



Committee Report

OW-24-05

To: Chair and Members of the Joint Social Services and Land Ambulance Committee
From: Krista Card, Director of Ontario Works
Date: Wednesday, October 09, 2024
Subject: **Inadequate Ontario Works Assistance Rates**

Background:

The Ontario Works caseload in the Wellington service delivery area (County of Wellington and City of Guelph) has risen 1% above pre-pandemic levels as of July 2024 to 2,095 cases. Over 3,420 individuals are reliant on Ontario Works in Wellington County and Guelphⁱ to meet their basic needs, with 34% of these individuals being childrenⁱⁱ.

As highlighted by the Association of Municipalities of Ontario, municipalities, including the County of Wellington and the City of Guelph, are facing increasing pressure to respond to complex local needs including in delivering housing, health and social servicesⁱⁱⁱ. Community service agencies and municipalities across the province have called on the Provincial Government to raise social assistance rates as a critical part of ending homelessness and improving community health and well-being^{iv}.

Ontario Works Assistance Rates

Ontario Works rates have been frozen since 2018 and have not kept up with inflation or the rising cost of basic needs, leaving recipients in deep poverty, far below the official poverty line. Individuals in receipt of Ontario Works assistance are not able to afford adequate and suitable housing or nutritious food at current rates. In other words, Ontario Works recipients cannot meet their most basic human needs. Lack of suitable housing and food insecurity are directly correlated with poor health outcomes and increased healthcare costs^v, making it difficult for Ontario Works recipients to move beyond survival and participate in employment-related activities.

Key Facts

High Cost of Living in Ontario, Low Social Assistance Benefit Rates

- In contrast, cost of living in Ontario is among the highest in Canada, ranked second behind British Columbia.^{vi}
- Ontario has some of the lowest rates of social assistance in Canada, ranking in the bottom three provinces and territories for welfare income, particularly for single individuals and single parents.^{vii}

Cost of Living		Social Assistance Rates	
British Columbia	1	Quebec	1
Ontario	2	PEI	2
Alberta	3	British Columbia	3
Manitoba	4	Saskatchewan	4
Saskatchewan	5	Newfoundland and Labrador	5
Nova Scotia	6	Manitoba	6
New Brunswick	7	Alberta	7
Quebec	8	Ontario	8
PEI	9	Nova Scotia	9
Newfoundland and Labrador	10	New Brunswick	10

This gap between income and cost of living is most acute for social assistance recipients, whose purchasing power has declined steeply relative to inflation. Already well below the poverty line, Ontario Works benefits have decreased by 16% in real value compared to 2019^{viii}. Meaning the purchasing power of the Ontario Works benefits has decreased due inflation and increased cost of living, making it more for challenging for recipients to afford the same goods and services they purchased in 2019. Shelter and food expenses make up a larger share of total household expenditures for social assistance recipients compared to the average Canadian household, leaving them particularly vulnerable to inflation. This exposes social assistance recipients to steady and deep deterioration in their standard of living^{ix} at current rates.

Ontario Works Rates are Far Below the Official Poverty Line

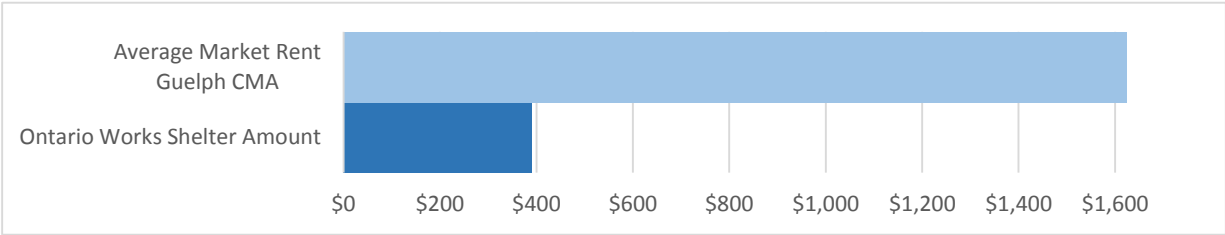
The gap between social assistance rates and the official poverty line is significant. A single individual receiving Ontario Works assistance in the City of Guelph lives on an income that is equal to 34% of the income at the official poverty line as defined by Statistics Canada^x. Approximate income thresholds are as follows in the Guelph Census Metropolitan Area:

