

**To: Commission for the Review of Social Assistance in Ontario**  
**From: Food Security Network of Hastings & Prince Edward Counties**  
**Date: March 16, 2012**

## **Response to Discussion Paper 2: Approaches for Reform**

We would like to thank you for the work done to date and for the opportunity to once again provide input on the approaches discussed in this paper.

While the introductory message in the “options” paper does state that it is not an interim report or a comprehensive discussion of the issues, it is still somewhat alarming to see the options presented almost as a list from which, in the current fiscal climate, there might be the potential to “choose” some actions and not others – perhaps the ones most likely to result in cost savings for the government. We implore you to present, in your report, an overall vision for the “new” system that will guide its development, and further, that the goals include a shift in approach from enforcement of rigid and restrictive rules to providing for the necessities of life in a way that treats people with dignity and allows for appropriate and individualized supports to assist people to secure and maintain employment.

In addition, we are concerned about the urgency of the situation for those whose incomes are so low. Over the past three years, while work has been underway toward reviewing the social assistance system, individuals and families have continued to make difficult choices between paying rent and buying food. From the document *What We Heard: A summary of discussions on social assistance*, it is evident that awareness of this issue is not lacking. It would be reasonable for the Commission to urgently recommend to the government a monthly supplement as a temporary measure, or first step, to social assistance rates that reflect the real cost of meeting basic needs in Ontario. This would be an ethical approach, similar to the halting of a medical research study when it is found that the effects are causing harm to the participants. As Dr. David McKeown, Toronto’s Medical Officer of Health, said in a media release in 2009, “The absence of effective action leaves the implication that malnutrition and poor health are acceptable consequences of government policy.”<sup>1</sup>

### **Chapter 1: Reasonable Expectations and Necessary Supports to Employment**

There are some excellent points made in this section, including the recognition that employment is one route out of poverty, but not the only route and not necessarily feasible for every individual. We also agree that employment services must be significantly improved and meet a wide variety of needs. It will be important that consideration be given to the reality of the current labour market, where the expectation that decent full time jobs are available for all who want to work is a fantasy. The persistence of working poverty in Ontario even during periods of strong economic growth demonstrates that it is not realistic to believe that everyone who wants to work can be employed in such a way as to be able to provide all necessities for a family.

Providing a full spectrum of employment services including consistent case management and assessment, pre-employment preparation and training, job placement, and post-employment supports would be helpful to many people living on a low income. Building this kind of employment support services system would be an important first step in transforming social assistance. However, participation requirements for people on social assistance can be used in a punitive way, to find people ineligible, where some people experience multiple barriers to participating in the community and in employment. It will be important to ensure that high quality and appropriate programs are available to meet the needs of individuals. For people on ODSP, instituting participation agreements, or a capacity-assessment tool, in the current economic/employment climate seems premature and destined to jeopardize the incomes of people with disabilities. Focusing on removing the barriers to participation in employment would be a more humane approach. Vocational assessments should focus on determining supports and services needed, not on income eligibility.

The paper mentioned a suggestion from employers to measure the success of employment services based on job retention rather than the number of placements, and also to develop standards of practice for employment service providers. These measures could contribute to quality in the new comprehensive system.

## **Chapter 2: Appropriate Benefit Structure**

Adequacy of income is a main concern for the Food Security Network. Food security is recognized as an important public health issue in Canada. Everyone should have the opportunity to choose and consume a healthy diet. The Ontario Public Health Standards (OPHS) state that population health outcomes are often influenced disproportionately by sub-populations who experience inequities in health status and comparatively less control over factors and conditions that promote, protect, or sustain their health.<sup>2</sup>

Since many monthly costs are not flexible (e.g. housing, utilities) food is seen as one of the more elastic components of the household budget. Other expenses, including unanticipated costs, must come out of the post-shelter budget. An analysis of the U.S. Consumer Expenditure Survey<sup>3</sup> showed that, during unusually cold weather, household members living in poverty ate fewer calories and reduced their food expenditures by an amount that corresponded with increased home heating costs. During cold snaps, poor adults consumed 7.9% fewer calories, poor adults with children 11.6% fewer calories, and poor children 10.9% fewer calories. When a household lacks the money to pay all basic monthly expenses, the amount of money available for food may be reduced. Food may be compromised both in quality (how healthy the food choices are) and quantity (the amount of food available).<sup>4</sup> In households where money is tight, some parents find that they go without food in order for their children to eat.

