

# **A PORTRAIT OF POVERTY**

## **LIVING ON SOCIAL ASSISTANCE IN HAMILTON**

A Report of the

**Homelessness Initiative Campaign for Adequate Welfare  
(HICFAW)**

In Partnership with the

**Social Planning and Research Council of Hamilton**

September 2003

**The Social Planning and Research Council of Hamilton**

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## ACKNOWLEDGEMENTS

This report is dedicated to all those who courageously supported this research by coming forward and sharing their personal stories.

The members of the Homelessness Initiative Campaign for Adequate Welfare (HICFAW) would also like to acknowledge the many people who participated in the process of developing the *Community Action Plan on Homelessness in Hamilton-Wentworth (SPRC; 2002)* who recognized the need to address poverty as a priority in the fight against homelessness in our community.

## 1.0 INTRODUCTION

The provincial election of 1995 marked a dramatic turning point in the state of welfare and other public services in Ontario. Since 1995, the Ontario government has undertaken a path to economic growth that has provided big tax cuts to the rich and middle class while trampling on the rights and dignity of people who rely on social assistance to meet their basic needs.

One of the first actions of the Conservative government in Ontario when they were elected to a majority government in 1995 was to begin a process of gutting the province's income security programs. Only four months after taking office, welfare rates in the province were slashed by 21.6%. At the same time, the Progressive Conservative government was promising high- and middle-income earners large breaks on personal and corporate income taxes.

The policies that have since been adopted by the government in Ontario have had a devastating impact on those at the bottom of the income scale who rely on social assistance to meet their basic needs.

The main focus of this report is the impact that the seriously inadequate levels of income assistance provided through Ontario's two major social assistance programs--Ontario Works (OW) and the Ontario Disability Support Program (ODSP)--are having on individuals and families in Hamilton, and on our community.

For many people who receive benefits through Ontario Works or the Ontario Disability Support Program, the basic income to which they are entitled is the only source of income that they have to provide themselves with food, clothing, shelter, and the other basic necessities of life. This report clearly shows that people who are provided with financial assistance through either Ontario Works or the Ontario Disability Support Program are in many cases not able to afford even the most essential necessities of life.

This report also provides evidence that the low levels of income assistance provided through Ontario's social assistance programs is having a serious impact on the physical and psychological well-being of recipients.

Furthermore, the changes that have been made to Ontario's income security programs since 1995 have been a major contributing factor to the rise in the number of people in our community seeking emergency food assistance, and to the shocking growth in the number of people in Hamilton experiencing homelessness.

In response to efforts by agencies in Hamilton to address the growing crisis of homelessness in our community, poverty activists joined with representatives from community organizations working on homelessness issues to form the Homelessness Initiative Campaign for Adequate Welfare (HICFAW).

To gather information for this report, HICFAW organized two large community meetings to hear what it is like to live on social assistance in Ontario from those who rely on social assistance to meet their basic needs.

The people who attended these meetings met in small groups. And, with the help of a facilitator, people took turns sharing their stories about what it has been like for them to survive on the income that they receive through either OW or ODSP. These discussions were recorded and transcribed.

People living on social assistance do not often get an opportunity to have their voices heard. Many of the people who participated in the community meetings expressed appreciation for the opportunity to share their personal, often difficult and emotional stories. At the end of both meetings, a number of people expressed their gratitude to learn that they were not alone. Further, many of the participants regarded these meetings as significant events and stressed the importance of making sure that something be done with the information gathered at these meetings.

Many of the individuals and families who rely on social assistance to meet their basic needs have been condemned by the policies of the current government in Ontario to a life of destitution. This report provides first-hand evidence of the suffering and indignity faced by people living on social assistance in Hamilton, as well as the costs to our community of policies that promote poverty.

In addition to the first-hand evidence provided by the individuals who attended these meetings, local statistics provide hard evidence that current social assistance policies in Ontario are causing severe hardships for those

individuals and families who rely on these programs to meet their most basic needs. These statistics also provide evidence of the scope of the problem in Hamilton.

### What is Ontario Works (OW)?

**"Ontario Works"** is the name of Ontario's current income assistance program for people who are considered employable. The *Ontario Works Act* was passed into law in 1998, replacing the *General Welfare Assistance Act*. Sole-support parents and older adults (60-64) receiving benefits under the *Family Benefits Act* were moved to *Ontario Works*.

As of November 2002, there were approximately 2,000 two-parent families, 4,000 single people, and 4,500 sole-support families (mostly sole-support mothers) living on welfare in Hamilton. As of November 2002, there were approximately 12,500 children living on welfare in Hamilton.

The bulk of the Ontario Works caseload is made up of a number of groups who may face barriers to accessing the job market: sole-support mothers; people who do not have a high school education; older adults 60-64; and people with disabilities who do not fit the criteria of the Ontario Disability Support Program, or who are waiting to hear whether they are eligible.

All of these groups, with few exceptions, are required to do a job search, participate in mandatory training activities, such as resume writing workshops, and in some cases are required to work.

### What is the Ontario Disability Support Program (ODSP)?

The **"Ontario Disability Support Program"** is the name of Ontario's current income support program for people with disabilities. The *Ontario Disability Support Program Act* was passed into law in 1998, replacing those parts of the *Family Benefits Act* that concerned people with disabilities.

The ODSP definition of "disability" is more strict than it was under the *Family Benefits Act*. This means that some people with disabilities, who would have previously been eligible for income assistance under the *Family Benefit Act*, would not now be eligible to receive benefits through ODSP.

Furthermore, people with disabilities requiring emergency income assistance must now enter the system through Ontario Works while they wait to hear whether they meet ODSP's eligibility requirements. This means not only that they must survive on much less income, but that they must look for a job, even though they may be limited in their ability to undertake an extensive job search, not to mention the significant barriers that people with disabilities can and do often face in finding meaningful work.

Hamilton's legal clinics report that some people applying for ODSP are waiting years before accessing the system even though they are clearly eligible.

### **Problems with Ontario's Major Income Security Programs**

#### A) Levels of Assistance

One of the men who participated in the meetings held by HICFAW told us that

"In the past I've had to give up an awful lot. I owned a car at one time that I had to give up because I couldn't afford to keep it under the assistance program. I had to give up a telephone because it was an extra bill that I just couldn't afford to pay. Just trying to keep a roof over our heads and food in our house is very difficult . . . We rely on food banks an awful lot because of the fact that we just don't have enough to carry through the month. It is very difficult."

The purpose of a social assistance program is to provide financial assistance to people who are currently without any other means of financial support.

According to Statistics Canada, the unemployment rate refers to the percentage of people in our community without a job who are actively looking for work. In Hamilton, the unemployment rate currently hovers between 6% and 7%. This means that there are nearly 20,000 people in Hamilton who are currently unemployed, and are looking for work at any one time.

How do these almost 20,000 people support themselves financially when they are unemployed? Of the almost 20,000 people who are currently unemployed in Hamilton, some may be able to find another job quickly. Others may be eligible to temporarily collect Employment Insurance. Some of these people

may temporarily rely on family members or friends for support. Others may have assets or savings that they rely on to bridge the gap between jobs.

For people from 16-64 living in Ontario, Ontario Works and the Ontario Disability Support Program are the income security programs of last resort. For many people that apply for OW or ODSP, these are the only programs available that can provide them with the income they need to pay the rent and feed themselves and their children. Many people who apply for social assistance are thus already facing the grim realities of homelessness and hunger.

Unfortunately, even if a person requiring support is able to access the system, the levels of assistance provided through both Ontario Works and the Ontario Disability Support Program are not enough to provide for the basic necessities of life. As a consequence, many living on social assistance in Ontario undergo a daily struggle to maintain their housing and put food on their table.

## B) Service Delivery

The impact of poverty on individuals and families living on social assistance in Hamilton has many negative consequences not only for themselves and their children, but for the community as well. The difficulties faced by people living in absolute poverty are made worse by problems with the way these programs are delivered. Being deprived of basic necessities is thus not the only difficulty faced by people who rely on social assistance to meet their most basic needs. In addition, recipients of social assistance benefits through Ontario Works and ODSP are required to jump through a dizzying number of hoops to access the system, and maintain their benefits.

Many of the difficulties with the significant changes that have been made to the delivery system of Ontario's major social assistance programs are outlined in a recently published report entitled *Discouraged, Diverted and Disentitled: Ontario Works New Service Delivery Model*.<sup>1</sup> This report finds that

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<sup>1</sup> Dean Herd and Andrew Mitchell, *Discouraged, Diverted and Disentitled: Ontario Works New Service Delivery Model* (Workfare Watch Project, 2002).

