

Report on **Business**

EI data don't count those who run out

Without statistics on the number of jobless Canadians whose employment insurance benefits have been exhausted, it's difficult to gauge how many are headed for welfare

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In a country that dutifully tallies everything from egg sales to steel wire production, one crucial piece of the economic puzzle is missing.

When [Statistics Canada](#) releases its monthly report on employment insurance today, notable will be the lack of information on the number of unemployed who have exhausted their EI benefits. This is frustrating the efforts of economists and also complicating public policy, because how can governments and support agencies respond if the full extent of the problem is unknown?

“We don't know whether people are departing for new employment, or if they are exhausting benefits and persisting in the unemployment pool – and that is problematic,” said Grant Bishop, an economist at Toronto-Dominion Bank. “There could definitely be better disclosure on the character of EI.”

Mr. Bishop noted that this “poor real-time gauge” of how many unemployed are without income has implications for how governments plan the rates and delivery of social assistance.

Currently no federal body publishes timely statistics showing how often EI benefits run out or welfare rates across the country, which economists expect to rise.

Analysts say without this data, the problems are multiple: For one, EI statistics will become less meaningful because they won't reflect the growing number of people who are running out of benefits.

The longer-term concern is that if these people can't find work, a growing number will “strip” their assets in order to qualify for welfare.

Without statistics on benefits being exhausted, it's difficult to gauge how many people may be headed toward welfare.

As of July, almost 788,000 people were receiving regular jobless benefits, a 57-per-cent increase since the labour market peaked last October. The latest numbers, however, showed a 3.8-per-cent drop in the number of people receiving regular claims month over month in July. On the surface, that's welcome news as the labour market stabilizes. But Statistics Canada analysts attribute part of the drop to benefit expiration.

This is the first recession since employment insurance and welfare programs were reduced in the mid-1990s, and that makes public record-keeping all the more important, said John Stapleton, innovation fellow at the Toronto-based Metcalf Foundation, who has advised governments on social

assistance issues for the past 35 years.

“This is the first time those cuts are being tested, and we don't know what the result is,” he said.

Mr. Bishop, who examines social policy, expects welfare caseloads to climb this year and next, and warns of the danger of long-term unemployment. Once someone is on welfare for more than two years, studies show re-entering the labour market becomes increasingly difficult.

That also poses a challenge for the provinces, which are grappling with widening deficits just as, in many jurisdictions, welfare caseloads are rising. In Ontario, where welfare statistics are reported, caseloads have hit a nine-year high.

The duration of EI benefits varies, from as little as 19 weeks in Quebec City and Regina, to as long as 50 weeks in Windsor, Ont., and Charlottetown.

The other knowledge gap is the number of people turning to welfare. The [federal government](#) used to regularly publish national welfare rates until 1996, when it stopped requiring the provinces to submit data.

Now only four provinces publish monthly data on their websites, and many of the numbers aren't comparable because they are tallied differently, said Gilles Seguin, who worked on welfare program information for the federal government from 1975 to 2003.

“There's no public national source that tells us how many people are on welfare right now,” he said.

Caseloads are climbing, however, as hiring remains sluggish. In Ontario, the number of welfare cases reached 238,598 in August, the highest since March, 2000. In [British Columbia](#), the number of two-parent families on provincial welfare assistance jumped 77 per cent in April from a year earlier.

[Human Resources](#) and Skills Development Canada, the department that oversees EI, was unable to say how many people have exhausted their benefits this year. Its most recent report is based on 2006 and 2007 data.