Approximate Income Thresholds - Single Individual in Guelph CMA	
Average Income ^{xi}	\$41,920
Living Wage (1 adult full time at \$20.90/hr)	\$40,128
Median Income ^{xi}	\$36,000
Minimum Wage(1 adult full time at \$16.55/hr)	\$31,776
Low Income Measure ^{xii}	> \$28,863
Official Poverty Line (Market Basket Measure) ^{xiii} ^{xiv}	> \$25,710
Low Income Cut-Off ^{xv}	> \$20,590
Current Ontario Works Rate	\$8,796

- Ontario Works recipients who are homeless are not entitled to receive the shelter portion of Ontario Works benefits. A single individual on Ontario Works who is homeless would receive a total of \$343 per month. Without the shelter portion of Ontario Works assistance, moving out of homelessness becomes a significant, nearly insurmountable challenge.

Deep Housing Unaffordability

- **The gap between social assistance rates and the official poverty line, coupled with rapidly increasing average market rents and long wait times for subsidized housing, is making it difficult for individuals and families receiving Ontario Works assistance to find and maintain affordable housing.**
 - The Canada Mortgage and Housing Corporation (CMHC) estimates that the average market rent in Wellington and Guelph (across all unit sizes) amounts to \$1,624^{xvi}. Local news reports and Housing Services research suggests that local rents are higher, with average asking rent estimated to be above \$2,000^{xvii}.
 - The shelter portion for a single individual receiving Ontario Works assistance would cover just 24% of the average rent in our service area.
- **Low social assistance rates have a direct impact on the municipal tax levy. High market rents and increased costs to maintain social housing are putting undue pressure on municipalities to meet requirements under Housing Services.**
 - Wellington County Housing Services provides over 260 municipally funded rent subsidies in the private market and supports over 2495 subsidized social housing units. Of the \$42,080,100 Housing Services 2024 budget, 60% is covered by municipal tax levy, 16% is covered by Provincial subsidies, 13% is covered by rent and other revenues, and 11% is covered by Federal subsidies. In respect to rent subsidies for market-based units alone, if a quarter of the 260 households were Ontario Works recipients, municipalities could redirect just under \$1 million towards other pressures, should the gap between the shelter amount and average market rent be filled by increased social assistance rates.

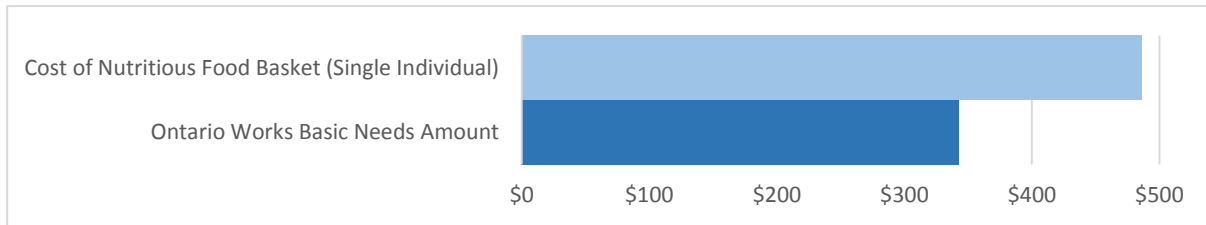


Homelessness

- **Canadian and international research confirms that rates of homelessness increase when rent increases faster than social assistance incomes. Failing to increase social assistance incomes during a period of rapidly rising rents will likely lead to increased rates of homelessness^{ix}.**
 - The Wellington-Guelph data shows there has been a 33% increase on the monthly average of people experiencing homelessness since January 2023.