<http://www.socialplanningtoronto.org/CSPC-T%20Reports/Discouraged.pdf>

"the new SDM [Service Delivery Model], rather than being about improved service, in fact acts to inappropriately restrict entry and deny benefits to eligible people, in the service of the province's goals to reduce the caseload and save money. This systematic denial of benefits occurs throughout the application process . . ." <sup>2</sup>

Specifically, this report found that requests for information are often excessive and inappropriate; that the application and appeals processes are cumbersome and complicated; that these procedures and the language used is deliberately confusing; and that appeal times are greatly restricted.

A number of the individuals who attended the community meetings held by HICFAW echoed these and other problems with the new service delivery model, and commented on the adverse effects that the new service delivery model has been having on their well-being and self-esteem. Their remarks are included in Chapter 5 of this report.

### C) Employment Supports

Many of the people applying for social assistance in Hamilton belong to groups that face significant barriers to finding meaningful employment.

A 1995 study of social assistance recipients in Ontario found that between 60 and 65 per cent of the respondents (depending on the family type) had a high school education or less, and that between 38 and 45 per cent had not completed high school. More recently, the National Council of Welfare reported that 70% of the municipal caseload in Ontario had a high school education or less.<sup>3</sup>

The Ontario Works program includes sole-support parents, some of whom were transferred from the *Family Benefits Act* program. A 1998 report of the Toronto Social Services Division indicated that single parents would become a growing share of the City of Toronto's caseload;

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<sup>2</sup> Dean Herd and Andrew Mitchell, *Discouraged, Diverted and Disentitled: Ontario Works New Service Delivery Model* (Workfare Watch Project, 2002).

<sup>3</sup> Ornstein, Michael, *A Profile of Social Assistance Recipients in Ontario*, (Toronto: York University, Institute for Social Research, June 1995). See *Broken Promises: Welfare Reform in Ontario* (Workfare Watch Project: Interim Report; 1999) <http://www.welfarewatch.toronto.on.ca/promises/>

There will be an increase in the number of people in financial need that will now apply for financial assistance under O.W.A. who would previously have been eligible for Family Benefits, but who do not qualify as disabled under the new Disability Support Program. Among this group will be those with health problems that are not defined as disabling, people aged 60-64 . . . Single parents, [and] those now designated permanently unemployable under G.W.A . . .<sup>4</sup>

As of November 2002, households headed by sole-support parents (mostly single mothers) currently make up 51% of the Ontario Works caseload in Hamilton, representing 8,564 children.

A 1999 report produced by the Workfare Watch Project provides substantial evidence that the Ontario Works program has lived up to few of its promises. One of the promises of the Ontario Works program has been to assist individuals to enter or re-enter the workforce. The *Broken Promises* report concludes "Inadequate benefits, tighter eligibility restrictions . . . and the lack of real employment programs" has "made it harder, not easier for people to leave welfare for work."<sup>5</sup>

One of the findings of the *Broken Promises* report for which we provide further evidence here is that

The extreme poverty of life on welfare hinders many people's efforts to find a job. Recipients are finding it increasingly hard to maintain decent housing, feed and clothe themselves. For many people the result is an increasingly unstable and marginal existence, deteriorating physical and mental health. Without stable housing and adequate nutrition, planning for the future—like re-entering the job market—is impossible. People's lives become dominated by the day-to-day struggle for simple survival.<sup>6</sup>

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<sup>4</sup> See *Broken Promises: Welfare Reform in Ontario* (Workfare Watch Project: Interim Report; 1999) "All of these groups consist of people who tend to remain on assistance longer, and require more expensive and intensive interventions to allow them to re-enter the labour market. Unfortunately, . . . this is precisely what Ontario Works cannot deliver."

<sup>5</sup> *Broken Promises: Welfare Reform in Ontario* (Workfare Watch Project: Interim Report; 1999).

<sup>6</sup> *Broken Promises: Welfare Reform in Ontario* (Workfare Watch Project: Interim Report; 1999).

## D) Welfare Fraud

The Ontario government has instituted a zero tolerance policy on welfare fraud. Under the zero tolerance policy, those convicted of welfare fraud are permanently banned from receiving benefits in the future.

According to Ontario's Ministry of Community, Family and Children's Services, in December 2001 there were almost 700,000 people receiving social assistance through Ontario Works. In 2000-2001, Ontario investigated 52,582 social assistance recipients for fraud. Of these, only 430 people were criminally convicted of welfare fraud. This number represents less than 1% of social assistance recipients investigated, and less than 0.1% of the total number of people receiving social assistance in Ontario. Of the 22,000 calls to the province's welfare fraud "hot line" in 2001, over 95% proved baseless.

What impact is the ban having on people receiving social assistance, and the municipalities that now deliver these programs? According to the City of Toronto's Social Services Division, the ban on welfare fraud forces people to rely on homeless shelters that are more expensive to fund than social assistance. If shelter space is not available, it leaves them homeless and destitute.

Children with parents who are banned may lose their housing and/or access to food and potentially be taken into care by Children's Aid.

Loss of access to drug cards and other medical benefits will be particularly serious for people with disabilities who may face life-threatening situations.

People will lose access to employment support services that are in place to assist them to get jobs.

The tragic death of Kimberly Rogers, who died in her Sudbury apartment under house-arrest for welfare fraud during a record-setting heat wave in August 2001, has become the centre of the debate in Ontario on welfare fraud and Ontario's zero tolerance policy.<sup>7</sup>

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<sup>7</sup> See the Committee to Remember Kimberly Rogers website, which contains a listing of over 50 internet links to articles on Kimberly Rogers and Ontario's zero tolerance policy on welfare fraud. [http://dawn.thot.net/Kimberly\\_Rogers/](http://dawn.thot.net/Kimberly_Rogers/)

The following local governments have taken action to oppose the ban:

Brant County Council  
 City of Greater Sudbury  
 City of North Bay  
 City of Ottawa  
 City of Toronto  
 County of  
 Northumberland  
 London City Council  
 Regional Municipality of  
 Waterloo  
 Simcoe County Council  
 Thunder Bay DSSAB,  
 and York Region.

### ***The Coroner's Jury into the Death of Kimberly Ann Rogers***

#### **Recommendations:**

The Ministry of Community, Family, & Children's Services and the Ontario Works Program should assess the adequacy of all social assistance rates.

The zero tolerance lifetime ineligibility for social assistance as a result of the commission of welfare fraud, pursuant to Ontario Works Act, 1997, O. Reg. 134/98 Section 36 should be eliminated.

A provision should be added to the Ontario Works Act permitting Local Ontario Works Administrators to exercise discretion in the use of any suspension of Ontario Works benefits, in instances that could be life-threatening to client and/or dependents.

In 2000, a report was prepared at the request of the Regional Council of Hamilton-Wentworth examining the proposed zero tolerance policy on welfare fraud. This report found that

"The proposed legislation is quite severe and would have adverse effects on the future well being and lifestyles of those affected. There will be serious impact on community resources to support those recipients who have no viable means of support through this legislation. The projected savings to the municipality through this legislation is negligible based on current figures." [Follow-Up Report -- Zero Tolerance (SPH00026)].

As a result of this finding, the City of Hamilton passed a resolution to limit the lifetime ban on welfare fraud. Despite widespread opposition from municipal governments and the recommendations of the inquest into Kimberly Rogers untimely death, the Provincial Government continues to require municipalities to aggressively implement this policy."

### **Our International Obligations**

In 1976, the federal government, after consulting with the provinces, signed the *International Covenant on Economic, Social and Cultural Rights*. This document affirms the right of everyone to an adequate standard of living, including adequate food, clothing, and housing. Signing this international covenant obligates all levels of government in Canada to undertake measures

to ensure that everyone has an adequate standard of living, including food, clothing and housing.

Article 25 of *The Universal Declaration of Human Rights* states that

Everyone has a right to a standard of living adequate to the health and well-being of himself [herself] and his [her] family, including food, clothing, housing, and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other loss of livelihood in circumstances beyond his [her] control.<sup>8</sup>

Current social assistance policies in Ontario contravene the terms of these international covenants. Far from living up to its international obligations, the government in Ontario has diverted millions of dollars from social assistance and other social programs to provide tax breaks for people who are relatively well-off. As a result, individuals and families on social assistance in Ontario have become increasingly marginalized and are much worse off than they were prior to 1995.

