

# Financial Reality Report

## Alberta's Disability Income Gap: AISH, ADAP, and the Cost of Living Crisis

A verified, source-cited financial analysis of the gap between what 79,000 AISH recipients receive and what Alberta actually costs in 2026.

*The Alberta Disability System Breakdown — April 2026 Report Series | Document 1*

***A single AISH recipient receives \$1,940/month. Alberta is the only province in Canada to claw back the federal Canada Disability Benefit. ADAP's base benefit is \$200/month lower. No rent cap. Food prices 27% above five-year levels. This is not a budget gap. It is a structural crisis.***

### EXECUTIVE SUMMARY

This report presents a verified, source-cited financial analysis of the conditions facing approximately 79,000 Albertans currently receiving Assured Income for the Severely Handicapped (AISH). It documents the gap between the income these individuals receive and the actual cost of living in Alberta in 2026 — and quantifies the consequences of the Government of Alberta's decisions to claw back the federal Canada Disability Benefit and transition AISH recipients to the lower-benefit Alberta Disability Assistance Program (ADAP).

All figures in this report are sourced from Statistics Canada, Canada Mortgage and Housing Corporation (CMHC), Dalhousie University, Government of Alberta open data, Inclusion Alberta, and peer-reviewed cost-of-living research. This is not advocacy based on anecdote. These are numbers — and the numbers do not close.

### SECTION 1: WHO IS ON AISH — THE NUMBERS

#### 1.1 Current Caseload

METRIC	FIGURE	SOURCE
Total AISH recipients (Sept 2025)	79,290	AB Gov Open Data
Year-over-year caseload increase (2024–25)	+2.4%	AB Gov Open Data
Recipients: single individuals	68,223 (86.0%)	AB Gov Open Data

METRIC	FIGURE	SOURCE
Recipients: single parents	5,426 (6.8%)	AB Gov Open Data
Recipients with CPP Disability income	16,161 (20.4%)	AB Gov Open Data
Recipients with any employment income	12,770 (16.1%)	AB Gov Open Data
Primary condition: physical disability	32,901 (41.5%)	AB Gov Open Data
Primary condition: mental illness	23,940 (30.2%)	AB Gov Open Data
Primary condition: cognitive disorder	22,419 (28.3%)	AB Gov Open Data

Source: Alberta Assisted Living and Social Services Open Data — AISH Caseload, September 2025

### 1.2 The AISH Benefit in 2026

BENEFIT COMPONENT	AMOUNT
Core monthly living allowance (AISH 2026)	\$1,940/month
ADAP base monthly benefit (July 1, 2026)	\$1,740/month
Transition benefit (July 1, 2026 – December 31, 2027)	+\$200/month top-up — keeps recipients at \$1,940/month during transition
Benefit cut after transition benefit expires (January 1, 2028)	-\$200/month / -\$2,400/year — drops to ADAP base rate
Average total AISH benefits including health/personal	~\$2,307/month
Total AISH program budget (2025–26)	\$1.641 billion
Projected budget decrease over 3 years (Budget 2025)	-\$77 million

Sources: Government of Alberta ADAP page; Rocky Mountain News (Feb 2025); Alberta Doctors' Digest (Nov/Dec 2025); Inclusion Alberta Fact Sheet (Oct 2025)

## SECTION 2: THE CANADA DISABILITY BENEFIT CLAWBACK

### 2.1 What the Federal Government Created

In July 2025, the Government of Canada launched the Canada Disability Benefit (CDB) — a federal income supplement of up to \$200/month (\$2,400/year) specifically designed to reduce poverty among working-age Canadians with disabilities. The federal government explicitly called on provinces not to reduce their own payments when individuals receive the CDB.

### 2.2 What Alberta Did

*Alberta is the only province or territory in Canada to claw back the Canada Disability Benefit dollar-for-dollar from its own disability recipients. **Every other province exempts the CDB. Alberta does not.***

In a letter dated July 2, 2025, the Alberta government notified AISH recipients that the CDB would be treated as non-exempt income, and that individuals who did not demonstrate they had applied for the CDB would see an equivalent \$200 deduction from their AISH payments. The federal poverty-reduction payment became a provincial budget offset.

