

Ontario's New Poverty Reduction Strategy

Ontario Association of Social Workers'
Submission to the Ministry of Children,
Community and Social Services
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ONTARIO ASSOCIATION
OF SOCIAL WORKERS

Executive Summary

The Ontario Association of Social Workers (OASW), the voice of social work in Ontario, is pleased to make this submission to the Honourable Todd Smith as the Minister of Children, Community and Social Services embarks on developing a new Poverty Reduction Strategy for Ontario.

Social workers see firsthand the negative impacts of poverty on individuals, families and communities, particularly those who are marginalized due to their gender, age, ability, race or legal status in Canada. These impacts are well researched and can include further social isolation, poor mental health outcomes and unnecessary and unjust disparities in health and life span. There is no question in our mind that income and housing are foundational social determinants of health.

In addition to the direct negative impact of poverty on Ontarians, poverty also costs our province. In fact, a recent report has estimated the cost to taxpayers in Ontario to be \$27.1 - \$33 billion per year.¹ This represents increased costs to health care and the criminal justice system as well as lost revenue through income and taxes due to unemployment and underemployment. OASW believes that any investments made to reduce poverty now are investments in future cost savings for government.

Recent events surrounding COVID-19 have shone a spotlight on gaps in our federal and provincial social safety nets, leaving those in poverty most vulnerable to the pandemic and the negative impacts of this on our economy. At the same time, the pandemic has taught us that all Ontarians, regardless of occupation or income, can be at risk of financial hardship when things go wrong.

As a society, we must learn from this unprecedented time in history and institute permanent and bold changes to protect and support Ontarians when they need it. This includes revisiting an increase to minimum wage and ensuring that gaps in our safety nets are closed so that no Ontarian is left behind now and in the future.

It is through this lens that we must view Ontario's new Poverty Reduction Strategy and build it using the following three pillars: (1) strengthening income and employment supports; (2) providing access to supportive and affordable housing, and; (3) improving access to mental health and addiction services to meet current and future needs. Addressing the root causes of poverty will require on-going and collaborative solutions between ministries on these critical social determinants of health. With these pillars in mind, we make the following key recommendations.

Key Recommendations

Encouraging Job Creation and Connecting People to Employment

- Recommendation #1: Reduce earning exemptions to 50% for those on OW.

Providing People with the Right Supports and Services

- Recommendation #2: Increase access to affordable and supportive housing.
- Recommendation #3: Improve access to Mental Health and Addiction services.
- Recommendation #4: Invest in wrap around supports and employment services for those on OW and ODSP.

Lowering the Cost of Living and Making Life More Affordable

- Recommendation #5: Immediately increase social assistance rates to more accurately reflect the cost of living.
- Recommendation #6: Maintain the current definition of disability under ODSP.
- Recommendation #7: Establish a Social Assistance Research Commission.

Encouraging Job Creation and Connecting People to Employment

Recommendation #1: Reduce earning exemptions to 50% for those on OW.

OASW welcomed new reforms to social assistance announced in the 2019 budget, which increased the cap on monthly earnings for those on OW from \$200 per month to \$300 per month before deductions and increased the overall ceiling on earnings for those on ODSP to \$6,000 per year. However, we believe the accompanying increase in the claw back on earnings from 50% to 75% of every dollar earned by those on OW, undermines the government's goal of encouraging employment faster.²

Reducing barriers to employment for those on social assistance is critical. Allowing recipients to retain more of their income earned through paid employment is a primary way to do this as it incentivises workers to take on more paid hours of work and maintain employment. As an individual builds more financial security through paid employment the possibility of exiting social assistance can become a more tangible reality. Therefore, we recommend that government reduce the existing earning exemption for those on OW from 75% to 50% of every dollar earned.

Providing People with the Right Supports and Services

Recommendation #2: Increase access to affordable and supportive housing.