Far from making an effort to improve the standard of living of people living on social assistance, the government of Ontario has adopted policies that have directly undermined the standard of living of individuals and families who rely on social assistance to meet their basic needs. Grossly neglecting its international obligations, Ontario is currently violating the rights of individuals and families who are forced to resort to social assistance by having established policies that directly undermine their standard of living, and increasingly deprive them of the most basic necessities of life.

### **Do the Math!**

"I'm on Ontario Works. I'm fifty years old . . . I receive \$494 a month. My rent is \$540. Figure out the difference."

The main focus of this report is to show that the benefits to which recipients are eligible through OW and ODSP provide less than is required to afford the most essential necessities of life.

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<sup>8</sup> See also *International Covenant on Economic, Social and Cultural Rights*, Article 11(1); *Convention on the Rights of the Child*, Article 27(3); and, *International Convention on the Elimination of All Forms of Racial Discrimination*, Article 5(d).

In October 1995, the maximum monthly income of a single person living on welfare dropped overnight from \$663/month to \$520/month.

**The maximum amount a single individual is currently eligible to receive on Ontario Works is \$520 a month.**

In Hamilton the average market rent for a bachelor apartment is \$472. A single person on Ontario Works who is paying average market rent for a bachelor apartment thus has a total of \$48—or \$12 a week--left over to cover all of his or her other expenses for the month, including food, clothing, transportation, telephone, utilities, personal hygiene products, etcetera ( $\$520 - \$472 = \$48$ ).

Average rent for a 1 BR apartment in Hamilton is \$591. A single person on Ontario Works who is paying average market rent for a 1 BR apartment in Hamilton is already \$71 in the hole after paying his or her rent ( $\$591 - \$520 = \$71$ ).

The math is simple. In the case of a single individual paying average market rent, it is plainly the case that Ontario Works does not provide sufficient income support to afford the most basic necessities of life.

This report clearly shows that current levels of income assistance provided through both OW and ODSP are not sufficient to cover the cost of the most basic necessities of life. If the purpose of these income security programs is to provide people with sufficient income to afford the basic necessities of life, then the benefits provided through OW and ODSP are clearly inadequate and need to be increased.

## 2.0 HOUSING

- **In Ontario, the maximum amount an individual or family on social assistance can receive for shelter is well below the average market rent for an apartment in Hamilton**
- **Rents continue to rise at twice the rate of inflation, while social assistance levels have remained static**
- **As a result of rising rents, the number of rental units in Hamilton that are affordable to people with very low incomes is shrinking, forcing more and more people into unsafe and over-crowded conditions, into emergency shelters, or onto the streets**
- **Emergency shelters in Hamilton are regularly over-capacity, as the number of people experiencing homelessness continues to rise**

Stable housing is crucial to the physical and mental well-being of both adults and children. Unfortunately, many people living on social assistance in Ontario must struggle month-to-month to pay the rent, and many are living in sub-standard accommodation. Still others are homeless and are currently staying temporarily in one of Hamilton's growing number of emergency shelters, in motels, in cars, in tents, or on the streets.

While some people on social assistance are in rent-geared-to-income housing, many are tenants in the private rental market. According to provincial data, 95% of Ontario Works recipients are tenants, yet only 18% of these households live in subsidized housing.<sup>9</sup> This means that most individuals and families on Ontario Works live in the private rental market.

Some people on social assistance are currently experiencing homelessness and are looking for a room or apartment in the rental housing market, or are on the growing waiting list for rent-geared-to-income housing.

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<sup>9</sup> See *Broken Promises: Welfare Reform in Ontario* (Workfare Watch Project: Interim Report; 1999).

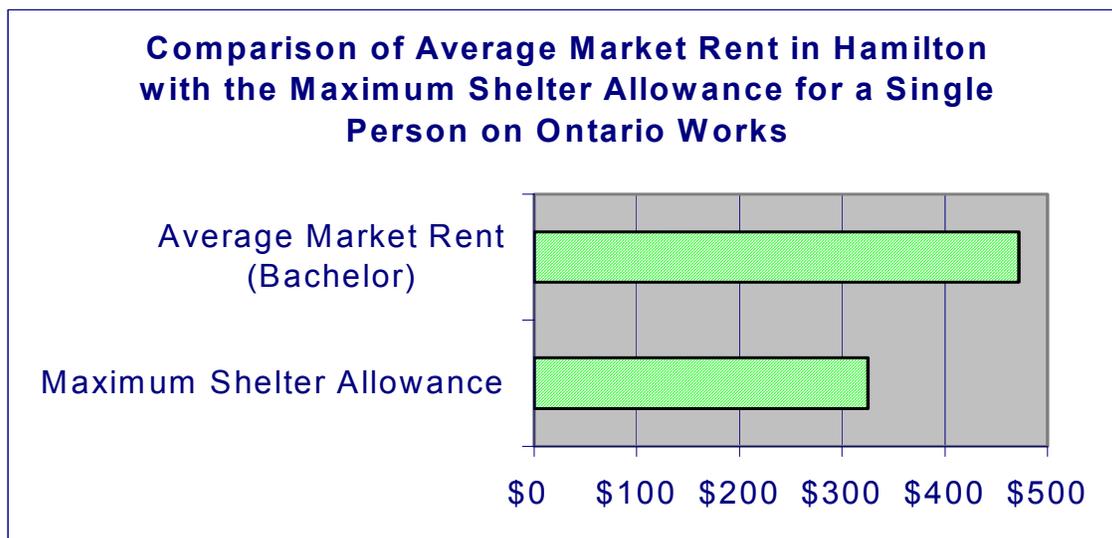
## The Maximum Shelter Allowance

The "**Maximum Shelter Allowance**" is the maximum amount that a person on OW or ODSP is eligible to receive for housing. An individual or family is not eligible for a shelter allowance unless they have rent or mortgage payments and can produce receipts. This means that individuals and families living on social assistance do not receive a shelter allowance if they are homeless.

The shelter allowance portion of Ontario Works is nowhere near the average cost of rent in the city of Hamilton. As a result, People on social assistance in Ontario are paying much more in rent than the maximum that they can receive to cover their shelter costs. Furthermore, for those individuals or families on social assistance who are currently homeless, it is unlikely that they will be able to find an affordable place to live in the private rental market because the shelter allowance is too low.

## Ontario Works

The following chart compares the average market rent for a bachelor apartment in Hamilton with the maximum shelter allowance for which a single person is eligible on Ontario Works.



A single individual on Ontario Works receives a maximum shelter allowance of \$325/month. It is clear from this table that for a single individual paying

average market rent, the shelter allowance provided through Ontario Works is insufficient.

### ODSP

According to the Canada Mortgage and Housing Corporation (CMHC), housing is "affordable" if a household is paying 30% or less on housing related costs. Many people currently living on social assistance in Ontario are paying well over 50% of their income on rent.

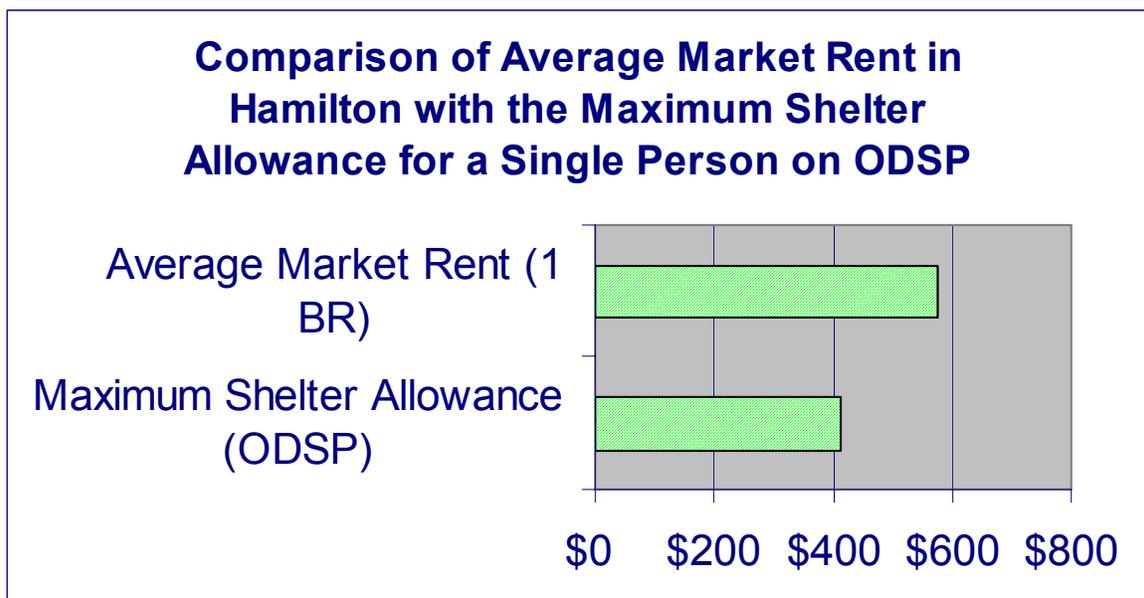
The current maximum shelter allowance for a single individual on ODSP is \$414/month. One woman in receipt of benefits through ODSP told us that

"Currently I'm paying over half of my money to rent, and my rent is going up again. I've been on disability for at least 6 years, and in that time it hasn't gone up one iota."

