

# WHY WAIT? RAISE THE RATES!

## Let's break the cycle of endless poverty reduction studies and consultations

Premier Kathleen Wynne's government has started yet another cycle of consultation on poverty reduction. Since 2008, social justice advocates have participated in a series of policy consultations regarding social assistance reform, only to be disappointed every time by government inaction. Almost a decade of empty discussions about "poverty reduction" has shown that consultation is a diversionary tactic to avoid tackling poverty.

And here we go again. In June 2016, the Ontario government announced two more policy development and consultation processes:

- an Income Security Reform Working Group to make recommendations in June 2017 that would be the basis of further consultation
- Basic Income Pilot Project to be the basis of consultation in the coming fall and winter, with a proposed start in June 2017

This latest consultation cycle proposes possible implementation of the working group's recommendations in January 2018. But Minister of Social Services Helena Jaczek has already cautioned that reforms will only happen "once the provincial deficit has been erased"—an extraordinarily weak commitment to action.

Lack of specificity about how long the Basic Income pilot will run conveniently provides an additional excuse for the Liberal government to hold off on significant increases to social assistance rates in the 2017 budget, or even before the next provincial election.

After decades of intensifying austerity and eroding income supports, social assistance in Ontario is now so wretchedly inadequate that people are unable to feed themselves properly, retain their housing or maintain their health.



Stop the consultation merry-go-round and **Raise the Rates!**

Total benefit income for those who depend on Ontario Works and the Ontario Disability Support Program (ODSP) locks nearly 895,000 Ontarians into deep poverty, the Canadian Centre for Policy Alternatives reported. It finds that the poverty gap (between total benefit income and the poverty line) for a single person on Ontario Works has nearly tripled, from 20% in 1993 to 59% in 2014.<sup>1</sup>

In 2014, almost two-thirds of Ontario households reliant on social assistance experienced food insecurity—the inability to feed oneself or one's family adequately—because of poverty. Research by University of Toronto professor Valerie Tarasuk links food insecurity with poor nutrition, poor self-rated health, poor mental, physical and oral health, and multiple chronic health conditions including diabetes, hypertension, heart disease, depression, epilepsy and fibromyalgia. Food insecurity also limits people's ability to care for themselves and manage chronic health conditions. For children, food insecurity is associated with poorer physical and mental health outcomes,

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<sup>1</sup> Ontario's Social Assistance Poverty Gap. Kaylie Tiessen, Canadian Centre for Policy Alternatives, May 2016.

including long-term health conditions such as asthma and depression. Not surprisingly, research also shows that food insecurity costs our health care system a lot of money—money that real action on poverty reduction could save.<sup>2</sup>

## Social assistance rates are grossly inadequate

Grocery shoppers know that the cost of food, especially fruit and vegetables, has increased much faster than core inflation over the past few years. And the poor experience a much higher rate of inflation, policy analyst John Stapleton explains, because they spend much more of their non-shelter incomes on items (including fruits, vegetables and energy) not covered by core inflation.<sup>3</sup> Research on the cost of a healthy diet, conducted by Public Health Units in communities across Ontario, shows that social assistance rates are grossly inadequate to pay the rent, eat a basic healthy diet and buy other necessities.<sup>4</sup>

If the Ontario Liberals had just formed a government, their Income Security Reform Working Group and study of redesigned income support along the lines of basic income might merit consideration. However, the Liberal government in Ontario has allowed the real income of those on social assistance to fall, and weakened or eliminated secondary benefit programs such as the Community

Start UP and Maintenance benefit which was terminated in 2013. This government's track record of studying poverty, reviewing poverty, consulting on poverty and making empty promises to reduce it suggests nothing will be different this time. More study and consultations simply delay the clear action needed to seriously reduce poverty in Ontario.

## Raise social assistance rates now!

Based on our bitter experience, we conclude that this new round of deliberations is not undertaken in good faith. We do not wish to legitimize it. It is time to end years of stalling, and break the cycle of consultation on poverty reduction.

Premier Kathleen Wynne must live up to her promise to become the "social justice premier." She needs to do what the Ontario Liberal government should have done on the day it took office: raise social assistance rates to levels that let people pay their rent and still live in health and dignity. **There is no reason to delay.**

<sup>2</sup> "5 Things Canadians Need to Know About Food Insecurity". January 2016, PROOF Administrator.

<sup>3</sup> The "Welfare Diet" 20 Years Later. John Stapleton with Jamille Clarke-Darshanand, October 2015.

<sup>4</sup> "The Nutritious Food Basket". <http://proof.utoronto.ca/resources/the-nutritious-food-basket/>

## Endorsements

ACORN • CUPE Ontario • Freedom 90 • Health Providers Against Poverty • Jane Finch Action Against Poverty  
Ontario Coalition Against Poverty • OPSEU Local 586 • Put Food in the Budget campaign • The Stop Community Food Centre  
Social Justice Project, Toronto South East Presbytery (United Church of Canada)



\_\_\_\_\_ endorses this statement.

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ORGANIZATION

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