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REVERSING CUTS TO RENT ASSIST TO SUPPORT HOUSING AFFORDABILITY IN MANITOBA

Jesse Hajer



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
MANITOBA OFFICE



Introduction

Both in September 2024 and March 2025, the Manitoba government froze applications to a stream of the Canada Manitoba Housing Benefit (CMHB) that supports those at risk of homelessness.¹ Housing advocates decried the freezes, noting the destabilizing nature of having the program start and stop, with community agencies relying on the program to place those in need in housing. As one advocate put it, “It’s going to be very hard to find those private landlords that are willing to rent to these folks.... They don’t want to approve someone if they don’t have enough money to cover the rent.”² Advocates also highlighted how the freeze was particularly unfair to renters who were required to sign a lease to apply to the CMHB, pointing out the damage being done and emphasizing the need for a robust housing supplement for those renting in the private market (not living in social or subsidized housing).³

Advocates are right to ask when the benefit will be unfrozen. Other important questions include: why is Manitoba’s main private market rent supplement, Rent Assist, not enough, and why does it need to be topped up? Or put another way, why does Manitoba have two separate housing benefit programs, both providing cash assistance to low-income renters? The reality is that cuts to Rent Assist have compounded the challenges faced by people relying on Rent Assist and the CMHB to afford private market housing.

Rent Assist is the larger rent support program in Manitoba, with all low-income private market renters eligible, while the CMHB is a top-up to Rent Assist for targeted groups.⁴ When Rent Assist was fully implemented by the NDP government in 2016, it was the most generous rent support program in the country, and provided an estimated \$100 million in additional cash benefits to low-income renters in Manitoba, increasing to

\$140 million by 2019.⁵ When it was implemented, the amount for people with no other income was equal to 75 per cent of the Median Market Rent, the amount for the Employment and Income Assistance (EIA) shelter benefit advocates had been calling for.

Rent Assist was supported by all parties in the provincial legislature when it was introduced; then-opposition leader Brian Pallister even took credit for the program.⁶ However, once in government the Progressive Conservatives (PCs) cut Rent Assist benefits, leading to lower benefits for many recipients and leading to others no longer being eligible for any rental benefits at all. In their second term, the PC government did enhance Rent Assist by increasing the market rate that the benefit is indexed to, but the net effect was still negative for many Manitobans struggling to make ends meet. This short report presents the enduring impact of cuts and differential treatment in Rent Assist, highlighting the impact on benefit levels for various household sizes both for those on social assistance and for the working poor, showing the difference that reversing the cuts and equalizing access would make for individual households in Manitoba.

Reversing the cuts to Rent Assist and returning to a model where maximum benefits are the same for those both in and out of Manitoba's social assistance program would be a way for the province to meaningfully support Manitobans struggling with the high cost of living. This is in line with a 2025 Canadian Community Economic Development Network – Manitoba (CCEDNet-MB) policy resolution to “make Rent Assist available to low-income Manitobans on and off of EIA at an equal rate, regardless of age or ability status... and provide it at a rate of 80% of Median Market Rent and 25% of the recipient's income going towards rent”, as part of a broader comprehensive housing action plan.⁷ Because Rent Assist is income-tested, this would ensure that government support for affordability would be targeted to those who need it, unlike the large tax cuts that Manitoba has implemented in recent years that provide the largest benefit to those with higher levels of income and wealth. Making these changes and harmonizing the benefit levels would set the stage for moving shelter assistance out of EIA and turning this support into an income tested entitlement, like the Canada Child Benefit, a key part of the original vision of Rent Assist that remains to be implemented. This would be an important measure to reduce barriers to accessing needed support for those living in poverty while supporting transitions from social assistance to employment.

How Rent Assist works

Manitoba's Rent Assist program helps low-income renters in the private market through a monthly cash benefit. The amount received is based on a household's income and family size, with households of different sizes/compositions linked to different unit sizes (studio, one bedroom, two bedroom, or three bedroom). Rent Assist was the response by the Manitoba government in 2015 to a sustained community campaign to raise the meagre shelter benefit for those on social assistance, alongside a separate campaign to build additional social housing as part of a larger poverty reduction plan.⁸ Rent Assist increases EIA shelter benefits for those renting in the private market, but also provides support accessible, in theory, to all low-income private market renters. This support declines as people's work income increases, supporting those transitioning from "welfare to work" while also increasing benefits for those who need to rely on government supports for all their income.

