



For Immediate Release

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Budget's consideration for Alberta's low income earners offers a silver lining

Calgary – Momentum is pleased to see the Alberta Government's move away from a dependence on volatile oil and gas revenue and is taking steps to consider the challenges of vulnerable Albertans. Momentum is also encouraged by the addition of a new tax credit and the expansion of an existing credit for low income earners that will help ease the burden on Alberta's working poor.

The move to a more progressive tax system is a welcome change to the previous approach to provincial income tax. Momentum is pleased with many of the new revenue options but Executive Director Jeff Loomis cautions that new taxes should be implemented with sensitivity since "48% of Canadians do not have enough savings to get through three months of hardship such as job loss. New taxes and user fees may limit families' ability to weather a crisis, let alone save for the future."

Today, all Albertans lost access to an important education savings grant. Just before the provincial budget speech, the government introduced Bill 25 to repeal the Alberta Centennial Education Savings grant (ACES), which provides Alberta families with \$500 to invest in a child's Registered Education Savings Plan (RESP) account for their post-secondary education. "Children with an education savings account are up to six times more likely to attend post-secondary education," says Loomis, "Investments in education savings, especially for low and modest income families, is an effective way to reduce a multi-generational cycle of poverty."

Momentum will continue to call on the government to develop a program that will invest in the educational future of lower income families through RESP grants. Since 2009, Momentum has worked with over 1,200 low income families to open an RESP and receive the ACES grant.

Momentum was also encouraged that the government made efforts to protect investments in programs that support vulnerable Albertans. However, many Human Services programs had flat funding that does not take into account population growth and inflation. As Premier Prentice noted in his televised address: "Holding the line on spending in a growing province is truly a cut." The Family and Community Support Services (FCSS) program, for example, was flat-lined for the sixth consecutive year despite preventive social service agencies experiencing increased demand due to the current economic circumstances. This flat funding will be difficult to manage. "FCSS provides a great return on investment. It is becoming increasingly difficult to manage demand for services with the same amount of FCSS dollars as existed in 2009," Loomis notes.

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Momentum is a Community Economic Development organization. Our mission is to partner with people living on low incomes in order to increase prosperity, and inspire the development of local economies with opportunities for all. Our vision is that every person in Calgary can have a sustainable livelihood and contribute to their community