

10 Myths and 10 Realities of Social Assistance in Ontario

MYTH #1 *People on social assistance get more than enough money to pay the bills.*

REALITY People on OW and ODSP live in poverty. OW rates were cut by 21.6% in 1997. ODSP rates were frozen from 1997 to 2005. Small annual increases since 2005 have not kept up with inflation. Even with other tax-delivered benefits included, the total monthly incomes that people get are grossly inadequate.

A single person on Ontario Works receives a maximum monthly benefit of \$733. With all other provincial and federal tax credits included, their total income for the year is about \$9,768 per year, or about \$814 per month.

A single person with a disability in ODSP gets a maximum monthly benefit of \$1,169. With all other credits, their total income is about \$15,132 per year, or about \$1,260 per month.

Compared to two commonly-used measures of poverty in Canada, the incomes of people on social assistance do not adequately provide for even the basic necessities of food, clothing and shelter.

	Total monthly income from all benefits	Low Income Measure (monthly)	Amount below LIM poverty each month	Market Basket Measure (Toronto, monthly)	Amount below MBM poverty each month
Single person on OW	\$814	\$1,946	- \$1,132	\$1,783	- \$969
Single person on ODSP	\$1,260	\$1,946	- \$686	\$1,783	- \$523

The Low Income Measure (LIM-AT) measures incomes relative to those of other people in a geographic area, after taxes are paid. It is used to measure progress on poverty reduction in Ontario and is used to compare with the poverty rate in other international jurisdictions.

The Market Basket Measure (MBM) measures whether a person or family can afford a typical basket of goods and services in any given geographic area. The federal government recently announced that the MBM will be Canada's official poverty line.

MYTH #2 *People on social assistance don't have it so bad. They live in social housing and get subsidized rent.*

REALITY The overwhelming majority of people on social assistance pay the same rents to private landlords as anyone else. Only about 7% of people on OW and 11% of people on ODSP live in subsidized rental housing. Most live in private market rental housing - 87% of people on OW and 69% of people on ODSP.

The major problem for people on social assistance who don't live in subsidized housing is that the amounts that OW and ODSP provide to pay for housing are so low. A single person on OW gets a maximum shelter allowance of \$390 per month. A single person on ODSP gets a maximum of \$497.

2016 Census data shows that, in Toronto, the average monthly rental amount in 2016 was \$1,242. In Ottawa, the amount was \$1,148. In Hamilton, \$947. In Sudbury, \$901. In Thunder Bay, \$843. In Windsor, \$796.

People on social assistance are forced to use money they get for basic needs like food and clothing to help pay for rent. They're also forced to live in low-quality, sub-standard housing where they experience overcrowding, problems with plumbing, mould, uncompleted repairs, and other issues that compromise their health and safety.

MYTH #3 *Increasing benefit rates will encourage people to go on social assistance and never leave.*

REALITY Every serious study has shown that the number of people on social assistance depends on economic cycles, not benefit levels. Numbers tend to increase during periods of economic recession, when jobs are lost, and decrease when the economy is growing, when more jobs are available.

Keeping rates low actually makes it impossible for people to look for and find work because they don't have enough to afford decent clothing, transportation and other expenses. Increasing benefit rates will allow people to pay for the essential items they need – like food, clothes, rent, and other expenses – so they can be healthier and live with more dignity. Higher benefit rates allow people to stabilize their lives and are a springboard to participation in the economy and community.

Higher benefit rates also contribute to Ontario's economy. Studies show that when low income people get more money, they don't put it in the bank or invest it in offshore accounts, like wealthier people do. They spend it on necessities in their local communities. That's good for them and good for their community's economy, and the province's economy overall.

MYTH #4 *People on social assistance are lazy and just do not want to work.*

REALITY Most people on social assistance are dealing with an employment, family, or health crisis and need financial assistance to help them meet their basic needs. They go on social assistance because they lost their job, lost a spouse, have a disability, or are leaving a traumatic situation like domestic violence. The biggest myth of all is to assume that people in Ontario are immune to such misfortune.

