



## **BRIGHTER PROSPECTS: TRANSFORMING SOCIAL ASSISTANCE IN ONTARIO SOME REFLECTIONS**

*The Social Assistance Review Commission Report, "Brighter Prospects: Transforming Social Assistance in Ontario", was released in October 2012 under the shadow of Don Drummond's government-commissioned report to review government expenditures. Entitled "Commission on the Reform of Ontario's Public Services (2012)", Drummond outlined a series of recommendations that would auger in a new period of austerity. Not auspicious timing for social assistance reform! However, in the current context of Ontario's recent transference of leadership concluding with a new Premier and now an upcoming budget, I thought it important to share with you Community Development Halton's (CDH) reflections and concerns about the implementation of the recommendations put forth by the Commissioners. Although CDH has reservations about specific recommendations put forth by the Commissioners, CDH hopes that in the current climate of transition, much needed social assistance reform not be forgotten.*

*Joey Edwardh*

### **CDH Supports:**

The Commissioners acknowledge that current benefit levels are inadequate to meet daily living costs, which CDH resolutely echoes.

### **\$100 Food Supplement**

The Commissioners recognize the widely supported position of community organizations that an immediate \$100 a month increase to all single adult recipients is necessary. Poverty Free Ontario highlighted that this would be the first real

income increase for people on social assistance since the 22% rate cuts in 1995. This investment in human well-being must not be paid for by eliminating other existing benefits such as the Special Diet Allowance and a work related benefit for people living with disabilities, as proposed by the Commissioners.

### **Earnings Exemptions**

CDH affirms the Commissioners' recommendation that social assistance recipients be allowed \$200 in earnings exemptions per month without affecting their benefits. Allowing recipients to retain more of their earnings respects their efforts at building a new life for themselves and their families by engaging in the workforce. Additional earnings above \$200 would be subject to a 50% claw back rate.

### **Asset Retention**

CDH supports the Commissioners' recommendation that those entering the Ontario Works system be allowed to keep assets (such as a vehicle or RRSPs) up to \$5,000 for a single individual and \$7,500 for a couple. This would be consistent with the amount allowed for Ontario Disabilities Support Program (ODSP) recipients. The Commissioners acknowledge that in forcing people to deplete most of their assets in order to be eligible for assistance, recipients are left with nothing to rely on when exiting the program. CDH sees this recommendation as a valuable step in supporting the ability of recipients to transition back into the workforce, when they are able.

### **Simplified Benefit System**

It is important to remember that social assistance in Ontario is comprised by two different programs: Ontario Works (OW) and the Ontario Disability Support Program (ODSP). The Commissioners propose a simplified benefit system that is more transparent to providers and recipients alike. This includes a recommendation to unite Ontario Works and ODSP into a single, streamlined program, delivered at the municipal level. The Commissioners propose combining the “Basic Needs” and “Shelter Allowance” benefits into a standard rate that all recipients would get. Based on this, people would no longer be required to provide rent receipts, which would eliminate a time-consuming burden for recipients and caseworkers alike. Although CDH supports the development of a less complex, more navigable, effective system, we caution that any transitions made be especially cognizant of the precarious position of many social assistance recipients. In particular, those on disability support have unique needs that make them particularly vulnerable to changes in benefit amounts.

### **CDH: Areas of Concern**

#### **Adequacy of Benefits**

The Commissioners state that they addressed changes in benefit rates based on balancing three objectives: adequacy, fairness, and financial incentive to work.

CDH concurs with the concern of others in the Poverty Free Ontario partnership about the Commissioner’s use of the minimum wage as a point of reference. The minimum wage is an inappropriate reference wage for determining adequate benefit levels as demonstrated by the high prevalence of poverty among low-wage earning workers in Ontario. CDH and Poverty Free Halton documents in the DVD, *Being Poor in Halton*, the struggle of those managing to survive on Ontario’s minimum wage. CDH reiterates its position in “Much Ado About Nothing,” that a living wage, on which someone working full-time, full-

year could live above the poverty line, needs to be implemented.

As documented in “Much Ado About Nothing,” the Low-income Measure (LIM), an income inequality measure, was established in 2008 by the Government of Ontario as the official measure of poverty for the Province. It is also a measure used internationally. Despite this, the Commissioners propose the use of a Basic Measure of Adequacy to measure a minimal subsistence level. By utilizing the Basic Measure of Adequacy instead of the Low-income Measure, the Commissioners are proposing a subsistence measure to determine suitable benefit levels. We are not alone in viewing this measure to be inadequate.

CDH is concerned about the proposed reduction in benefits, amounting to 86% of the standard rate, for two or more adult recipients who share accommodations. The Commissioners’ rationale is that those sharing accommodation experience a measure of cost-savings, which should be reflected in their benefit rates. Social assistance recipients are struggling to meet their absolute basic needs. Considering that current social assistance levels fail to provide incomes that place recipients above the poverty line, CDH believes that this proposal is punitive and lacks an understanding of the harsh realities faced by social assistance recipients.

#### **Removal of Special Diet Allowance**

CDH joins the voices that oppose the Commissioner’s proposed removal of the Special Diet Allowance and their explanation that this need should now be met through the standard benefit rate. Individuals receive the Special Diet Allowance based on a medical professional’s determination that their medical condition requires a diet that costs more than a normal healthy diet. Based on the Commissioners’ recommendation, only nutritional supplements required for certain “wasting” disorders would be administered through the Ministry of Health and Long Term Care. CDH shares the concern that this will pose a threat to those who rely on the Special

Diet Allowance to meet their basic nutritional and health needs, even if the \$100/month increase is implemented. The standard benefit rate must be adequate before essential benefits are removed.