There are two key parameters in the Rent Assist formula whose values have been changed over time by governments, impacting the value of benefits. The first is the assumed rent level the household is paying. Rent Assist does not reimburse based on actual rent paid; it assumes that the household is paying some proportion of Median Market Rent (MMR). For those in the EIA program, they currently receive a benefit based on 77 per cent of MMR for the unit size linked to their household composition. For other Rent Assist recipients (those not in the EIA program), it is currently assumed they are paying 80 per cent of their income on rent. These

proportions of MMR are the maximum benefit levels that a household can receive.

The second parameter only applies to non-EIA Rent Assist recipients — the percentage of net income (as defined by the Canada Revenue Agency) the household is expected to pay out of pocket towards their rent.⁹ This is currently set at 30 per cent, so that in most cases, for every dollar of income earned, non-EIA Rent Assist is reduced or “clawed-back” by 30 cents. For those outside of EIA, Rent Assist is essentially a basic income for renters that starts at 80 per cent of Median Market Rent and is reduced as the household earns employment income.

EIA recipients receive the maximum Rent Assist benefit amount by default, but are subject to other claw backs faced by EIA recipients more generally. These reductions include a 70 per cent claw back after \$500 of monthly earnings, and a complete removal from the EIA program once earnings reach 135 per cent of their basic needs amount (the benefit for all non-housing costs).¹⁰

The changes made to Rent Assist

After the 2016 Manitoba election, the Progressive Conservatives formed a new government. As part of a broader austerity agenda, this government made changes to Rent Assist.¹¹ First, they increased the proportion of net income that people were expected to pay towards rent from 25 per cent to 30 per cent. They also cut benefits for non-disabled single individuals under the age of 65 by tying benefit levels to smaller (studio) apartments, instead of an average of studio and one-bedroom apartments.¹² A few years later, coinciding with research and advocacy groups recommending an increase,¹³ the provincial government increased the percentage of Median Market Rent to which Rent Assist was indexed from 75 per cent to 77 per cent for EIA recipients, and 80 per cent for non-EIA recipients. This introduced a new differentiation between those inside and outside of Manitoba's social assistance program.

The introduction of differentiated benefits for EIA vs. non-EIA benefits and the cuts to the benefits have resulted in lower benefits for many household types. For example, in early 2025, those in the general assistance category of EIA were receiving about \$100 less per month, and a single parent working full time at minimum wage received \$142 less per month than they would have otherwise.

Reversing the cuts

Tables 1 and 2 present the impact on benefit levels for some sample household types if Rent Assist was indexed to 80 per cent of Median Market Rents for all households and the previous cuts to Rent Assist were reversed, based on July 2024 to June 2025 benefit levels.¹⁴

As can be seen in Table 1, for those in the EIA system, increases range from \$28 to \$125 per month, with the highest benefits increase for single persons under 55 years of age and not disabled. This increase provides a needed boost to the group of EIA recipients who have minimal if no alternative to EIA for income support, where persons with formally diagnosed disabilities, seniors and families with children all have access to federal income support programs.

Table 1 / EIA Rent Assist level impact of reversal of cuts and equalization of EIA Rent Assist with non-EIA Rent Assist for sample household types

Based on July 2024 to June 2025 benefit levels

Sample Family Composition	Maximum Benefit	Increase to (maximum) benefit under reversal of cuts and equalization with non-EIA Rent Assist
Single person under 55 years of age and not disabled	\$ 638	\$ 125
Single persons over 55 years of age or disabled	\$ 735	\$ 28
Single parent with one child	\$ 1,110	\$ 46
Three- or four-person household	\$ 1,110	\$ 46

Source Authors calculations based on July 2024 to June 2025 calculation formulas. See: Manitoba, "Assistance Regulation, M.R. 404/88 R."