Rising Food Insecurity

- **Wellington-Dufferin Public Health (WDGPH) estimates that 18% of households in our service area are food insecure. A single individual would require at least \$486 per month to cover the cost of healthy food^{xviii}. Single individuals in receipt of Ontario Works are unable to afford the cost of a nutritious food basket with the \$343 they receive to cover all basic needs.**



AMO Delegation

The County presented the information in this to report to the Parliamentary Assistant to the Minister of Children, Community and Social Services, Logan Kanapathi, at the 2024 AMO Conference in August.

The delegation concluded with the following requests to the Ministry:

Increase Ontario Works Rates

While many municipalities have passed resolutions to call for doubling Ontario Works rates, this will not be enough to move individuals and families out of deep poverty. We are calling on the Ministry of Children, Community and Social Services to:

- Increase Ontario Works rates to the Low Income Measure. At a minimum, Ontario Works rates should be increased to above the official poverty line as an initial step towards income adequacy.
- Index Ontario Works rates to inflation annually in line with other provincial and federal government benefit programmes
- Combine the basic needs and shelter portions of Ontario Works assistance into one standard rate to enable social assistance recipients to secure and maintain housing
- Increase earnings exemptions, like increases implemented in the Ontario Disability Support Program, for working Ontario Works recipients to keep more of their earnings and to encourage more participation in the labour market.

Commit to a Social and Economic Prosperity Review

- Commit to a Social and Economic Prosperity Review in collaboration with the Association of Municipalities of Ontario and member municipalities with the goal of updating the provincial-municipal fiscal relationship. We call on the Premier, the Minister of Finance and the Minister of Municipal Affairs and Housing to work together with municipalities to review revenues, costs and financial risks and conduct a detailed analysis of municipal investment and service delivery needs across the province, including a thorough review of social assistance rates.

Conclusion

Increased Ontario Works rates would enable social assistance recipients to move beyond survival and crisis management so that they can participate in the labour market and move towards financial independence. If the rates are increased to above the official poverty line at a minimum, the most vulnerable individuals in our communities would have increased access to nutritious food, more stable housing and will be better able to meet their basic human needs. This will lead to improved health outcomes and improved wellbeing for the individuals and families living in deep poverty in our communities.

Increased Ontario Works rates would alleviate pressures on the housing services system, allowing municipal funds to be re-directed to other service pressures, such as addressing increased homelessness.

Strategic Action Plan:

This report relates to the following objectives and priorities in the County's Strategic Action Plan: Doing what the County does best – Providing Critical Daily Services for your residents; and Making Best Decisions for the Betterment of the Community.

Recommendation:

That the Joint Social Services and Land Ambulance Committee recommend to County Council that the report, Ontario Works Assistance Rates, be received for information; and

That Social Services staff continue to advocate through OMSSA and AMO the importance of, and need for, increased Ontario Works assistance rates.