Poverty has been strongly linked to many adverse health outcomes. Twenty-four per cent of all potential years of life lost in Canada in 1996 were estimated to be attributable directly to poverty. This compares with 31 per cent for cancer and 18 per cent for cardiovascular disease.<sup>5</sup> In a series of papers on Poverty and Health published in the Ontario Medical Review<sup>6</sup>, the Ontario Physicians Poverty Work Group discusses why poverty makes people sick and concludes that living on social assistance should be considered, with poverty, to be a major risk factor for ill health.<sup>7</sup>

In a letter from alPHA (Association of Local Public Health Agencies), to the Premier of Ontario in March 2009, the association urges the government to “promote health and fight poverty by adding a Healthy Food Supplement to Ontario’s social assistance payments to adults as part of the upcoming budget.”<sup>8</sup>

Dr. Ernie Lightman, the lead researcher for a comprehensive survey of health and income in Canada, reported that “High income does not guarantee good health, but low income almost inevitably ensures poor health and significant health inequity in Canada.” The results of the research confirm that relatively small increases in incomes of poor Canadians will lead to substantial increases in their health. The research team found that the poorest one-fifth of Canadians, when compared to the richest twenty per cent, has: more than double the rate of diabetes and heart disease; a sixty per cent greater rate of two or more chronic health conditions; more than three times the rate of bronchitis; and nearly double the rate of arthritis or rheumatism. The study also found that health care utilization was significantly greater among the poorest twenty per cent of the population, undoubtedly reflecting their poorer health overall.<sup>9</sup>

According to a report released by the National Council of Welfare in the fall of 2011, the total cost of poverty is higher than many people think and there is a consistent pattern of studies from Canada and other countries showing that **investing to eliminate poverty costs less than allowing it to persist**. The indirect and societal costs are the most expensive. For example, if someone can’t afford medicine, they may end up in the hospital emergency department. People who can’t afford an adequate diet are more prone to illness which may require costly treatment. The report states that the poverty gap in Canada in 2007 (the money it would have taken to bring everyone over the poverty line) was \$12.3 billion. The total cost of poverty that year was double or more using the most cautious estimates.<sup>10</sup>

Framing the discussion of adequacy in the context of “fairness as between people who are receiving social assistance and low-income people who are working but not receiving social assistance” is a spurious argument that misses the opportunity to reflect the broad community concern expressed to the Commission during the consultation period about inadequacy in both social assistance rates and low waged jobs. It is also noted that the Commissioners “heard from many people that the benefit structure should more closely reflect the cost of living, including the cost of nutritious food, secure housing and community participation.” It will be critical to this reform of the system that we not go back to a 1% increase! Adequacy must be the primary consideration. This

review of social assistance should take the high ground and propose rates that ensure decent living conditions for all people living in the bottom 30% of incomes. If this means raising the minimum wage – put the challenge out and recommend that it happen. In terms of an “adequate” benefit rate, perhaps the tool used in the “Do the Math” initiative would provide a good basis for this discussion. Several MPPs and others across the province considered what income a person needs to live a basic life with some measure of health and dignity – it is enlightening to read the results. Other measures would be average rents and the cost of a nutritious food basket as determined annually by public health units across Ontario. Any discussion of adequacy should focus on establishing a minimum income based on the actual cost of living that would ensure no one is living in deep poverty.

In terms of addressing the cost of dietary needs for people with medically necessary diets, which can be expensive, there is a suggestion in the paper that this be addressed through “programs and policies” in Health. However, we are not aware of any existing mechanism or structure that would logically take this on. It is a financial issue, and it would seem that a new system within another Ministry might not actually address the issue – just move it.

### **Chapter 3: Easier to Understand**

The paper notes that “the majority of social assistance recipients do not misuse the system”, so perhaps an approach that moves away from surveillance by eliminating some rules and changing others would be more in keeping with the goals of a new system that aims to provide people the supports they need to live with health and dignity. It appears that audits don’t address the problem, especially when they come with stiff penalties in order to create an effective deterrent, and could potentially create an additional problem by delaying the detection of an accidental overpayment, resulting in increased hardship for the individual.

We are in agreement with the suggestion that asset limits be raised and are not surprised that this was consistently identified in the consultations as an important factor in allowing people to make the transition to work and become financially resilient.

### **Income Poverty Measure**

One additional issue that we would like to respond to is the suggestion that there is no agreement on the measure of poverty. In the Ontario Poverty Reduction Strategy, the government has set the LIM as its poverty measure (i.e. poverty is designated as having an income below 50% of the median income). LIM50 is also the poverty measure adopted by the United Nations. While it would be possible to reopen what has been a protracted discussion in the past, we strongly question the value of doing so. Considering that the goal of transforming social assistance should be to move people out of poverty, it would be somewhat disingenuous to do that by redefining poverty.

## Conclusion

Thank you for this opportunity to provide input. We look forward to the Commissioners' report and thank you for taking a comprehensive approach to ensure a future system that is responsive to the needs of individuals and families who find themselves having to rely on social assistance.

## References

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Contact information:  
Chairperson, Food Security Network  
[foodsecurity@hpechu.on.ca](mailto:foodsecurity@hpechu.on.ca)