Table 2 / Impact of reversal of cuts on non-EIA Rent Assist benefits for sample household types

Based on July 2024 to June 2025 monthly benefit levels

Sample Family Composition	Maximum benefit	Increase to maximum benefit under reversal of cuts	Estimated benefit for Full-time worker (35 hours per week) at Minimum Wage	Estimated increase to benefit for Full-time worker (35 hours per week) at Minimum Wage, under reversal of cuts
Single person under 55 years of age and not disabled	\$ 662	\$ 101	\$ 0	\$ 164
Single person over 55 years of age or disabled	\$ 763	\$ 0	\$ 44	\$ 120
Single parent with one child	\$ 1,110	\$ 0	\$ 419	\$ 115
Three or four person household (Two parents, Two Children)	\$ 1,110	\$ 0	\$ 0	\$ 0

Source Authors calculations based on July 2024 to June 2025 calculation formulas and the CCPA Manitoba Living Wage methodology. See: Manitoba, "Assistance Regulation, M.R. 404/88 R"; Dandenault and Hajer, *An Updated Calculation Guide for the 2024 Family Living Wage for Manitoba*.

As shown in Table 2, reversing the previous cuts to Rent Assist would also provide increases for three of the four sample family types when working full-time at minimum wage. Many minimum wage earners in Manitoba struggle to make ends meet and face impossible choices trying to meet their basic needs, leading to high levels of stress and health problems.¹⁵ While a two-parent family making minimum wage has an income too high to qualify for Rent Assist under either scenario, the three other sample family types see increases ranging from \$115 to \$164 per month. Importantly, the highest increase again goes to those who have minimal to no access to federal income supports: single persons under 55 years of age without a formally diagnosed disability. This group became ineligible for benefits with the cuts to Rent Assist made by the provincial government.¹⁶

Conclusion

Rent Assist was originally envisioned as a way to move benefits outside of the “welfare” system and promote transitions to employment. The cuts to Rent Assist highlighted in this report have moved away from this vision, clawing back benefits more aggressively and making it harder for low-income workers to make ends meet. The changes made by the Progressive Conservative government also discriminate between the “deserving” and “undeserving” poor, by introducing higher benefits for those not in the EIA program. This further stigmatizes and unfairly discriminates against some of the most vulnerable Manitobans, pushing them further into poverty, exacerbating health and other social challenges.

Inadequate rental assistance levels not only puts those living in poverty in debilitating situations where they need to choose between eating and paying the rent, it also creates barriers for the government in accomplishing its own goals under its homelessness strategy. Manitoba’s *Plan to End Chronic Homelessness*, released in 2025, relies on moving people from encampments into social housing, while moving those in social housing into the private market.¹⁷ If those being moved out of social housing cannot afford private market rent, then the strategy risks housing some while creating housing precarity and homelessness for others.

This report reviews how benefit levels would be impacted by reversing the cuts to Rent Assist under the 2016–2023 PC government and reinstituting equal treatment between EIA-and non-EIA Rent Assist recipients. Doing this would involve the following changes for all Rent Assist recipients:

1. Reducing the assumed portion of rent paid out of income to 25 per cent (from 30 per cent).
2. Setting the indexed MMR to 80 per cent (an increase for EIA Rent Assist recipients).
3. Returning to an average of studio and one-bedroom apartment MMRs for the assessment of benefit rates for all single person households (instead of studio apartment MMRs).

It is important to remember the limitations of the private market in addressing broader housing and affordability crises. Longer term structural reforms are urgently needed to address housing affordability in Manitoba focused on construction of a meaningful number of new social housing units. Much research and advocacy has been done on this issue, with some success in influencing provincial policy.¹⁸ Community groups and academics continue to call for a more humane and targeted response to the cost of living challenges in Manitoba, seeking a more comprehensive approach including expanded social housing, rent regulations, and income supports.¹⁹ This is particularly important given that Manitoba's affordability support since high inflation in 2022 and 2023 has been primarily through tax cuts that have not reached those most in need.²⁰