Another woman on ODSP said:

"I've been on disability for quite a long time, it's been years in fact, and the amount has never, ever, ever, ever, gone up. When I first moved into the apartment I lived at for 8 years my rent was at the \$414 level. Over the years, it went up over \$130 dollars, and that has cut into my food money and, uh, my basic needs money. You're just constantly getting poorer."

The following chart compares the average market rent for a 1 BR apartment in Hamilton with the maximum shelter allowance for which a single person is eligible on ODSP.



It is clear from this table that for a single individual paying average market rent, the shelter allowance provided through ODSP is insufficient.

The following table compares the maximum shelter allowance for households of different sizes with the average rents of an apartment in Hamilton.

### **COMPARISON OF THE MAXIMUM SHELTER ALLOWANCE FOR HOUSEHOLDS OF DIFFERENT SIZES WITH AVERAGE MARKET RENTS**

	<b>MAXIMUM MONTHLY SHELTER ALLOWANCE (\$)</b>	<b>AVERAGE MARKET RENT (\$)</b>	<b>SHORTFALL (\$)</b>
<b>Single Person (OW)</b>	325	472 (Bachelor)	(147)
<b>Single Person (ODSP)</b>	414	591 (1 BR)	(177)
<b>Single Parent with Two Children (under 12) (OW)</b>	554	713 (2 BR)	(159)
<b>Couple with Two Children (under 12) (OW)</b>	602	713 (2 BR)	(111)

As this table clearly shows, the shelter allowance portion of social assistance is in every case well below the average market rent for an apartment in Hamilton.

#### **Rents in Hamilton Continue to Increase**

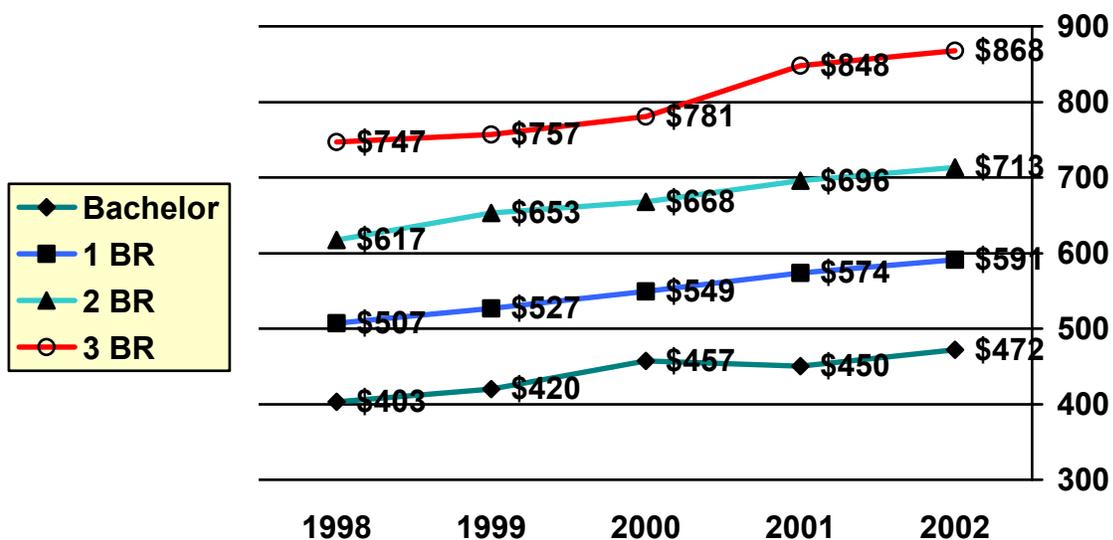
Another piece of provincial legislation that has hurt tenants in the private rental market is the *Tenant Protection Act*. The TPA lifted caps on the amount a landlord could raise the rent of a vacant apartment. This is sometimes called "vacancy de-control."

The current government expected that increasing rents due to vacancy de-control might encourage private housing developers to build more rental housing. Vacancy de-control, however, has not produced new affordable rental housing as expected. Instead, vacancy rates in cities across Ontario remain dangerously low.

Low vacancy rates means that the demand for housing in the private rental market is greater than the supply. In the context of vacancy de-control, it is legal for landlords to capitalize on the fact that there are a lot of people with low incomes competing for a shrinking supply of affordable vacant rental market units.

As a result, average rents in Hamilton have increased rapidly. The following chart indicates the increases in average market rents for various bedroom types. As this chart reveals, average market rent for all bedroom types have been increasing steadily since 1998. On average, for all bedroom types, rents in Hamilton have risen by 16.4% since 1998. Currently, increases in the average cost of rents in Hamilton are running at almost twice the rate of inflation.

### AVERAGE COST OF RENT IN HAMILTON BY UNIT SIZE



### The Impact of the Disparity between Shelter Allowances and Rents

The increasing cost of rents in Hamilton has had a devastating affect on those living on fixed incomes, which includes those people receiving benefits through OW and ODSP. The rapid increases in the cost of rents means that many individuals and families on social assistance have had to cut back on other basic necessities like food, move to a cheaper apartment or face eviction.

The inadequacy of shelter allowance rates, plus the fact that rents have been rising in Hamilton, has meant that many people living on social assistance have been forced to use more and more of the money that they receive for food and other basic necessities to pay their rent. Details of the impact that this has had on food bank use in Hamilton is provided in the following chapter.

The rising cost of shelter in the city of Hamilton has forced some people on social assistance to move into more affordable accommodation. Sadly, for many people struggling to survive on social assistance, this has meant that they have had to move into accommodation that is sub-standard.

One of the major themes that has emerged in community-based research recently done in Hamilton is the poor quality of Hamilton's lower-end housing stock.<sup>10</sup>

The transcripts from the two community meetings held by HICFAW make clear that some individuals and families living on social assistance in Hamilton are residing in unsafe and overcrowded conditions. One man we talked to told us that his room had repeatedly been broken into. Another participant in our discussion group asked him about the situation. He replied:

"The reference I made to being robbed, in a large degree has to do with, believe it or not, with income. The place where I was living at the time, there was no lock on my door, uh, which allowed access to whomever wanted to enter my room. The Landlord saw no need to replace the lock or do anything to repair it and the income that I was receiving did not allow me to move to a better place that had some sort of security. As a result, because of income, I ended up being robbed in the middle of the night."

One woman on ODSP told us what her living situation was like before she got into subsidized housing

"Before I got into subsidized housing, I was in a place for about 8 years. It [my rent] went up \$150 over that period and, um, I was living with rats, mice, and cockroaches. . . ."

Some people living on social assistance in Hamilton are finding that they have no other option but to move into sub-standard housing. This is having an