Respectfully submitted,



Krista Card
Director of Ontario Works

Endnotes

- ⁱ Ministry of Children, Community and Social Services. (2024). *Tracking Impacts of the COVID-19 Pandemic on Social Assistance in Ontario, Ontario Works Caseload (benefit units) in Wellington CMSM* [Graph]. Social Assistance Interactive BI Reports, MCCSS. Retrieved July 31, 2024 from <https://app.powerbi.com/groups/me/reports/d4bb8bad-ae8c-4ca1-ade8-dcd36b0136b3/ReportSection984b2f5462017b52646d?ctid=cddc1229-ac2a-4b97-b78a-0e5cacb5865c&experience=power-bi>
- ⁱⁱ Ministry of Children, Community and Social Services (2024). *CRS100 Integrated Case Summary Consolidated SDA Report* (July 2024 Wellington CMSM Office 003220) [Data Set]. Ministry of Children, Community and Social Services.
- ⁱⁱⁱ Association of Municipalities of Ontario. (2024). Social and Economic Prosperity Review. Retrieved from: https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/Pre-Budget_Submission_V7.pdf
- ^{iv} *Make it Liveable*. (2024). United Way Elgin Middlesex. Retrieved July 31, 2024, from <https://www.unitedinaction.ca/>
- ^v *Association between household food insecurity and annual health care costs*. Valerie Tarasuk, Joyce Cheng, Claire de Oliveira, Naomi Dachner, Craig Gundersen, Paul Kurdyak. CMAJ Oct 2015, 187 (14) E429-E436; DOI: 10.1503/cmaj.150234 Retrieved from <https://www.cmaj.ca/content/187/14/E429>
- ^{vi} Judd, Amy. (2023, November 6). *B.C. tops the list of the most expensive provinces in Canada: study*. Global News. <https://globalnews.ca/news/10074500/bc-cost-of-living-study-expensive/>
- ^{vii} Laidley, J. and Tabbara, M-D. Maytree. (2024). *Welfare in Canada, 2023*.
- ^{viii} Catney, Ryan. (2024, April 5). *The cost-of-living crisis for social assistance recipients*. Policy Options. <https://policyoptions.irpp.org/magazines/april-2024/cost-of-living-social-assistance/>
- ^{ix} Kneebone, R.D. and Wilkins, M. (2022, July). University of Calgary School of Public Policy. *Income Support, Inflation, and Homelessness*. Policy Brief Volume 15:22. Retrieved from <https://www.policyschool.ca/wp-content/uploads/2022/07/HSP104-Inflation.Kneebone.Wilkins.pdf>
- ^x Statistics Canada. Table 11-10-0066-01 Market Basket Measure (MBM) thresholds for the reference family by Market Basket Measure region, component and base year. Ottawa. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110006601>
- ^{xi} Statistics Canada. 2023. (table). *Census Profile*. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released November 15, 2023. <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=Guelph&DGUIDlist=2021S0503550&GENDERlist=1,2,3&STATISTIClist=1&HEADERlist=0> (accessed July 31, 2024). After-tax average and median income for persons not in economic families.
- ^{xii} Statistics Canada. Table 11-10-0232-01 Low income measure (LIM) thresholds by income source and household size. Ottawa. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1110023201> (accessed August 2, 2024).
- ^{xiii} Statistics Canada. Table 11-10-0066-01 Market Basket Measure (MBM) thresholds for the reference family by Market Basket Measure region, component and base year. Ottawa. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110006601>. The reference family for the MBM is a family of four. To calculate the MBM threshold for a single individual, the figure is multiplied by 0.5 (51,421*0.5= 25,710.5)
- ^{xiv} Aldridge, Hannah. (2020, September 11). *What poverty advocates should know about the updated poverty measure*. Maytree. <https://maytree.com/publications/what-poverty-reduction-advocates-should-know-about-the-updated-poverty-measure/>
- ^{xv} Statistics Canada. Table 11-10-0241-01 Low income cut-offs (LICOs) before and after tax by community size and family size, in current dollars. Ottawa. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110024101> (accessed July 31, 2024).
- ^{xvi} Canada Mortgage and Housing Corporation. (2024). *Ontario — Rental Market Statistics Summary by Metropolitan Areas, Census Agglomerations and Cities* [Table]. Primary Rental Market Summary Statistics, CMHC. Retrieved July 31, 2024 from <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/Table?TableId=2.1.31.2&GeographyId=35&GeographyTypeId=2&DisplayAs=Table&GeographyName=Ontario>
- ^{xvii} Guelph Today. (2024, June 6) *Asking rents in Canada reach record high in 2023*. <https://www.guelphtoday.com/local-news/asking-rents-in-canada-reach-record-high-in-2023-9010072>
- ^{xviii} Wellington Dufferin Guelph Public Health. (2023). *Nutritious Food Basket 2023 Report*. Retrieved from the Wellington Dufferin Guelph Public Health website: https://wdgpublichealth.ca/sites/default/files/bh.01.dec0623.r32_nfb_2023.pdf