Improvements to Rent Assist are an important component of responding to the cost of living crisis, where a rapid response is required given the urgent situation and current depth of the challenge, including an inadequate stock of public housing. Reversal of the cuts and discriminatory measures introduced against those getting EIA Rent Assist (versus those in the non-EIA stream) could be made quickly and easily. This would provide immediate support by the Manitoba government to those who need it the most, helping low-income Manitobans struggling to meet their basic needs, while longer term solutions focused on social housing construction and further enhancements to Rent Assist are pursued.²¹

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Notes

- 1 CBC News, "Manitoba Housing Benefit Stops Taking New Applications"; Froese, "Low-Income Manitobans Let Down."
- 2 Froese, "Low-Income Manitobans Let Down"; CBC News, "Manitoba Housing Benefit Stops Taking New Applications."
- 3 Simbandumwe, *Re. Ending of the Canada Manitoba Housing Benefit*.
- 4 The CMHB is directed to youth who have left or are leaving the child welfare system, those at risk of homelessness or who are homeless, and people with mental health and addiction challenges residing in specific supportive housing facilities. See: Manitoba Housing, "Canada-Manitoba Housing Benefit."
- 5 Brandon et al., *What Does an Actual Housing Allowance Look Like?*; Cooper et al., *Assisting Renters*.
- 6 Pallister, "Happy to See Rent Assistance Go Up." For discussion of how all parties ended up supporting Rent Assist, see: Brandon and Hajer, *Making Space for Change*.
- 7 CCEDNet-MB, "Policy Resolutions 2025," 23.
- 8 Brandon and Hajer, *Making Space for Change*; CCPA-MB, *The View from Here*.
- 9 Net income appears on Line 23600 of the federal tax return and refers to total income minus certain allowable reductions related to pension contributions, Registered Retirement Savings Plans, and childcare and employment expenses, among others.
- 10 Harney and McCracken, "Manitoba Budget 2025: Continues Public Sector Rebuild and Provides Needed Stimulus in the Face of Tariffs, but Misses the Mark on Housing and Poverty Reduction"; Fernandez, *Change Starts Here: Manitoba Alternative Provincial Budget 2020*, 51.
- 11 Hajer, "Austerity in Manitoba."
- 12 Previously, the unit that Rent Assist was linked to depended just on the size of the household and if it included children. Single person households were linked to the average of a one-bedroom and a studio. A two adult household was linked to the cost of a one-bedroom apartment. Households with one adult and one child, and households with three or four persons got the two-bedroom rate, while a household with five or more persons was linked to a three-bedroom apartment.
- 13 Cooper et al., *Assisting Renters*.
- 14 This is based on July 2024 to June 2025 calculation formulas. See: Manitoba, "Assistance Regulation, M.R. 404/88 R."
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18 Dirks et al., *Social Housing Action Plan*; Right to Housing Coalition, "Right to Housing Coalition Submission to Manitoba's Poverty Reduction Strategy Consultation"; Right to Housing Coalition, "Impact on Manitoba Budget."

19 Dirks et al., *Social Housing Action Plan*; Hajer et al., *Funding Our Way*; Make Poverty History Manitoba, "Campaign"; Mulvale, "Austerity and Income Assistance."

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21 The Manitoba Financial Empowerment Policy Committee has requested the following changes to the Rent Assist program: "Increase the RA benefit levels to 100% of Median Market Rent; Expand eligibility to include all Manitoban renters living on low incomes ... [including] temporary foreign workers, refugee claimants, and Ukrainians under CUAET; and Assess RA benefit eligibility on current income instead of last year's tax return". Simbandumwe, *Re. Ending of the Canada Manitoba Housing Benefit*.

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About the author

Jesse Hajer is an Associate Professor in the Department of Economics and Labour Studies Program at the University of Manitoba and a research associate with the Canadian Centre for Policy Alternatives – Manitoba. He was previously a Senior Project Manager with the Government of Manitoba's Priorities and Planning Committee of Cabinet Secretariat, where he helped design Manitoba's Rent Assist program, and a co-author of multiple publications examining Rent Assist including *Assisting Renters: Manitoba's Rent Assist in the Context of Canada's National Housing Strategy* published in 2020 by the Canadian Centre for Policy Alternatives – Manitoba and the Manitoba Non-Profit Housing Association.



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