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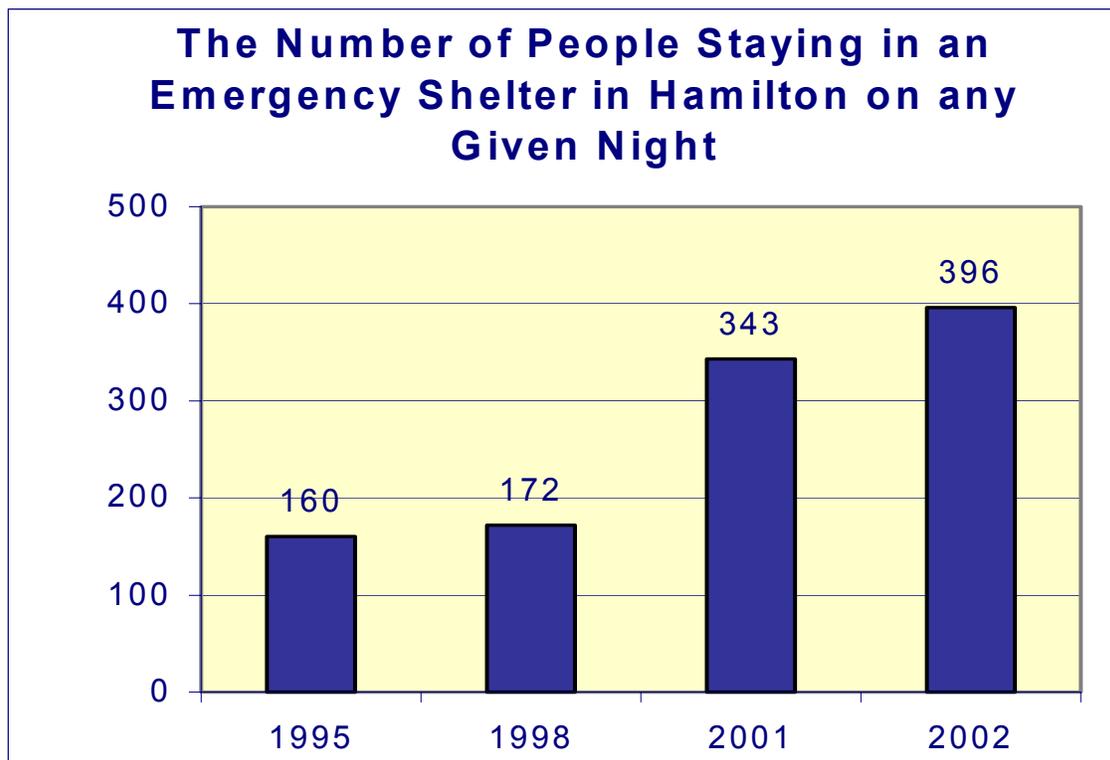
<sup>10</sup> *Consulting the Community about Homelessness and Housing: Structured Notes and Themes* (SPRC; 2003).

adverse impact on the health of people living on social assistance. One woman told us about what it has been like to be waiting to get into subsidized housing.

"I have been waiting for over a year. It makes things hard, because it just increases the stress. For me, because I have a mental illness, that stress makes my mental illness worse, which makes it more likely that I will end up in hospital which, in turn, costs you guys. Maybe it would be better if you just ended up giving a little extra money for rent so it would be a lot less costly for you in the end."

### Homelessness in Hamilton

The City of Hamilton is currently experiencing a homelessness crisis. It has been estimated that approximately 6,000 different individuals are forced to resort to emergency shelter in Hamilton each year.<sup>11</sup>



Sources: *Progress Report on Homeless in Hamilton* (SPRC; 2003); *Report Card on Homelessness in Hamilton* (SPRC, 2002); *Community Action Plan on Homelessness in Hamilton-Wentworth* (SPRC, 2000).

<sup>11</sup> "Emergency Shelter Gaps Analysis," City of Hamilton (August 2001).

One of the men we interviewed asked whether it is cheaper to provide people on social assistance with emergency shelter or to provide them with sufficient income to be able to rent an apartment in the private market.

"The shelters have grown and they are seeing a lot more people, food banks are seeing a lot more people. I'm not denying that; but is it cheaper to uh, let people in the shelter? Is it cheaper than to give the money to individuals to find a place to live?"

Emergency shelters in Hamilton currently receive a subsidy of \$38/day per person, or \$1152 per month. The Province pays for 80% of this per diem allowance, or \$922 per person per month. This is more than double the amount a single person receives for shelter on ODSP. A single person on ODSP is further eligible to receive a maximum Basic Needs Allowance of \$516 per month even if they are living in an emergency shelter. This means it can cost the Province \$1438 per month to put up a single person on ODSP up in an emergency shelter rather than provide them with sufficient income to be able to afford decent, stable housing at average market rents.

One of the women we interviewed pointed out that

"As far as shelter goes, they simply don't cover enough for shelter. They never have done, and I really think they need to look at the overall cost of shelter in the city."

Another women who attended our community meetings recommended that

"There needs to be an increase in the basic shelter allowance, after careful examination of the general basic rents for decent housing."

Increasing the maximum shelter allowance would enable people living on social assistance to afford to rent a decent apartment in the private market. This would have a number of positive spin-offs.

- People will not have to use their food money for rent. This will take pressure off the growing demand for food banks and meal programs in Hamilton.
- Providing people on social assistance with enough money to get an apartment will enable some people to move out of an emergency shelter (or some other temporary living arrangement) into housing. This will take

pressure off of the growing demand for space in the emergency shelter system.

- People will be able to move from sub-standard accommodation into decent housing. The decrease in demand for sub-standard housing at the low-end of the rental market may encourage the rehabilitation and up-keep of Hamilton's deteriorating stock of low-end rental housing.

Increasing the maximum shelter allowance portion of social assistance benefits will thus

- improve the ability of individuals and families on social assistance to find and maintain stable and decent housing;
- mean that individuals and families on social assistance will not have to live in unsafe, unhealthy or over-crowded conditions; and,
- reduce the demand for emergency food and shelter services.

### 3.0 FOOD

- The number of people in Hamilton using food banks continues to increase dramatically
- 75% of all food bank users in Hamilton are on either Ontario Works or ODSP
- In 2002, 48% of user households had children; of these, 60% were headed by a single parent
- 81% of parents using food banks in Hamilton report that they go without food on a regular basis so that their children can eat<sup>12</sup>

#### Food banks in Hamilton

During a recent water main break in Hamilton that caused widespread flooding in the Locke Street Neighbourhood, insurance companies reassured local residents that they would be provided with emergency income assistance for immediate food and clothing needs--not so for individuals and families living on social assistance. Rather than provide sufficient income assistance for food and rent, individuals and families on social assistance are resorting in growing numbers to emergency food and shelter services.

The number of people in Hamilton resorting to food banks and meal programs has been rising steadily. One of the men who participated in our group meetings said:

"I've been on welfare or family benefits for about ten years . . . Going back to when the Harris government first came in, the first thing they did to me and my son, who was living with me at the time, was to cut down our income by 21.6%, and I think the first problem that came up then was we had to start going to food banks. Before that, I had been able to manage without using food banks."

One of the women we interviewed reported that

"I depend on food banks from the 1st to the 15th and my daughter is going to food banks. She is going to The Rock [Living Rock Ministries] every day and gets

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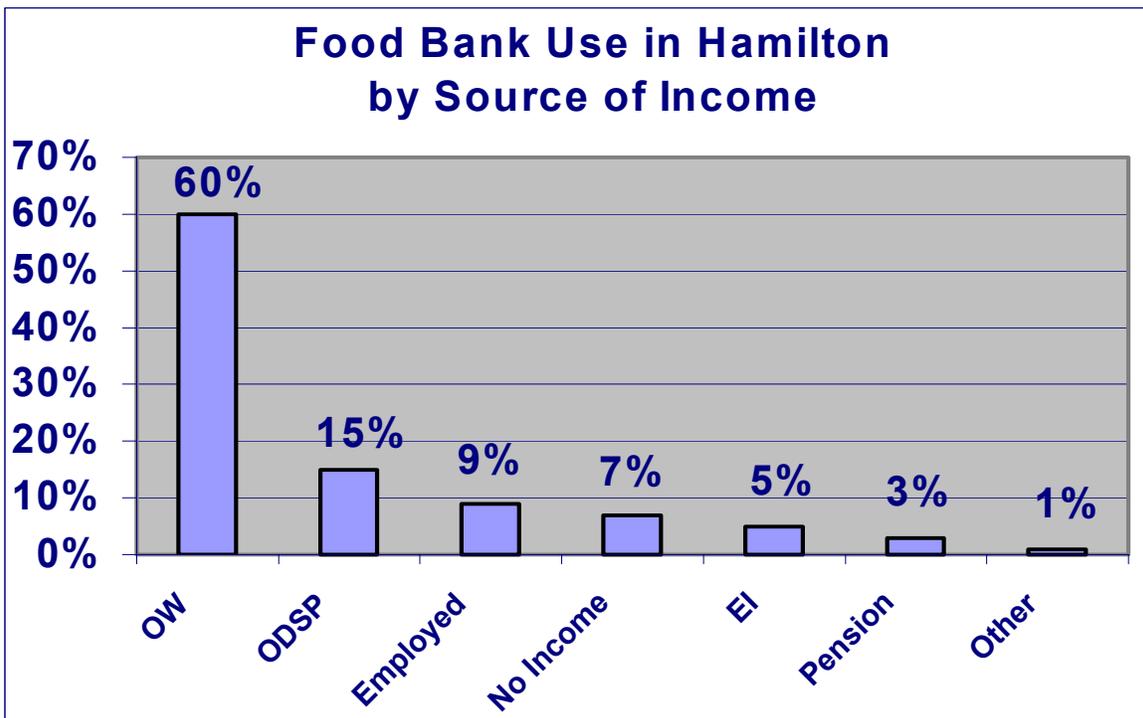
<sup>12</sup> *Homelessness Funding Update: Interim Status Report*, Hamilton Food Share (December 2002).

breakfast; she gets bus tickets; she gets a meal. You know it's kind of ridiculous for a teenager to be going to a food bank to get food for her mother and for her family . . . I'm getting too nervous, sorry."