According to the Canadian Mortgage and Housing Corporation, affordable housing is defined as housing which costs less than 30% of a household's before tax income.³ When housing costs are greater than 30% of household income this leaves individuals and families living on low-income to make the difficult decision between paying for food and transportation or their rent. Furthermore, without access to safe and affordable housing, "it is often not possible to get and keep employment, to recover from mental illness or other disabilities, to integrate into the community, to escape physical or emotional violence or to keep custody of children."⁴

Increasing access to affordable housing for Ontarians experiencing low-income must be a key pillar of the province's new Poverty Reduction Strategy. With a waitlist of approximately 185,000 individuals in 2016, and a historical trajectory of creating 20,000 new units of affordable housing per decade, the need for affordable housing has not kept up with supply.⁵

Innovative approaches to alleviating Ontario's affordable housing crisis are now required and OASW congratulates the Ontario Government on the provision of a portable housing benefit for those fleeing violence and human trafficking. This measure will allow those individuals to seek the safety they require quickly, as will developing important programs such as the Ontario Priorities Housing Initiative and creating partnerships with the federal government such as the Canada-Ontario Community Housing Initiative.

Under these new programs, OASW strongly urges the Ontario Government to:

- Focus on repairing and maintain existing affordable housing;
- Increase the stock of affordable social and community housing in the province by removing red tape and assisting non-profit organizations to develop new units; and,
- Provide funding directly to those living on low-income to help them afford housing.

Additionally, for many individuals living with severe and chronic mental health and addictions issues, particularly those who are under-housed or homeless, maintaining safe and supportive housing is key to their recovery. By creating a minimum of 30,000 supportive housing units, the province would improve individual outcomes and also provide immediate savings to the health care system. Providing supportive housing with wrap-around services is critical to assisting those with mental health and addictions concerns to manage their illness in the community. Therefore, when increasing supportive housing, the government should also direct funds to the delivery of a proven range of wrap-around supports which increase beneficial outcomes for residents of supportive housing,⁶ including:

- Tenancy support;
- Independent life skills training;
- Health and wellness;
- Clinical counselling/crisis intervention; and,
- Community integration.

These programs must be designed to allow individual choice and customization regarding the intensity and types of services accessed.

Recommendation #3: Improve access to Mental Health and Addiction services.

The evidence linking poverty to poor health outcomes is undeniable. Not only are those who live in poverty more likely to suffer from multiple chronic health conditions brought on or made worse by poverty, there is a strong correlation between poverty and mental illness. “People with mental illness have lower incomes, are less likely to participate in the labour force and are less likely to have adequate housing than people with other types of disabilities and people without disabilities.”⁷ The financial and human costs, as well as the number of people affected by mental illness are only expected to rise over the next 30 years, making mental illness one of the most complex and urgent social challenges facing the Government of Ontario today.⁸

OASW welcomed the recent release of the government’s new mental health and addictions plan, *Roadmap to Wellness: A Plan to Build Ontario’s Mental Health and Addictions System* as the next step in building a connected, and integrated system to ensure Ontarians have timely access to the quality mental health and addiction services they deserve. Given the importance of this issue, OASW recommends the government work with frontline providers, such as social workers, to ensure this plan is adequately funded so Ontarians can quickly receive the care they require and are better able maintain and seek employment and housing as a facet of poverty reduction.

Recommendation #4: Invest in wrap around supports and employment services for those on OW and ODSP.

It is essential that government development high-quality wrap-around supports for those on social assistance that address the physical, emotional and psychological burden of poverty. We believe that a coordinated multi-ministry approach, including adequate funding of such services is key.

Providing front-line staff with time to provide case management services and create individualized plans of support, linking their clients with wrap-around supports such as mental health and addiction services, child care, affordable housing and training, will go a long way towards accomplishing government’s goal of assisting those who are able to work to move off of social assistance.

We recognize that as a first step government has begun the transformation of employment services. The integration of these services into Employment Ontario and the competitive bidding process for the provision of these services (allowing any public, not-for-profit and private sector organization to bid on the provision of these services) is currently being tested in three communities in Ontario: Region of Peel, Hamilton-Niagara and Muskoka-Kawartha. Therefore, OASW recommends the government provide sufficient funding to these services so that individuals on OW and ODSP receive choice in training and placement in sustainable, non-precarious work to help break the cycle of poverty and secure steady and meaningful employment.

