

MEMORANDUM

TO: Members of the Standing Committee on Finance, House of Commons

FROM: Renze Nauta, Program Director, Work & Economics
Daniel Liegmann, Junior Policy Analyst

DATE: May 22, 2026

SUBJECT: Budget 2026 Considerations for the Canada Disability Benefit

WHO WE ARE

Cardus is 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.

ISSUE

Cardus is providing recommendations for the 2026 federal budget on the issue of the Canada Disability Benefit (CDB). These recommendations centre around strengthening the benefit to more meaningfully address the economic difficulties that people with disabilities face.

BACKGROUND

The data and recommendations in this memorandum are from the Cardus report *Still Not Enough: How to Fix the Canada Disability Benefit to Really Help Canadians with Disabilities*.¹

Of the 27 percent of Canadians over the age of fifteen who have disabilities,² over 40 percent have "severe" or "very severe" disabilities.³ Working-age Canadians with severe or very severe disabilities have a poverty rate of 18 percent.⁴ The median income of a working-age Canadian with severe or very severe disabilities is \$30,590, which is over one-third lower than Canadians without disabilities.⁵

Given the size of the gap between Canadians with severe or very severe disabilities and those without disabilities, the current Canada Disability Benefit is not enough to significantly reduce the gap.

RECOMMENDATIONS

Recommendation 1: We recommend that the amount allocated to the Canada Disability Benefit be increased.

Recommendation 2: We further recommend that the government support non-governmental institutions, such as charities, that work with persons with disabilities.

¹ T. Jackson and R. Nauta, "Still Not Enough: How to Fix the Canada Disability Benefit to Really Help Canadians with Disabilities," Cardus, January 2026, <https://www.cardus.ca/research/work-economics/reports/still-not-enough/>.

² Statistics Canada, Chart 1, Canadian Survey on Disability, 2017 to 2022, https://www150.statcan.gc.ca/n1/en/daily-quotidien/231201/dq231201b-eng.pdf?st=m_cWZBiv.

³ Statistics Canada, p. 3, Canadian Survey.

⁴ B.-P. Hébert et al., "A Demographic, Employment and Income Profile of Persons with Disabilities Aged 15 Years and Over in Canada, 2022"; B. Gustajtis and A. Heisz, "Market Basket Measure Poverty Thresholds and Provisional Poverty Trends for 2021 and 2022."

⁵ B.-P. Hébert et al., "A Demographic, Employment and Income Profile".

RATIONALE

(1) Canadians with disabilities face major challenges with poverty and food security that require greater support.

The Parliamentary Budget Officer estimated that the largest provincial difference between existing supports for persons with disabilities and the poverty line was \$14,356.⁶ This is roughly six times larger than the current CDB, which entitles recipients to a maximum benefit of \$200 monthly, or \$2,400 annually. Canadians with disabilities who do not have other income sources may continue to live below the poverty line despite the introduction of the CDB.

The poverty rates of Canadians with severe and very severe disabilities are very high relative to their Canadians without disabilities. 56 percent of Canadians with disabilities report having unmet needs related to aids, devices, medication, or healthcare, and three quarters of those cite affordability concerns for those unmet needs.⁷ If Canadians with disabilities cannot afford the help they need now, their unmet needs may necessitate costlier government interventions later. Canadians with disabilities also struggle disproportionately to cover their basic needs. For example, in 2021, 26.4 percent of Canadians with disabilities faced food insecurity, more than double the rate for Canadians without disabilities.⁸ Moreover, 7.8 percent of Canadians with disabilities faced severe food insecurity, nearly quadruple the rate of Canadians without disabilities.⁹

The data demonstrate that more support is needed if Canadians who live with disabilities are to lead lives commensurate with their dignity. The current Canada Disability Benefit amount is a start, but greater investments are necessary if the government is to make a significant impact on the lives of Canadians with disabilities.

The current Canada Disability Benefit was estimated to cost less than \$1.2 billion in 2026-2027, which is 0.2 percent of total projected expenditures.¹⁰ Substantially raising the amount of funds allocated to the CDB is a major opportunity to assist some of the most vulnerable persons in Canadian society.

(2) Non-governmental organizations are key to helping Canadians with disabilities.

While the government can assist Canadians with disabilities, non-governmental organizations also have a distinct role to play in supporting persons with disabilities. For example, organizations like the Ready, Willing, and Able program or the Canadian Council on Rehabilitation and Work help many disabled Canadians to find work and overcome barriers. In a context where only 54.5 percent of working-age persons with a severe disability, and only 29.9 percent of working-age persons with a very severe disability, are employed,¹¹ these organizations provide a valuable service. Charitable

⁶ Parliamentary Budget Office, *The Canada Disability Benefit: Model and Scenarios* (Ottawa, Parliamentary Budget Office, 2023), <https://www.pbo-dpb.ca/en/publications/RP-2324-019-S--canada-disability-benefit-model-scenarios--prestation-canadienne-personnes-handicapees-modele-scenarios>.

⁷ B.-P. Hébert et al., "A Demographic, Employment and Income Profile".

⁸ Gupta, S. et al. "Household Food Insecurity Among Persons with Disabilities in Canada: Findings from the 2021 Canadian Income Survey" (2024), <https://www150.statcan.gc.ca/n1/pub/82-003-x/2024008/article/00002-eng.htm>.

⁹ Gupta, S. et al. "Household Food Insecurity".

¹⁰ Government of Canada. *Budget 2024: Fairness For Every Generation* (Ottawa, Department of Finance, 2024), <https://www.budget.canada.ca/2024/report-rapport/budget-2024.pdf>

¹¹ B.-P. Hébert et al., "A Demographic, Employment and Income Profile".

institutions may be better-suited than government actors to help people with disabilities in certain scenarios.

Cardus research has highlighted the importance of supporting the charitable sector through various means including by expanding the charitable tax credit.¹² It is vital that government see the charitable sector as a partner in supporting people with disabilities.

OTHER CONSIDERATIONS

While the federal government may assist people with disabilities through the CDB, the provinces administer a variety of income assistance programs. The federal government should consider transferring the funds allocated to the CDB to the provinces. This would reduce administrative overlap between the federal government and the provinces and may allow the provinces flexibility to allocate these funds in a more targeted manner within their own income supplement programs.

The government of Canada should also reconsider tying CDB eligibility to the Disability Tax Credit. The Disability Tax Credit application process is restrictive and expensive to complete. Cardus supports the recent changes outlined in the government's Spring Economic Update to streamline the application process for the Disability Tax Credit for certain conditions, as well as the proposal to expand the types of impairments that can be certified by different medical practitioners.¹³ Such changes would, if implemented, improve the Benefit's accessibility.

CONTACT

We would welcome the opportunity to meet with you and assist with future considerations on this issue. Please do not hesitate to contact us at rnauta@cardus.ca.

¹² Cardus, "The Impact of COVID-19 on the Federal Tax Credit for Charitable Donations", Cardus, July 7, 2020, <https://www.cardus.ca/research/the-impact-of-covid-19-on-the-federal-tax-credit-for-charitable-donations/>.

¹³ Canada, Department of Finance, *Canada Strong For All: Spring Economic Update 2026*, (Ottawa: Minister of Finance, 2026), <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>.