### **Program Structure**

In collapsing Ontario Works and ODSP into one program, the Commissioners recommend that recipients would all receive a basic, standard benefit rate. The Commissioners propose a building block benefit system. The first building block would be the base rate for all recipients. The second building block would be a disability supplement in addition to the base rate. The third building block assists families with children and sole-support parents.

Along with changes in structure, the Commissioners propose moving benefits specific to children, health and disability outside of social assistance, making these benefits available to all low-income earners. CDH supports this recommendation and affirms that these benefits are necessary for all low-income earners.

This more inclusive approach would reduce a barrier to employment for social assistance recipients who are reluctant to forgo health benefits in exchange for a low-income job. Recognizing that all low-income people deserve support with child care, health and housing is consistent with the holistic human rights framework that CDH has advocated for and is a step towards reducing the deeply entrenched, misguided distinction in our society between “deserving” and “undeserving” poor.

There is cause for caution in externalizing benefits from the standard base rate. Adjusting the basic rate to a lower standard and externalizing certain benefits creates more opportunity for potential, targeted cut-backs in the future. The advantages of simplifying the benefit delivery system must not overlook the potential risks to recipients, now and in the future. The claw backs in the 1990s to the National Child Benefit stands as an example.

### **Pathways to Employment**

CDH recognizes both potential benefits as well as areas of concern in the Commissioners proposed Pathways to Employment which would replace the current Participation Agreements, which outline recipients’ job preparation requirements. Many social assistance recipients would benefit from an individualized, easily navigable employment plan. The Commissioners cite research that demonstrates the importance of caseworkers working with clients to collaboratively develop realistic employment goals and the steps to achieve them. We affirm that employment is a worthy objective for those who are able, but we place emphasis on the quality of employment. People deserve a job that allows them to earn a dignified living that is above the poverty line. Low-wage, short-term precarious employment is not a solution.

If a merged social assistance program were implemented, CDH believes that ODSP recipients must not be inadvertently penalized in the transition. Although the Commissioners acknowledge that some ODSP recipients are not able to work, CDH believes that in merging the two programs, unrealistic labour market engagement expectations will be placed on people who cannot work. This would be an additional injustice alongside the decreased incomes of many due to the withdrawal of the Special Diet Allowance.

The Commissioners support and encourage partnership with members of the business community to meet the employment needs of people living with disabilities. CDH agrees that altering attitudinal barriers towards employing people with disabilities is an essential, transformative step towards labour market engagement, for those who are able. Ahila Poologaindran, in the *Public Policy and Governance Review*, states that “recommendations that highlight the employer’s role in integrating people with disabilities in the labour market must make substantial headway before ODSP recipients are forced to pursue employment options.”

The Commissioners' report, *Brighter Prospects*, lacks recommendations for transformative, structural changes that would contribute to fostering realistic paths to labour market engagement for all people. Implementation of the proposed Pathways to Employment must consider the current reality of labour market opportunities.

### Next Steps

CDH, along with many community partners believes that setting benefit rates that are geared to the cost of living, with regional variations, is an important next step towards adequacy. The Commissioner's failed to explore this. Several of our partners suggest that rates should be regulated by an arms-length Board, which would determine appropriate benefit levels based on the real costs of housing, nutritious food, household expenses and transportation in each region of the province. CDH considers this is a fundamental step in determining rates reflecting the real costs of living. Going forward, the inclusion of social assistance recipients on an advisory body is essential in focusing the implementation of these recommendations on those that are most affected.

### Conclusion

As CDH and Poverty Free Halton expressed in their second report to the Commission, *Much Ado About Nothing*, we identified the need for great insight and strong analysis and understanding of poverty and inequality in our times. Their legacy could have been social policy recommendations emerging from their report that reimagined social assistance in a just and equitable Ontario. Although, the Commissioners recommend the

essential \$100/month increase in benefits for singles, along with a few other changes, the pervasive levels of poverty among social assistance recipients are not adequately addressed. The proposed changes to the structure of social assistance are, at the same time, both promising and concerning, particularly for recipients of ODSP.

### References

The Commissioner's Report, "Brighter Prospects: Transforming Social Assistance in Ontario" can be accessed from : <http://www.socialassistancereview.ca/final-report>

"Being Poor in Halton" can be accessed at: <http://www.cdhalton.ca/publications/cdh-video/341-being-poor-in-halton>

Poverty Free Ontario's "Final Report on the Social Assistance Review: Limited Improvements, Serious Concerns" can be found at: [www.povertyfreeontario.ca](http://www.povertyfreeontario.ca)

The Wellesley Institute's "Important Progress Toward a Health-Enabling Social Assistance System, But More Work is Required" can be found at: [www.wellesleyinstitute.com](http://www.wellesleyinstitute.com)

Community Development Halton's "Much Ado About Nothing" can be found at: [www.cdhalton.ca](http://www.cdhalton.ca)

Ahila Poologaindran's "ODSP Reform: Why Mandatory Employment Won't Work" can be found on the Public Policy and Governance Review at: <http://ppgreview.ca>

The Commission on the Reform of Ontario's Public Services ("The Drummond Report") can be found at: <http://www.fin.gov.on.ca/en/reformcommission/chapters/report.pdf>

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