Some people on OW and ODSP do work. But the current rules mean that, even with income from employment, it's hard to work your way out of poverty and off social assistance. For example, people on OW and ODSP are only able to keep the first \$200 of any income they earn in a month, and half of any income above that is clawed back. The earnings exemption should be increased and the clawback decreased to allow people to keep more of what they earn.

And the quality of employment supports should be improved. People need better tailored supports and services that respond to their individual needs and strengths and that are aligned with conditions in the local labour market, but are also proactive, empathetic, and non-discriminatory.

And while people want to work, many are in short-term, low-wage jobs. If they get laid off, they often don't have enough hours to qualify for Employment Insurance or only qualify for a short period of time. They end up relying on multiple poor quality jobs with low pay and no benefits or going back onto social assistance. Cycling off and on social assistance has more to do with the lack of good quality jobs than it does with a person's willingness to work.

MYTH #5 *The social assistance system is rife with fraud.*

REALITY The most recent figures we have show that less than a tenth of a percent (0.06%) of the total number of people receiving assistance were convicted of some form of fraudulent activity. There is no evidence of any more fraud in the social assistance system than in any other realm of life. The system has strenuous checks and balances to identify fraud and deal with it as appropriate.

Instead of bad-mouthing those who are least well off and need the most support, we should be more concerned that those who are the most well off pay their fair share. Report after report shows that the income tax system in Canada is skewed toward allowing rich people to avoid their taxpaying responsibilities. And the CRA's own figures show that millions of dollars in tax fraud occur regularly. Tightening up the rules to make sure that those who can afford to pay into the system that supports our social safety net should be the priority, not punishing people who are the most marginalized.

MYTH #6 *People who return to social assistance after leaving are just not working hard enough to find and hold down a job. After all, a job is the best poverty reduction program.*

REALITY The government actually has very little idea what happens to people who leave the system. There is no information kept on why people leave OW or on what happens to them after they have left. They are not tracked to see if, for example, a job they got paid them well and had good hours and benefits, and would therefore be sustainable over the longer term.

A few special studies have been done on what happens to people when they leave. A study done by the City of Toronto showed that 44% of people who left OW in mid-2001 did not leave for employment. Of those that did, 68% had annual earnings below the poverty line, less than half had job-related benefits and about one third worked in non-permanent jobs. Almost 60% of the people who left OW said that their financial situation had not improved and a third felt it had actually gotten worse. 17% of them returned to the system within a year.

This data shows the need for the OW system to provide better employment supports and better levels of income to provide the foundation for and springboard to finding better quality jobs. It also shows that the quality of jobs in the labour market is poor, and that therefore a job is not necessarily the best poverty reduction program.

Relying on jobs to be the best poverty reduction program can only happen if the quality of jobs in the labour market improves, including jobs for people with disabilities. Ontario needs a strong employment standards that protect workers and encourages good quality, well-paid, accessible jobs with decent working conditions and disability accommodations, so that people on social assistance have something stable and sustainable to move into.

MYTH #7 *Hardworking taxpayers shouldn't be expected to pay for people who aren't working to get a guaranteed cheque every month.*

REALITY Poverty and reliance on social assistance is not a moral failing on the part of individuals. Poverty is an economic risk that affects everyone, and a good social assistance system that provides a safety net of resources, services and opportunities that are adequate for people's needs and can be used by everyone if and when they need them is good for everyone.

Having a healthy social safety net is vital to a productive and just society. When everyone can afford to properly feed and clothe themselves and pay the rent, all of us are healthier, our communities are more resilient, and the enormous financial costs of poverty that we all bear are greatly reduced.