Another woman who we talked to said

"I use money that should be going to food and other stuff for my rent. The only reason I'm doing okay right now is because I'm getting assistance for food from my church and I'm very fortunate."

As the chart below testifies, an overwhelming number of people using food banks in Hamilton are on social assistance.



Hamilton Food Share, 2002

As this chart shows, a full 75% of food bank users in Hamilton are on social assistance.

From the community meetings held by HICFAW, we learned that many parents on social assistance are not able to provide their children with a nutritious diet. One of the women we spoke to told us that

"I found that what I got from food banks was not always, never really enough to fill the gap . . . . You know, you are depending on how much the food bank has to give you every month . . . . Sometimes you're just not getting enough."

The lack of nutritious food is compromising the health of people on social assistance, many of whom are children.

"I know myself that the third week of every month I have to resort to food banks. My little one, my two and a half year old, sometimes she's not getting the proper nourishment and the vitamins that she needs. As a result, sickness comes along and it costs me more money to pay for medication to keep this family going. We all suffer one way or another because of a lack of funds."

One man we interviewed remarked on the impact that the lack of food is having on his children's education.

"As a result [of cutbacks to social assistance], people are going to food banks like myself. I have three children at home. I'm sixty years old. I've got a thirteen year old, a nine year old and a two and a half year old and these children need food . . . They can't have a proper education because they don't have the proper food in their stomachs."

Providing individuals and families on social assistance with sufficient income to afford a nutritious diet for themselves and their families would have a number of positive impacts, including

- improving the health of individuals and families living on social assistance;
- reducing food bank use; and
- enabling children living on social assistance to improve their educational performance<sup>13</sup>

Children in low-income families are over two and one-half times more likely than children in high-income families to have a problem with one or more basic abilities such as vision, hearing, speech or mobility.

One in six teens (aged 16 to 19 years) from low-income families is neither employed nor in school, compared to only one teen in 25 from middle—and high-income families.

More than one third of children from low-income families exhibit delayed vocabulary development, compared to only eight percent of children in high-income families.

**"Family Income and Child Well-Being"**  
(ISUMA, 2000)

<sup>13</sup> The connection between low income levels and educational performance is outlined in greater detail in David Ross, Paul Roberts, and Katherine Scott, "Family Income and Child Well-Being," *Isuma: Canadian Journal of Policy Research*, vol. 1, no. 2 (Autumn 2000).

## 4.0 THE MOST BASIC NECESSITIES OF LIFE

In this chapter, current social assistance rates in Ontario are compared with the cost of a minimal list of basic necessities. This report raises the question "What would be an adequate level of social assistance?" The aim of this chapter is not, however, to identify an acceptable dollar amount. For this purpose, it would be necessary to take into account a much larger range of basic goods and services. Instead, in this chapter only a minimal list of basic necessities is considered. These costs are not, therefore, presented here as a poverty line, which would take many other items into account. The general assumption of this report is that the costs for the most basic necessities itemized here fall well below what might be considered a reasonable poverty line.

The main finding of this chapter is that maximum social assistance rates for households of various sizes in Ontario fall short of the cost of even a minimal list of the most basic needs.

### The Basic Needs Allowance

The "**Basic Needs Allowance**" is provided to recipients of income assistance to cover items such as food, clothing, utilities, personal care products, laundry, household maintenance, and in many cases, transportation--all of these basic necessities of life cost money. We live in a money economy, where people need a basic income to afford these basic needs.

In calculating the maximum in social assistance benefits that an individual or family can receive, the Maximum Basic Needs Allowance has been added together with the Maximum Shelter Allowance.

### The Basic Necessities of Life

For the purposes of this report we will define the most basic necessities of life as housing, food, transportation, and a basic telephone line.

Note that this list of basic necessities is minimal. It does not include other essential items such as personal hygiene products (soap, toothpaste, etc.),

laundry costs, clothing costs, etcetera. The following is a list of basic items that are not included on our list of the most basic necessities of life.

- Utility costs such as heat and hydro
- Connection fees/deposits for utilities and telephone
- Laundry costs
- Household cleaning products
- Clothing
- Toiletries such as Toothpaste, toothbrushes, razors, soap, etc.
- Feminine hygiene products
- Non-prescription drugs
- Costs associated with having children in school
- Childcare
- Recreation facility fees

### **The City of Hamilton's Nutritious Food Basket**

The City of Hamilton's "**Nutritious Food Basket**" is an estimate of the basic cost in Hamilton of purchasing nutritious food for a month.

It should be noted that Hamilton's Nutritious Food Basket represents a minimal list of basic food necessities. Not included in the City of Hamilton's nutritious food basket are "items with little nutritional value" and "non-food items."<sup>14</sup> The Nutritious Food Basket for Hamilton does not take account of purchases such as "convenience foods, soft drinks, popular snack foods, soap, shampoo and other personal items that most people add to their shopping cart" such as laundry detergent, toilet paper, toothbrushes, toothpaste, feminine hygiene products or diapers.<sup>15</sup> Nor does the City of Hamilton's Nutritious Food Basket make allowances for food spoilage or special dietary needs.

### **Transportation**

Being able to get around the city is essential if individuals and families are to be able to access community services, participate in the social life of the community, and access training and employment opportunities. Many of the people we interviewed identified transportation as a serious issue:

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<sup>14</sup> "How much Does Healthy Eating Cost?" City of Hamilton (2002).

<sup>15</sup> "How much Does Healthy Eating Cost?" City of Hamilton (2002).

"I live on Welfare . . . Once my rent is paid I have a hundred and thirty dollars left for the month. I have severe limitations in my ability. I can't walk far; I can't stand for more than just a few minutes. Uh, so that leaves me at home most of the month. When I have to provide myself with groceries and whatever, I don't have the luxury of travelling around in the winter, as most people do. I don't have the luxury of travelling to church. Transportation is a serious problem. I don't want to stay on welfare, that's not what I want to do. I want to go back to work, limitations or not."

The cost of a bus pass(es) has thus been included as a basic cost on our list of the most basic necessities of life.

### **Telephone**

We have also included on our list of the most basic needs the cost of a basic phone line. Currently the rate of a basic residential phone line in Hamilton is \$22.14 plus PST and GST, which comes to a total of \$25.46.

Note that this amount does not include the cost of renting a phone or any other services, nor does this monthly cost include connection fees, or the cost of a deposit which is now required for many accounts.

### **The Personal Needs Allowance (PNA)**

For people on ODSP, we have included the amount of the Personal Needs Allowance to cover some of the other costs of daily living such as clothing. Currently, only individuals living in residential care facilities receive a Personal Needs Allowance of \$112 per month. This is personal income provided to individuals above and beyond the services that are provided by the residential care facility, which varies, but typically includes food, a room, telephone and laundry. Recent research in Hamilton has determined that this amount is inadequate and recommends that the Personal Needs Allowance be raised to \$160 per month.<sup>16</sup>

It is the assumption of this chapter that providing minimal expense figures will only make the argument stronger, and the shortfall between the basic costs of living and maximum social assistance rates more striking. For the

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<sup>16</sup> Wilton, Rob. *Meeting our Needs? Living on Ontario's Personal Needs Allowance* (June 2001).

purposes of the report, therefore, we will use the current allowance of \$112 per month.

### COST OF THE MOST BASIC NECESSITIES OF LIFE ACCORDING TO HOUSEHOLD SIZE

	Single Female (OW)	Single Male (ODSP)	Single Mother with Two Children (under 12) (OW)	Couple (Male and Female) with Two Children (under 12) (OW)
<b>Average Market Rent</b>	\$472 (Bachelor)	\$591 (1BR)	\$713 (2BR)	\$713 (2BR)
<b>Nutritious Food Basket</b>	\$137.04	\$184.78	\$325.51	\$470.82
<b>Transportation</b>	\$61	\$61	\$107	\$168
<b>Telephone</b>	\$25.46	\$25.46	\$25.46	\$25.46
<b>Personal Needs Allowance</b>	N/A	\$112	N/A	N/A
<b>Total</b>	<b>\$695.50</b>	<b>\$974.24</b>	<b>\$1,170.97</b>	<b>\$1,377.28</b>

### COMPARISON OF MAXIMUM SOCIAL ASSISTANCE BENEFITS FOR DIFFERENT HOUSEHOLD SIZES WITH THE COST OF THE MOST BASIC NECESSITIES OF LIFE

	Single Female (OW)	Single Male (ODSP)	Single Mother with Two Children (under 12) (OW)	Couple (Male and Female) with Two Children (under 12) (OW)
Maximum Social Assistance Benefits	\$520	\$930	\$1,086	\$1,178
Most Basic Monthly Expenses	\$695.50	\$974.24	\$1,170.97	\$1,377.28
<b>Shortfall</b>	<b>(\$175.50)</b>	<b>(\$44.24)</b>	<b>(\$84.97)</b>	<b>(\$199.28)</b>

These tables clearly show that the maximum amount an individual or family on social assistance is eligible to receive is, in each case, not even enough to afford our minimal list of the most basic necessities of life.