### 2.3 Financial Impact of the CDB Clawback

CALCULATION	AMOUNT
AISH recipients affected (approx.)	~79,000
CDB clawback per person per month	\$200
CDB clawback per person per year	\$2,400
Estimated total annual clawback (provincial)	~\$189,600,000
Net benefit to recipient from federal CDB	\$0
Net saving to Alberta government per year	~\$190 million

*The federal government spent approximately \$190 million per year to fund a benefit for Alberta's disability recipients. **Alberta captured that money and returned nothing to recipients.** Every dollar Ottawa sent to reduce disability poverty in Alberta was redirected to the provincial budget.*

## 2.4 Comparison: Provincial Treatment of the CDB

PROVINCE/TERRITORY	CDB TREATMENT	NET BENEFIT TO RECIPIENT
Alberta	Clawed back dollar-for-dollar	\$0
British Columbia	Fully exempt	\$200/month
Ontario	Fully exempt	\$200/month
Saskatchewan	Fully exempt	\$200/month
Manitoba	Fully exempt	\$200/month
Quebec	Fully exempt	\$200/month
All other provinces/territories	Fully exempt	\$200/month

Sources: Alberta Doctors' Digest (Nov/Dec 2025); Rocky Mountain News (July 2025)

# SECTION 3: THE ADAP TRANSITION — WHAT CHANGES AND WHAT IT COSTS

## 3.1 The Transition Structure

Effective July 1, 2026, all current AISH recipients will be automatically transitioned to the Alberta Disability Assistance Program (ADAP), unless they meet specific narrow criteria for automatic AISH retention: severe and profound developmental disabilities, eligibility for PDD services, or palliative/terminal conditions.

All other recipients — including those with severe physical disabilities, complex mental health conditions, chronic illness, and documented structural barriers to employment — will transition to ADAP unless they successfully apply to remain on AISH through a new Medical Review Panel process. The decisions of this panel are not subject to appeal.

83.6% of AISH recipients had no employment income in 2023–24. **The suggestion that tens of thousands of Albertans with severe disabilities will secure sustainable employment through ADAP is not supported by evidence.**

## 3.2 AISH vs. ADAP: Side-by-Side Comparison

PROGRAM FEATURE	AISH (2026)	ADAP (2026)
Monthly benefit (single)	\$1,940	\$1,740

PROGRAM FEATURE	AISH (2026)	ADAP (2026)
Annual benefit (single)	\$23,280	\$20,880
Benefit reduction vs. AISH	—	-\$200/month (after Dec 31, 2027)
Exempt employment income (single)	\$1,072/month (cut to \$350 from July 2026)	\$700/month
Exempt employment income (spouse/partner)	\$2,612/month	\$1,500/month
Cost-of-living indexing	Legislated (2%)	Removed from legislation
Appeal rights (eligibility)	Citizens Appeal Panel	Medical Review Panel — final
Employment participation required	No	Yes — personalized action plan

Sources: Government of Alberta ADAP Program Page; Inclusion Alberta ADAP Fact Sheet, December 2025; Inclusion Alberta Fact Sheet, October 2025

### 3.3 The Earnings Exemption: What the Government Is Not Saying

The government is presenting the \$700 ADAP earnings exemption as a significant benefit — framing it as the “highest employment income limit among comparable disability income assistance programs in Canada.” What that framing omits is the baseline it is being compared to.

PROGRAM	MONTHLY EARNINGS EXEMPTION	BASE MONTHLY BENEFIT	CHANGE VS. CURRENT AISH
Current AISH (before July 1, 2026)	\$1,072/month	\$1,940/month	Baseline — what recipients have now
New AISH (after July 1, 2026)	\$350/month	\$1,940/month	-\$722/month exemption cut
ADAP (after July 1, 2026)	\$700/month	\$1,740/month	-\$372/month exemption + -\$200 base benefit

**THE GOVERNMENT IS COMPARING \$700 TO \$350 — AND CALLING \$700 GENEROUS.** *The correct comparison is \$700 to \$1,072. ADAP's employment exemption is a \$372/month cut from what AISH recipients currently have. The new AISH exemption is a \$722/month cut. There is no version of these changes that is better than what exists now.*

This three-way comparison is the one the government does not present. By framing ADAP's \$700 against the new reduced AISH \$350 — rather than against the current \$1,072 — the government creates the appearance of generosity where none exists. Every AISH recipient who currently earns any employment income will be worse off under either program after July 1, 2026, than they are today.