Poverty has a big price tag for everyone. A report by the Ontario Association of Food Banks says that the federal and provincial governments are losing between

\$10 and \$13 billion a year due to poverty. That means every household in Ontario loses between \$2,300 and \$2,895 every year. These costs result from higher health care and justice costs, as well as lost opportunities like greater tax revenue. Government spending to ensure people aren't suffering the effects of poverty will actually reduce these costs, and ensure a better, safer, healthier society for all.

MYTH #8 ***Giving money to people to do nothing fosters dependency.***

REALITY People on social assistance aren't doing nothing. Many are facing some kind of trauma or adversity and need support and the time and space to stabilize their lives. Many others need the longer-term support that comes with having a disability. And lot of people on social assistance spend all their time figuring out how to survive on such low incomes. Their resilience, tenacity and resourcefulness deserve respect and recognition.

Providing income support to people who need it is actually a way that society can foster independence. Some people have families that are the source of their trauma, and they need financial support to escape. Many people are forced to rely on charity, like food banks and soup kitchens, which can come with shame and loss of dignity, especially in small communities where everyone knows your business. A compassionate and effective social assistance system would provide people with enough financial resources and other supports to stabilize their lives after trauma or live with a disability with dignity, and allow them the ability to take whatever next steps in their lives would allow them to achieve their goals.

MYTH #9 ***People on welfare are authors of their own misfortune.***

REALITY: There are many reasons that people need income support:

- People dealing with trauma like violence, illness, or family breakdown
- People with disabilities who can't find a job that accommodates their needs
- People who are disabled and are on OW while waiting to be transferred to ODSP or other disability support programs
- People who have been laid off and do not qualify for Employment Insurance
- Workers who have been injured on the job and cut off supports from WSIB
- Women fleeing domestic violence
- Women who cannot find suitable affordable child care
- People who need more skills training to find a decent job
- People whose families can't or won't help them.

Economic conditions and personal crises are not an individual choice. A good, just and healthy society supports people through public income support programs when they face trauma and adversity.

MYTH #10 *Most people on social assistance are young single mothers who don't want to work and just have kids in order to get benefits.*

REALITY: The number of lone parents on social assistance has actually been decreasing over the last 15 years, while the number of single people without children has increased significantly. This is happening in Ontario and in other provinces across Canada.

One of the reasons that the number of lone parents is decreasing is that the amounts of child benefits available outside of the social assistance system has increased significantly in the last 15 years. This has allowed lone parents more flexibility to look for and keep decent jobs in the labour market. An important next step will be to provide universal affordable childcare to provide even more support for single parents who choose to work.

Single people do not get nearly the amount of income and other supports that they need, whether from social assistance or from other benefits outside the social assistance system. They live in deep poverty and have a much harder time exiting the system. They also have limited access to other income support programs that could prevent them from having to rely on social assistance in the first place.

Coverage from programs like Employment Insurance has decreased, in no small part because of the increase in the number of jobs in the labour market that offer only short-term contracts or limited hours of work, which result in people being unable to qualify for EI. This is particularly a problem for people from historically marginalized groups, like people from racialized communities, women, Indigenous people, youth, people with disabilities, and women, who make up a large proportion of those in low quality jobs.

Coverage from CPP-Disability requires having paid into the program through work contributions. But many people with disabilities are shut out of the labour market because of employer stigma and lack of accommodations in the workplace, so they don't qualify for CPP-D. And WSIB can no longer be relied on for good coverage for injured workers, resulting in many injured workers being forced to reach near destitute poverty levels before qualifying for ODSP.

The only other benefits available to singles in Ontario are the GST/HST credit and the Ontario Trillium Benefit, both of which together amount to only a few hundred dollars a year.

A recent study by the City of Toronto showed that a large number of single people on Ontario Works are older, female, have some post-secondary education, and struggle with physical and mental health issues. They have particular needs that the current system is simply not addressing.

The increase in single people on social assistance and their particular needs should be a major issue for decision-makers, but they receive almost no attention. This needs to change.