

## ONTARIO SOCIAL ASSISTANCE REVIEW RESPONSE TO DISCUSSION PAPER #2

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Respectfully submitted by:

Rene Adams Community Advocate, Toronto Christian Resource Centre

This submission is sent to you on behalf of the participants of the Christian Resource Centre's Community Meal Program who were consulted regarding the questions posed in Discussion Paper #2 "Approaches to Reform".

The Ontario government has another opportunity to demonstrate a serious commitment to poverty reduction by taking politics out of the discussion.

Social assistance recipients have been subjected to austerity measures since 1996. A one size fits all approach and further band aid solutions will not work. Certainly, we must recognize that the overhaul of the social assistance system will require significant financial investment.

This commission has terms of reference to address social assistance. Issues of the working poor should be examined separately.

We must uphold the spirit of the Ontario Poverty Reduction Strategy by ensuring that steps are taken to protect the dignity of the recipient and adequacy of social assistance rates must be at the core of helping recipients transition or move to full labour market participation. The dithering on addressing core issues such as adequacy has left hundreds of thousands of Ontario's citizens to live in deeper poverty while robbing them of the ability of full participation in the society.

The role of social assistance should be to "assist" those in need and further support those who are unable to participate in the workforce. We should examine how social assistance can assist clients in moving forward, *instead of holding their heads under water through policy once they've ended up relying on social assistance*. It should not be focused on pitting social assistance recipients against the working poor in order to justify avoiding the *elephant in the room, which is **politically legislated inequality***.

Ontario needs a comprehensive review, which looks at every element of social assistance, not just selected pieces that don't address the basic design flaws that keep recipients entrapped in the poverty cycle. If we don't address the fundamentals, we will have only achieved the production of another report with tangible recommendations that will have been ignored, such as the Matthews Report. Ignoring the fundamentals will help Ontario succeed at greater poverty creation, leading to deeper spending on dealing with the consequences of poverty.

Ontario must stop ignoring the resolutions of community councils across Ontario and the call by groups like Poverty Free Ontario and Fairlawn Avenue United Church Social Justice Group for the implementation of the \$100 Healthy Food Supplement for all adults on social assistance.

Participants in our community discussion indicated that a viable program would:

- *Stop the division of poor and working poor, as all poor people need help*
- *ensure that the rates reflect the true costs of living including the actual rent adjustable to local markets.*
- *ensure that benefits not come at the costs of pitting the working poor up against social assistance recipients*
- *recognize that having a job does not guarantee a move out of poverty*
- *ensure that everyone has access to a decent standard of living before looking at workforce participation.*
- *ensure that revamping the system would not lead to losing basic benefits such as prescription dental and eye glass coverage*
- *recognize that extending benefits to all low-income Ontarians would be helpful to moving into the labour market*
- *ensure that individualized, adequate and appropriate supports to employment come before the costs of providing such supports.*
- *recognize in policy; that women, newcomers, people of colour and First Nations experience greater challenges to workforce participation*
- *Remove punitive rules that remove earned income from those who attempt to participate in the workforce before setting the expectation to enter the labour market and be flexible to changing market conditions.*
- *Allow recipients with children to keep child support payments to enable them in providing the necessities of life.*

## **MEASURING POVERTY**

The LIM, LICO or MBM all have their own flaws in indicating what the poverty line is as none of them factor in the true costs of living and the impact of income policies to those living on the margins. Instead; these measurements; rely on percentages of the actual costs which are not reflective of the costs faced by all Ontarians.

A Tenant is required to pay the full rent and not a percentage of the rent each month. Therefore; measurements of what is adequate need to reflect actual market costs and social assistance incomes need to be adjusted according to the market.

Using the Market Basket Measure seems the most logical Rental Market **as long as it includes the actual costs of rent noted in the CMHC Reports.**

We cannot continue to divide the poor. If working and living in poverty is not achieving the goal of moving out of poverty, then the minimum wage needs to be raised in order to afford the basics or everyone should be receiving a minimum income before we look at workforce participation.

### **THE FISCAL REALTY OF THE COSTS OF LIVING AND A HOUSING BENEFIT**

According to the Canada Housing and Mortgage Corporation Fall 2011 Rental Market Report bachelor apartment in central Toronto rose from \$884 in October 2010 to \$928 in October 2011. A 1 bedroom apartment went from \$1,105 to \$1,188 in that same time period.