## 5.0 THE HUMAN COSTS OF POVERTY

- **Many people living on social assistance are not able to afford even the most basic necessities of life**
- **Extreme poverty is compromising the health and safety of people living on social assistance in Hamilton**
- **Extreme poverty is making it impossible for some people on social assistance to participate in the social life of our community**
- **Many people on social assistance experience Ontario Works and the Ontario Disability Support Program as unresponsive and oppressive**

Many people living on social assistance lack sufficient financial resources to cover the cost of the most essential necessities of life. In other words, many people on social assistance in Ontario experience deprivation, and by this measure are clearly living in absolute poverty.

Poverty can have serious impacts on the physical, psychological and emotional health of individuals and families. Poverty, as well, has serious social costs.

A number of the people we interviewed told us that they feel cut off from their family, friends, and the community. One man we spoke to told us that

"So many other things have happened because of the big 21.6% cut and also the inflation gradually eating away at your standard of living. It just gets more and more difficult to survive all the time, you keep cutting back on things, and it's not just food--things like transportation and clothing. It isolates you, you end up getting isolated from the rest of your community and sometimes your family and friends because you don't have the money to go to social events. You don't have the money for transportation just to go visit somebody--a family member or friend on the other side of town--and so you end up getting more and more isolated all the time. It is really a terrible thing to feel that way, that there is nobody. You are all alone and isolated from everybody else and the majority of people in your society are looking down on you as being some kind of a leech or sponge on society, or a criminal even. I don't know, so many problems . . ."

Another man said:

"If we have extra expenses like having to go to a wedding a funeral; these are extra unexpected expenses and when that happens we are indeed troubled . . . . We need more support to restore some dignity."

Other people that participated in the community meetings also expressed the difficulty that they have had in maintaining a sense of dignity and self-worth.

"It's very, very difficult for people that have been in the work force when they are denied that opportunity. It's very, very difficult to maintain your dignity day after day, month after month, year after year. There are so many other needs that, before, when I was walking, I was able to go to different functions. Now when there are invitations for weddings, birthday parties, and things like that, the answer is, "I'm sorry I can't go." I can't afford things like that, and I know it's unfortunately for the rest of my life . . . . It has been a big loss, not only financially but uh, the other, the dignity and self-esteem that goes with that. You lose your friends and it becomes very difficult even for people that we know."

Some parents told us that they have not been able to afford the additional expenses of an under-funded education system.

"It's more your kids you feel for in a way. You can survive yourself but, you know, you feel bad for the kids and now with the cut backs in the schools, they are asking parents to pay for more and more things. Every day is Chip Day or Walkathon Day or something, you know, and you just don't have that kind of money. I'm paying my own bus fare for these kids to go to school; two bus passes at \$43 each. Because the bus fare is not covered, that's got to come out of my food money."

As has already been mentioned, insufficient income is having a negative impact on the health of people living on social assistance in Hamilton. One of the women we interviewed said:

"I've lost so much weight and been so sick all winter, I have not been able to get the Vitamin C, or the tonic I need. I've lost a lot of weight, I mean, I've always been skinny but not quite like this."

### **The New Service Delivery System**

Some of the people that attended our community meetings told us that they have experienced oppression at the hands of the social assistance system.

"The OW system treats people so impersonally. They don't seem to realize that people are human. They want you to be able to give them job searches all the time. If you don't have job searches then you don't get your cheque at the end of the month, and both members of my family, my wife and myself, have to be out there looking. Like I said before, my wife has got a disability--they don't care. I just don't understand why they can't treat people with a little bit more humanity . . . . I've had to fight them a number of times to try to keep a cheque coming in. One time I forgot to send in my job searches, they held up my cheque. It's like, that's a hold they have on you and it's very demeaning. I think that they should re-evaluate what kind of role they play in a person's life. It's very important that they treat people with a little bit more humanity."

Some of the people we spoke with expressed anger at how they and others on social assistance are treated by the social assistance system.

"Financial programs that are run by the government are a joke. All it does is drive people into poverty, even more than they are now because they don't have enough money to survive, to buy food, and to pay for their housing. In reality, I feel that the financial programs of the government are nothing but financial slavery. They use their money to enslave people and they say 'if you don't sign these contracts, if you don't do this and you don't do that we're going to cut you off'."

Many of the people we spoke to found the social assistance system unresponsive, and expressed on-going frustration at the difficulties they faced in contacting a caseworker. Even when contact was made, a number of people we spoke to found that their caseworkers were not helpful.

"One of the biggest problems I've had since I've ended up in the system was trying to meet a worker. . . . The first worker that I had I tried repeatedly to meet with him because I wanted to upgrade my education. I have a wide and varied background, um, in management and sales, but I don't have any computer background and when I spoke to him on the phone only, regarding uh, something in computers, in each case that I brought it up he laughed and said "you're too damn old".

When I tried again, I did not meet with--I never met one of my workers--I've never met the person. When I did get to the social services office, I met with someone else. When I indicated that I wanted to work, they wanted me to apply for Disability. They insisted that I apply for Disability. When I stated that I wanted to go back to work, the first response I received was "With your limitations, why? Why on earth?" I told them it's a matter of me. I have to work, that's just my . . . that's me.

As a result of this, I received a form requiring that I do a regular job search otherwise I'll be assigned work. My limitations, you know, require that, uh, physical work is not a part of my qualifications. Uh, this doesn't make any difference to them and it's this whole demeaning attitude that they have, that I would severely love to see them overcome, one way or another. It seems the whole

purpose of a worker is to strip you of dignity; uh, strip you of self-worth so that you will succumb to the system and will keep your mouth shut, and not speak up."

"I wasn't able to get in my SIN number, and I was expecting my cheque. Instead of giving me some sort of notice about that--because I was literally with fever and trying to get out--um, they just cut me off without giving me any notice whatsoever."

"I've had my cheque held back, I don't know how many times now, I lost track. Just in the last year it's been like three times, and they didn't give me a reasonable explanation on any one of those times. It wasn't because I sent my blue slip in late or anything like that. They come up with some half-assed excuse like, "Well it took the Post Office twelve days to deliver your blue slip in the mail" or they tell me "It's a computer glitch". Then, when you keep pushing them, well, it turns out it's not a computer glitch. You sent your blue slip in five days late, which wasn't true; you know it was a lie. So sometimes it appears that they are just incompetent and, other times, it appears that they are deliberately trying to hurt you."

**We heard numerous complaints by participants about how they have been treated by workers.**

"The one time I met with her [the case worker] and the supervisor, was, she brought me to the outside office, so I've never even been, except to Mr. \_\_\_\_\_'s office, where you just sort of get pushed aside and he says, "Oh I can't deal with that letter", which is your letter saying that you're disabled and you wanted to get a referral over to the other office and the transportation letter. After I left the office that day, I was literally so sick I couldn't, I was, I just lost the month of November."

**Many of the people we interviewed told us that they experience anxiety, depression, and often feel overwhelmed as a result of the way they have been treated.**

"I really wish they'd change the uh, letters that they send out, saying that they're gonna cut you off and they don't state the reason why and get you all upset. So, you have to run to the Disability office. The wording is very demeaning and upsetting. I've been cut off a few times and I have ended up in the hospital because of it. Um, the workers make you do a lot of the running around and, and they ask you pick up this and pick up that and, uh, if you're not feeling well, it's not the greatest thing."

"When they decide they're going to change things, they mail everyone 1, sometimes 2 letters in a month . . . We don't need that--2, 3, 4 letters every month from them."

"I have difficulty with receiving letters from the Disability office, because every time I receive a letter, I think it's going to be something where it's cutting me off, or I've done something wrong."

"I don't go to my mailbox on Fridays because O.D.S.P. isn't open until Monday."