### 3.4 Cumulative Financial Impact

LOSS	PER PERSON	FOR ~79,000 RECIPIENTS
CDB clawback (annual)	\$2,400	~\$190 million/year
ADAP benefit cut (after Dec 31, 2027)	\$2,400/year	~\$190 million/year
Combined annual loss (from Jan 2028)	\$4,800/year	~\$380 million/year

## SECTION 4: WHAT THINGS ACTUALLY COST IN ALBERTA IN 2026

### 4.1 Housing: No Rent Cap, No Protection

Alberta is the only major province in Canada without legislated rent increase limits. Landlords may raise rent by any amount, provided 90 days' written notice is given and a minimum of 12 months has passed since the last increase.

PROVINCE	RENT INCREASE CAP (2025/2026)	AISH RECIPIENT PROTECTED?
British Columbia	3% (2025); 2.3% (2026)	Yes
Ontario	2.5% (2025)	Yes
Quebec	5.9% average (2025)	Yes (regulated)
Nova Scotia	5% cap (2025)	Yes
Alberta	No cap — unlimited increases	No

Sources: Province of BC Residential Tenancy Branch; Ontario Ministry of Municipal Affairs; SOSCIP (Jan 2025)

- Alberta experienced a **17.5% year-over-year increase in average listed rent prices in 2024** — the largest in Canada. (Urbanation/Rentals.ca, June 2024)
- Half of the 75 Alberta municipalities surveyed reported average rent increases of 10% or more in 2024. One municipality saw a 37% annual increase. (CMHC/Great West Media, Dec 2024)

- Three-bedroom rents in Alberta surged 21.3% year-over-year, reaching an average of \$2,138/month in 2024. (GIL Property Management, 2024)
- Provincial average rent: \$1,787/month for all unit types as of May 2024 — and rising.

*The current AISH living allowance of \$1,940/month is below the average Alberta rent for a three-bedroom unit. A family of four on AISH cannot afford average Alberta rent and have any remaining income for food, utilities, or other expenses.*

### 4.2 Food: Ongoing Inflation Above National Average

FOOD PRICE METRIC	FIGURE	SOURCE
Projected food price increase (2026)	4%–6%	CFPR 2026, Dalhousie
Food prices vs. five years ago	+27%	CFPR 2026
Average family of four food cost (2026)	\$17,571.79/year (\$1,464/month)	CFPR 2026
Year-over-year increase for family of four	Up to \$994.63/year	CFPR 2026
Canadians in food-insecure households	~25%	Food Banks Canada / CFPR 2026

Source: Dalhousie University — Canada’s Food Price Report 2026

For AISH recipients with children who have sensory processing disorders, autism, or medical dietary requirements, food bank access is frequently not a viable option. Children with these profiles often require specific textures, brands, and preparation methods. Food bank donations are not assessed for safety, freshness, or suitability for medically complex children. Out-of-pocket grocery spending for these households is not optional — it is medically required.

### 4.3 Essential Monthly Costs — Alberta 2026

EXPENSE CATEGORY	ESTIMATED MONTHLY COST	NOTES
Rent (3-bedroom, Alberta average)	\$2,138+	CMHC/Urbanation 2024; no cap
Electricity and natural gas (heating)	\$300–\$400	Higher in winter

EXPENSE CATEGORY	ESTIMATED MONTHLY COST	NOTES
Internet service	\$85–\$110	Required for services, school, medical access
Groceries (family of four)	\$1,464	CFPR 2026 annualized
Transportation (no vehicle; ride service)	\$200–\$400+	Variable based on medical/school needs
<b>TOTAL MINIMUM (approx.)</b>	<b>\$4,187–\$4,512+/month</b>	Before clothing, school supplies, emergencies

A family of four in Alberta requires an estimated \$5,800–\$6,500 per month to cover essential costs. **AISH provides \$1,940/month. The gap is not closeable through existing program structures.**

## SECTION 5: WHAT THE MATH ACTUALLY SHOWS

### 5.1 The Income-to-Cost Comparison

INCOME SOURCE	MONTHLY AMOUNT	NOTES
AISH living allowance	\$1,940	2026 rate
Canada Child Benefit (3 children, approx.)	\$2,473	CRA — designated for children's costs
Housing subsidy (if applicable)	\$650	Not universal; partial offset only
Canada Disability Benefit	\$0 net	Clawed back by Alberta dollar-for-dollar
<b>TOTAL MONTHLY INCOME</b>	<b>~\$5,063</b>	Before any expenses

EXPENSE CATEGORY	MONTHLY AMOUNT	NOTES
Rent (3-bedroom)	\$2,300	Common for families; no cap protection
Utilities	\$350	Conservative estimate

