of non-monetary benefits, including positive social, psychological, physical, and mental-health benefits. Government supports alone cannot generate these non-monetary benefits.

Our paper "Breaking Down Work Barriers for People with Disabilities" found that in most OECD countries, there is a growing disparity between the amount of money spent on income supports compared to spending on employment supports. In 2019-20, Canada's federal disability-related spending was split on these lines with 90 percent of spending going to income support and only five percent to employment programs. Within this context, we want to reiterate that, wherever possible, our social-policy framework should be biased toward supporting work.

Except in the most exceptional cases, we must ensure that policies do not rely exclusively on government income-support programs in the long term, as these programs do not provide the many non-financial benefits that come with work. If governments do not pay attention to the labour-force participation of benefit recipients, the Canada Disability Benefit risks disincentivizing employment for Canadians with disabilities who are able to work.

As your department begins its work on regulatory development, we are providing the following recommendations to help guide the design of the benefit and agreements with the provinces and territories.

- **RECOMMENDATION 1:** The data show that people with disabilities want to work and are able to work. The Canada Disability Benefit should be designed in a manner that provides the highest support to those with the most severe disabilities. Wherever possible, the benefit must be designed to support entry or re-entry into the workforce. Specifically:
  - The Canada Disability Benefit should be designed in a manner that provides graduated support depending on the severity of the disability. Those with the most severe disabilities should receive the most support, those with the least severe disabilities should receive the lowest support.
  - Eligibility for the Canada Disability Benefit should not penalize recipients on the basis of household or family income. That is to say, important social bonds (such as marriage or family) should not be treated as a disincentive to receiving the full benefit.
  - The regulations should also include provisions that incentivize work and that reward (re)entry into the workforce. The benefit should be designed in a way that is phased out gradually (not precipitously) as recipients' employment incomes rise. While Cardus is not prescriptive on the exact structure of these incentives, the disability supplement of the Canada Workers Benefit and the EI Working While on Claim Program may be useful models.
- **RECOMMENDATION 2:** The evidence shows that there is considerable heterogeneity in the nature of the disabilities that people experience and the resulting barriers to employment. Given these nuances, employers and non-profits are best positioned to address these complexities at a local level. Therefore, the Canada Disability Benefit and any associated agreements with the provinces must consider how to engage employers and other civil society actors to address the prevalence of unemployment and poverty faced by the disabled population in new and locally-responsive ways.
- **RECOMMENDATION 3:** When the Canada Disability Benefit is designed and implemented, the reviews conducted must include detailed evaluations of the labour force participation of benefit recipients. These reviews should also include robust reporting at the federal and provincial levels that compares spending on financial assistance relative to employment supports, and how the benefit impacts employment rates for people with disabilities.

We would welcome the opportunity to meet with you and be of assistance in any considerations on this issue. Please do not hesitate to contact us at [asennyah@cardus.ca](mailto:asennyah@cardus.ca).

Read our full paper for references, data, and analysis: [Breaking Down Work Barriers for People with Disabilities](#) (Cardus, March 2022). **En français:** [Abattre les barrières pour les personnes en situation de handicap \(Extrait\)](#).