Lowering the Cost of Living and Making Life More Affordable

Recommendation #5: Immediately increase social assistance rates to more accurately reflect the cost of living.

Making life more affordable for Ontarians must start by supporting those who have the least. There are over 1.5 million people in Ontario, or approximately 10% of the population, currently living in poverty.^{9, 10} Those accessing OW and ODSP represent over 950,000 of those living in deepest poverty.^{11, 12}

Since September 2018, there has been no increase to OW or ODSP rates. A single adult accessing these programs receives \$733.00 and \$1,169.00/month respectively for their basic living and shelter costs.¹³ With rent in cities such as Ottawa, Toronto and Hamilton nearing or climbing over \$1,000 per month for a single-bedroom apartment, this leaves little to no income for anything else.¹⁴ A lack of adequate income to purchase food and afford transportation and pay monthly bills such as electricity and internet, results in the financial and social exclusion of these individuals from our economy and community.

OASW commends government for seeking ways to improve OW and ODSP, such as reducing red-tape and unnecessary reporting requirements for those on ODSP. This is a positive first step. However, to truly break the cycle of poverty, OASW recommends the government immediately increase rates of OW and ODSP to more accurately reflect the cost of living and make life more affordable for Ontarians.

Recommendation #6: Maintain the current definition of disability under ODSP.

In November 2018, along with other announced reforms to OW and ODSP, the government proposed a change to the definition of disability under ODSP to fall more closely in line with federal guidelines such as those governing the Disability Tax Credit and Canada Pension Plan – Disability (CPP-D).

At present, one of the main criteria to qualify for ODSP is evidence that an individual has a “substantial physical or mental impairment that is continuous or recurrent and expected to last one year or more.”¹⁵ Whereas to qualify for CCP-D, an individual must have a “severe and prolonged disability” that prevents any work on a regular basis. A disability is considered “severe” when it stops an individual from doing any type of substantially gainful work and it is “prolonged” when the disability “is long-term and of indefinite duration or is likely to result in death.”¹⁶

OASW is concerned that any change to the existing definition of disability under ODSP to align with federal guidelines will result in plunging those living with episodic disabilities, such as some mental illnesses, cancer, multiple sclerosis, HIV/AIDS and severe arthritis, into deeper poverty.

We know that Ontarians living with disabilities already face significant barriers to work including the fact that they are “persistently less likely to be employed than people without disabilities.”¹⁷ By their very nature, episodic disabilities are defined by periods of wellness and disability, which can be unpredictable.¹⁸ Forcing those living with episodic disabilities onto OW, a program premised on minimum financial support and a requirement that the recipient pursue employment, is not a sound approach.

OASW strongly recommends that the government maintain the current definition of disability under ODSP to allow those living with episodic conditions the financial security and health benefits they require during periods of illness that prevent them from working.

Recommendation #7: Establish a Social Assistance Research Commission

As previously stated, current rates of OW and ODSP are insufficient to meet the basic needs of individuals and families who receive these benefits. In fact, there has been no substantial increase to benefits since a 10-year freeze on these rates. Year over year, individuals and families who receive OW and ODSP have fallen into deeper poverty.¹⁹ A significant reason for this is the arbitrary establishment of OW and ODSP rates²⁰ and the fact that these have not kept up with the cost of living nor been tied to the rate of inflation.²¹

OASW supports the establishment of a Social Assistance Research Commission as proposed under Bill 60, to assist the government in evidence-based decision making as this relates to social assistance rates and other aspects of income security policy. Such a Commission should be comprised of those with lived experience who are currently in receipt of OW and ODSP and those with expertise in the areas of socioeconomic policy and poverty.

As government continues its important work to reform social assistance and lift Ontarians out of poverty, the establishment of a Social Assistance Research Commission is imperative to getting it right.

Conclusion

OASW believes that thriving people result in healthy communities and a better society. We believe government shares this vision and the recommendations contained within this submission for the new Poverty Reduction Strategy represent sound financial investments towards achieving this goal.

Endnotes

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