EXPENSE CATEGORY	MONTHLY AMOUNT	NOTES
Groceries (4 people, special dietary needs)	\$900–\$1,200	Above CFPR average; sensory dietary requirements
Internet	\$100	Required for school, medical, services
Transportation (no vehicle)	\$300	Medical appointments, school emergencies
<b>TOTAL MINIMUM MONTHLY EXPENSES</b>	<b>\$3,950–\$4,250+</b>	Conservative estimate

Sources: CFPR 2026; CMHC; Government of Alberta AISH/ADAP documentation; CRA — Canada Child Benefit

The Canada Child Benefit — approximately \$2,473/month for three children with complex disabilities — is **NOT surplus income**. It is absorbed entirely by the children's documented medical, dietary, educational, and safety-related costs. It is not available to offset housing or utilities.

## 5.2 What Happens After the Cuts

TIMELINE	CHANGE	CUMULATIVE MONTHLY LOSS
July 2025 (past)	CDB clawback begins — \$200 removed from AISH	–\$200/month
July 1, 2026	AISH-to-ADAP transition; \$200 transition benefit offsets cut temporarily	Net: \$0 (temporary)
January 1, 2028	Transition benefit expires — ADAP cut of \$200 takes full effect	–\$200/month (new)
January 1, 2028 (total)	<b>Both losses combined, no longer offset</b>	<b>–\$400/month / –\$4,800/year</b>
Ongoing	ADAP cost-of-living indexing removed from legislation	Growing gap over time

## SECTION 6: SYSTEMIC CONTEXT AND POLICY FAILURES

### 6.1 The Poverty Deepening Cycle

Every dollar paid to a disability income recipient is spent — immediately and locally. It flows into rent, groceries, utilities, transportation, and community services. When that money is clawed back or reduced, the province does not save a net dollar — it shifts the cost to more expensive systems.

- Recipients pushed into housing instability increase demand for emergency shelter and crisis services.
- Inadequate food access increases preventable health deterioration and emergency room use.
- Stress-related mental health crises generated by financial precarity increase demand for psychiatric and crisis services.
- Children in financially destabilized households face compounded developmental and educational impacts, increasing future costs across multiple government systems.

*Reducing AISH/ADAP benefits does not reduce government expenditure. It redistributes costs to healthcare, emergency services, and child welfare systems — at higher per-person cost, with no accountability mechanism.*

### 6.2 Structural Impossibility of Employment for Many Recipients

The ADAP framework assumes that employment is a realistic near-term outcome for the majority of AISH recipients. The data does not support this assumption.

- 83.6% of AISH recipients had no employment income in 2023–24 — not because they lack ambition, but because documented structural, medical, and caregiving barriers make competitive employment impossible for the majority.
- For single parents with children requiring constant supervision and with unpredictable school attendance, there is no reliable employment window. EA absence alone — which can occur without notice on any school day — eliminates the entire workday for parents with no alternative caregiving.
- For recipients with immune deficiencies, any workplace environment constitutes a medical risk. For recipients with severe social anxiety disorders, transit and commuting are functionally impossible. These are not preferences — they are documented clinical realities.
- The 12-year employment gap that affects many long-term AISH recipients is itself a structural barrier to re-entry, independent of all other factors.

## SECTION 7: THE CPP DISABILITY CLAWBACK — THE INJUSTICE NOBODY TALKS ABOUT

The Canada Disability Benefit clawback has received significant public attention. The Canada Pension Plan Disability (CPP-D) clawback has not — but it has been quietly devastating AISH recipients for far longer.

CPP-D is a federal benefit for Canadians with disabilities who have worked and contributed to the Canada Pension Plan. In Alberta, every dollar of CPP-D income is deducted dollar-for-dollar from AISH benefits. A person who paid into CPP for 15 years, became disabled, and was approved for both AISH and CPP-D receives the same total income as a person who never worked a day in their life. The CPP-D disappears entirely into the AISH offset.

METRIC	FIGURE
AISH recipients with CPP Disability income (September 2025)	16,161
Percentage of total AISH caseload	20.4%
CPP-D offset against AISH	Dollar-for-dollar — every dollar of CPP-D reduces AISH by one dollar
Net benefit to recipient from CPP-D	\$0 — CPP-D is completely absorbed by AISH reduction
Financial difference vs. someone who never worked	\$0 — identical total income despite CPP contributions

Source: Alberta Assisted Living and Social Services Open Data — AISH Caseload September 2025

**THE INJUSTICE:** Over 16,000 AISH recipients — more than one in five — contributed to Canada's pension system through work, became disabled, qualified for CPP-D as a result, and receive no financial benefit from having done so. This is not an oversight. It is a deliberate policy choice that punishes prior employment.