A housing benefit that is not available to all low income Ontarians won't be helpful. Our participants indicated that due to current rents in Toronto, receiving a housing benefit of under \$100 it really won't do anything to address the basic affordability issues faced by social assistance or the working poor.

### **REASONABLE EXPECTATIONS AND NECESSARY SUPPORTS TO EMPLOYMENT**

We can't begin to talk about reasonable expectations and providing necessary supports to employment without looking at the basics and examining how current policies help or present barriers to employment.

Participants agreed that there was a need for more effective case management, proper, effective and individual employment support to help them determine and achieve their goals without "*bullying*" them into the job market. Our participants called for the ability to try out different jobs as the right fit is important, without the threat of losing benefits; should a placement not work out.

Current employment programs for those with disabilities focus on getting clients into a job, not necessarily the job with the right fit, as payment for each placement is not received until the client has been working for 12 weeks. Therefore; the need for pre- and post-employment services across the different jurisdictions need to be better integrated and particular support considerations are necessary for people with disabilities who can work. It is also essential to ensure that stronger connections are forged with employers to create jobs and to ensure that incentives to taking on social assistance recipients are not abused.

Program availability and eligibility information must also be communicated more clearly to recipients.

## **APPROPRIATE BENEFIT STRUCTURE**

Ideally; low wage workers and social assistance recipients would all benefit from having access to supplemental health, dental and drug coverage.

Since the Harris cuts of 21.6% in 1995, Inflation has eaten away the buying power of current social assistance rates. Basic survival is a nightmare for these recipients. The small increments made by the Liberals have left recipients with far less buying power than in the early 1990s: e.g. a single person on social assistance received \$663 per month in 1993, compared to \$599 per month in 2012. The government of Ontario must go beyond the rhetoric. They must ensure the appropriate that the true costs of living are factored into the benefit structure. Removing funds from some people while they are trying to transition into the labour market will create further gaps and pose greater barriers to making this transition possible. It may also complicate lives by leading recipients into deeper poverty or causing higher eviction rates.

The term “Appropriate Benefit Structure”, is only relevant in the context in which it is being applied. Our participants questioned this as being appropriate to what? In this case; the context of the term “appropriate benefit structure” does not emphasize the need for adequate social assistance rates. Many submissions to the Commission referred to evidence-based rates, but the paper does not fully deal with this method of determining rates. We believe, that an independent Social Assistance Rates Board, which would include those with lived experience should be created to develop and manage such a measure.

In the absence of a 100% employment rate; simply making decisions based on what the initial costs look like on paper will do nothing to strengthen the economy, save money on government spending, change the lives of people relying on social assistance to enable them to afford the costs of living or to promote inclusive participation for all in the labour market.

We ask that this commission recommend a review of current policies such as the 50% deduction of income from Ontario Disability Support Recipients as soon as they engage in employment, as this rule discourages participation in the workforce in combination with other barriers faced by those with disabilities.

## COMBINING SOME BENEFITS

Please look at basic adequacy first before thinking of combining benefits.

Today's youth would view the much touted Ontario Child Benefit program as an “**epic fail**” for the poorest children who have parents who rely on social assistance.

*While the government's 'Poverty Reduction Strategy' undertaken in 2007 has been far-sighted and generous to children in low-income working families, it has left our poorest children--those in families receiving social assistance--far behind. These children had their 'Back to School' and 'Winter Clothing' allowances taken away, to help pay for the Ontario Child Benefit (OCB). Because of this claw back, children 13+ have gained less than **\$20 per month from the OCB compared to \$92 for those in working families**. Children 13+ are especially disadvantaged because they lost \$245 per year when their allowances were taken away, compared to \$175 for children under 13. Advocacy groups from across Ontario (the Income Security Advocacy Centre, the Ontario Assoc. of Social Workers, the Hamilton Roundtable for Poverty Reduction, 25 in 5 Hamilton, and a number of community legal clinics) mentioned this in their feedback to the first Discussion Paper.*

We thank you for reviewing this submission.

Rene Adams, Community Advocate  
Christian Resource Centre, Toronto