"I think the government always keep you in the dark. Most workers don't want to inform the general public as to what their rights are. For example, I went down to find out about moving costs, because I had to move. And, uh, she gave me a long list of things that were required, like a social worker's letter, a doctor's letter, two moving reports and on, and on, and on to the point it was so discouraging; . . . it was overwhelming."

## 6.0 KEY FINDINGS AND RECOMMENDATIONS<sup>17</sup>

### Key Findings:

1. Current, maximum OW and ODSP benefit levels are not sufficient to afford the cost in Hamilton of even a minimal list of the most basic necessities of life.
2. Many individuals and families on social assistance in Hamilton are living in absolute poverty, and are struggling to meet such basic needs as food and shelter.
3. Many people on social assistance are not able to afford a nutritious diet for themselves and their children.
4. Many people on social assistance are forced to resort to using food banks.
5. Many parents on social assistance are going hungry on a regular basis, so that their children can eat.
6. Being deprived of basic needs due to insufficient income is having an adverse impact on the health and safety of individuals and families living on social assistance in Hamilton.
7. For many people on social assistance, insufficient income and inflexible educational options are making it more rather than less difficult to pursue useful educational and employment opportunities.
8. Low levels of income assistance is making it impossible for some people on OW and ODSP to participate in social activities such as weddings, funerals, recreational activities, or even visits to family and friends.

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<sup>17</sup> Throughout this report "social assistance" refers to both Ontario Works and the Ontario Disability Support Program.

9. Low levels of income assistance, and aggressive caseload reduction, are contributing to the increasing demand for emergency services such as homeless shelters and food banks in Hamilton.
10. Many people on social assistance in Hamilton find it difficult to contact and be heard by a social service worker.
11. Many people on social assistance in Hamilton do not have a consistent caseworker.
12. People on social assistance in Hamilton report that the rules for maintaining their benefits are constantly changing, that the rules are not applied consistently, and that they are treated badly by the system.
13. People on social assistance in Hamilton report that they often feel angry, frustrated, overwhelmed or depressed.
14. People on social assistance in Hamilton report that they have difficulty in maintaining a sense of dignity and self-worth.
15. Many people on OW or ODSP in Hamilton find the new service delivery systems unresponsive, inconsistent and oppressive.

## **Recommendations:**

### **Social Assistance Benefits**

In developing the *Community Action Plan on Homelessness in Hamilton-Wentworth* (SPRC; 2000), a large and inclusive community meeting was convened to develop recommendations in seven priority areas to address the growing crisis of homelessness in our community. These priority areas included the need to address the growing problem of poverty in Hamilton, which was identified as one of the root causes of homelessness in our community. It was at this meeting that the Homelessness Initiative Campaign for Adequate Welfare (HICFAW) was formed.

It was agreed at this meeting that the best response to address the growing crisis of poverty in our community would be to immediately raise social assistance rates.

Although the mandate of HICFAW has been to address poverty at the local level in an effort to reduce homelessness, it is social assistance policies at the provincial level which have been the main focus of the work of HICFAW, and of this report.

As this report clearly shows, the levels of income assistance provided through Ontario Works and the Ontario Disability Support Program are inadequate.

*The Community Action Plan on Homelessness in Hamilton-Wentworth (SPRC: 2000)* recommends

a reinstatement of the 21.6% that was cut from social assistance rates in 1995. Additionally, that percentage should also reflect inflation rates since 1995.

Further, although ODSP recipients did not experience the 21.6% cutback in assistance, they have not received increases since 1995 and so should receive a 5.9% increase for inflation as well as a reinstatement of the many discretionary benefits that have been removed from ODSP (Priority Area Recommendation #29).

HICFAW continues to support the reinstatement of the 21.6% cut to social assistance rates in 1995, and the recommendation that maximum benefit levels for both OW and ODSP should be further raised to account for the increase in the cost of living since 1995.

HICFAW thus recommends that the 21.6% cut to social assistance rates in Ontario should be reinstated, and that maximum benefit levels for individuals and families on Ontario Works should be immediately increased by 21.6%.

HICFAW also recommends that this amount should be further adjusted to account for inflation since 1995. It is also recommended that maximum benefit levels for ODSP should be immediately increased to account for inflation since 1995.

It is recognized by HICFAW that even these increases may not be insufficient, and that to address the growing problem of homelessness in

Hamilton, an adequate level of income assistance for both programs should reflect the cost of rent.

HICFAW would thus support the recommendations of the Canadian Centre for Policy Alternatives (CCPA) which proposes that the basic needs allowance for both Ontario Works and the Ontario Disability Support Program be increased by the previously suggested amounts, and that the maximum shelter allowance portion for both Ontario Works and ODSP be raised to 85% of average market rents in Hamilton. As the CCPA points out, to implement this change would require

“eliminating the flat shelter allowance rate currently used in Ontario and replacing it with a rate that is variable by location and is tied to the prevailing average rents in each city.”

The members of HICFAW recognize that these immediate income security measures are first steps, which, however, will bring relief in the short-term to those on social assistance living in absolute poverty, and who are not able to afford such basic needs as food and shelter. As food bank data in Hamilton shows, moderate increases such as those recommended will have an immediate impact on the growing numbers of individuals and families in Hamilton forced to resort to food banks.

### **The National Child Benefit Supplement (NCBS)**

The Government of Canada funds the National Child Benefit program, which has been an important part of the federal government's strategy to address child poverty. For families on welfare in Ontario, many of which are headed by sole-support mothers, a portion of this benefit—the National Child Benefit Supplement (NCBS)—is clawed back by the provinces and reinvested in other social programs rather than going directly to the families in our community who most need it.

HICFAW recommends that the federal government and the government of Ontario immediately end the clawback of the National Child Benefit Supplement from families on Ontario Works.

### The Personal Needs Allowance (PNA)

Approximately 8% of people on ODSP in Hamilton live in residential care facilities, and receive only \$112 per month for all of their personal needs.

HICFAW recommends that the government of Ontario immediately increase the Personal Needs Allowance for individuals living in residential care facilities from \$112 per month to \$160 per month.

### The Need for Major Reform

Based on the findings of this report, as well as evidence provided by other reports cited in the Bibliography, the members of HICFAW conclude that Ontario's income security programs must undergo major reform.

It is the recommendation of HICFAW that a broad province-wide consultation process be set in motion to develop a plan to reform Ontario's income security programs.<sup>18</sup> More broadly, all three levels of government in Canada must get together to develop poverty reduction strategies that do not punish or marginalize the poor, and which treat people with dignity in accordance with their internationally sanctioned rights.

It is the recommendation of HICFAW that this plan consider replacing the current "savings-based" service delivery model with a "needs-based" model.

An income security program must have rules. These rules, however, need to be clear, consistent and straightforward. The natural logic of an income security system that is based on creating savings by reducing the caseload will be to make the system as complicated as possible--to create so many technicalities that eventually no one will be eligible.<sup>19</sup> A savings-based system will also tend to be inflexible to changes in the unemployment rate. This means that in times of economic depression or recession many people in need will not be able to access the system.

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<sup>18</sup> See Peter Beresford and David Green "Income and Wealth: An opportunity to reassess the UK poverty debate," *Critical Social Policy* 46 (1996).

<sup>19</sup> See *Denial By Design: The Ontario Disability Support Program* (Income Security Advocacy Centre, 2003). [www.incomesecurity.org/upload/publications/46\\_brieffinal.pdf](http://www.incomesecurity.org/upload/publications/46_brieffinal.pdf)

The plan to reform Ontario's income security programs should also look at restoring management control from Accenture (formerly Andersen Consulting) to the public sector.<sup>20</sup>

HICFAW also recommends that this plan for reform look at improving educational supports and employment opportunities for people living on social assistance, by providing more flexible educational options for individuals while they are on social assistance.

As a starting point, there needs to be a major province-wide evaluation of Ontario's major income assistance programs that looks at the impact that these programs are having on families and communities.

Locally a study should be done of the connection between the social assistance system in Hamilton and homelessness; specifically the impact that low levels of income assistance and aggressive caseload reduction are having on emergency shelter use.

HICFAW also recommends that the government of Ontario immediately eliminate the zero tolerance policy on welfare fraud, and that the other recommendations arising out of the inquest into the death of Kimberly Rogers be implemented.

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<sup>20</sup> See the *1998 Report of the Provincial Auditor of Ontario*; the *Special Report to the Standing Committee on Public Accounts* (1999); the *Special Report on Accountability and Value for Money* (2000); and, the *2002 Annual Report of the Provincial Auditor of Ontario*.

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