## SECTION 8: THE ADAP EMPLOYMENT MATH

### 8.1 What the Government Said

The government framed ADAP as empowering people with disabilities to work without losing their benefits. Minister Jason Nixon stated that people with disabilities “*should not be punished for getting a job.*” The program was marketed as a way to make employment financially worthwhile for recipients.

## 8.2 What the Math Actually Shows

QUESTION	ANSWER
At what monthly earnings does ADAP become financially equivalent to current AISH?	Over \$2,114/month from employment
What is \$2,114/month equivalent to in work hours?	Approximately 33 hours per week at Alberta's minimum wage
What happens to someone earning less than \$2,114/month on ADAP vs current AISH?	They have LESS total income than under the current AISH program
What does the government's own Case Study 1 in the ADAP Discussion Guide show?	A recipient with \$1,492/month employment income would have \$164 LESS on ADAP than under current AISH earnings exemptions
What percentage of AISH recipients have ANY employment income?	16.4% — 83.6% have no employment income at all

Sources: Gillian Petit, University of Calgary — ADAP analysis cited in CBC News August 21, 2025; Inclusion Alberta ADAP Fact Sheet December 2025; Alberta Government ADAP Discussion Guide Case Study 1

**THE GOVERNMENT'S OWN CASE STUDY IS WRONG.** The Discussion Guide presented Case Study 1 as an example of someone better off under ADAP. Independent analysis by a University of Calgary economist shows that recipient would actually have \$164 LESS per month on ADAP than under the current AISH earnings exemption structure.

## SECTION 9: GENDER, SINGLE PARENTHOOD, AND DISABILITY

### 9.1 The Numbers

The AISH caseload is nearly evenly split by gender: 52.8% male, 47.2% female as of September 2025. Among AISH recipients, 5,426 are single parents — 6.8% of the caseload, almost entirely women.

### 9.2 How the ADAP Framework Fails Single Mothers

- The ADAP employment framework assumes employment is achievable through “employment supports and skills building.” For a single parent of children with severe disabilities who cannot use after-school care and cannot leave children unsupervised, employment supports do not resolve the structural impossibility.
- The income exemption reduction hits single parents hardest. Current AISH allows parents to exempt \$2,612/month of employment income. Under ADAP, that drops to \$525/month — an 80% reduction,

making employment even less financially worthwhile.

- The cohabitation rule punishes single mothers specifically. AISH policy counts any cohabiting partner's income against benefit eligibility. A single mother who cannot afford a home alone cannot share housing costs without risking her benefits. The policy structurally enforces isolation.
- The Canada Child Benefit is being brought into rent calculations for community housing starting 2027–2028. Money that exists to cover the extraordinary costs of raising children with severe disabilities will be used to increase the rent of their disabled mother.

**47.2% OF AISH RECIPIENTS ARE WOMEN. 6.8% ARE SINGLE PARENTS.** *The ADAP framework that reduces their employment exemption by 80%, enforces residential isolation through cohabitation rules, and removes appeal rights was designed without a gender-disaggregated analysis of its impact. Programs that ignore gender and caregiving in their design consistently harm women with disabilities more than any other group.*

## SECTION 10: WHAT WE ARE ASKING

### To the Government of Canada

- Formally review Alberta's treatment of the Canada Disability Benefit as a clawback offset, and assess whether this constitutes a misuse of federal transfer intent.
- Explore legislative or regulatory tools to ensure that the CDB reaches its intended recipients in all provinces and territories.
- Ensure that any future federal disability investments include provincial non-offset conditions as enforceable requirements, not recommendations.

### To the Government of Alberta

- Immediately cease the dollar-for-dollar clawback of the federal Canada Disability Benefit. Allow recipients to keep both their AISH benefit and the CDB as intended.
- Pause the mandatory AISH-to-ADAP transition pending meaningful consultation with medical professionals, disability advocates, and affected individuals.
- Restore cost-of-living indexing to legislation for all disability income programs. Removing indexing is a benefit cut in slow motion.
- Implement rent increase caps equivalent to or stronger than those in comparable Canadian provinces.
- Recognize that for many AISH recipients, the barriers to employment are permanent and structural — not motivational. Design programs that reflect clinical reality.
- Restore and maintain the independent Citizens Appeal Panel process for AISH/ADAP eligibility decisions.

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### The Alberta Disability System Breakdown — Advocate

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