

# BACKGROUND

## Inadequacy of social assistance rates

### Comparison of yearly social assistance income to Market Basket Measure and Canada Low-Income Cut-Off

| Family size                      | OW rate <sup>1</sup> | ODSP rate <sup>2</sup> | Low Income Cut-Off <sup>3</sup> | Market Basket Measure <sup>4</sup> |
|----------------------------------|----------------------|------------------------|---------------------------------|------------------------------------|
| One adult                        | \$6240               | \$11 160               | \$16 979                        | \$12 225.75                        |
| One adult+one child <sup>5</sup> | \$11 484             | \$17 088               | \$21 224                        | \$17 116.05                        |
| One adult + two children         | \$13 032             | \$19 068               | \$26 396                        | \$20 783.35                        |
| Two adults + one child           | \$12 360             | \$18 984               | \$26 396                        | \$22 006.35                        |
| Two adults + two children        | \$14 136             | \$21 240               | \$31 952                        | \$24 451.50                        |

### Comparison of monthly shelter allowances to average rent

| Family size                       | OW shelter allowance <sup>6</sup> | ODSP shelter allowance <sup>7</sup> | Average rent <sup>8</sup> |
|-----------------------------------|-----------------------------------|-------------------------------------|---------------------------|
| One adult                         | \$325                             | \$414                               | Bachelor \$651            |
| One adult +one child <sup>9</sup> | \$511                             | \$652                               | 1-bedroom \$767           |
| One adult + two children          | \$554                             | \$707                               | 2 bedroom \$866           |
| Two adults + one child            | \$554                             | \$707                               | 2 bedroom \$866           |
| Two adults + two children         | \$602                             | \$768                               | 3 bedroom + \$1084        |

<sup>1</sup> Ontario Works benefits are provided to people who are unable to find paid employment or are unable to work.

<sup>2</sup> Ontario Disability Support Programme benefits are provided to people with disabilities that prevent them from working for an income.

<sup>3</sup> Pre-tax, post transfer 2003 LICOs for a city with a population of 100 000-499 999. Statistics Canada, *Low Income Cutoffs from 1992 to 2003 and Low Income Measures from 1991 to 2001*, Catalogue no. 75F0002MIE — No. 002

<sup>4</sup> Calculated based on the average Ontario Market Basket Measure.

<sup>5</sup> All calculations are based on child(ren) 12 years old or under.

<sup>6</sup> Ontario Works benefits are provided to people who are unable to find paid employment or are unable to work. The benefits are broken into a shelter allowance and a basic needs allowance.

<sup>7</sup> Ontario Disability Support Programme benefits are provided to people with disabilities that prevent them from working for an income. The benefits are broken into a shelter allowance and a basic needs allowance.

<sup>8</sup> Canada Mortgage and Housing Corporation, *Fast Fax: Rental Market Report-Ontario*, November 2003.

<sup>9</sup> All calculations are based on child(ren) 12 years old or under.

### Social assistance rates before and after 1995 cut

| Case Type                        | Former Basic Allowance | Former Max. Shelter Allowance | Former Maximum Total | New Basic Allowance | New Maximum Shelter Allowance | New Maximum Total |
|----------------------------------|------------------------|-------------------------------|----------------------|---------------------|-------------------------------|-------------------|
| Single                           | \$249                  | \$414                         | \$663                | \$195               | \$325                         | \$520             |
| Couple                           | \$498                  | \$652                         | \$1150               | \$390               | \$511                         | \$901             |
| Single Parent + 1 child*         | \$569                  | \$652                         | \$1221               | \$446               | \$511                         | \$957             |
| Single Parent + 2 children**     | \$730                  | \$707                         | \$1437               | \$572               | \$554                         | \$1126            |
| Couple + 1 child*                | \$608                  | \$707                         | \$1315               | \$476               | \$554                         | \$1030            |
| Couple + 2 children**            | \$781                  | \$768                         | \$1549               | \$612               | \$602                         | \$1214            |
| Single Disabled                  | \$516                  | \$414                         | \$930                | \$516               | \$414                         | \$930             |
| Disabled + Spouse                | \$765                  | \$652                         | \$1417               | \$765               | \$652                         | \$1417            |
| Disabled + Spouse + 1 child**    | \$875                  | \$707                         | \$1582               | \$875               | \$707                         | \$1582            |
| Disabled + Spouse + 2 children** | \$1048                 | \$768                         | \$1816               | \$1048              | \$768                         | \$1816            |

\*child under 12.

\*\* first child over 12, second child under 12.

### Average yearly household expenditures, Ontario 2002<sup>10</sup>

| Expenditure                         | Per household <sup>11</sup> | Per person <sup>12</sup> |
|-------------------------------------|-----------------------------|--------------------------|
| Food                                | \$7004                      | \$2656.22                |
| Household operation                 | \$3188                      | \$1194                   |
| Household furnishings and equipment | \$2105                      | \$788.39                 |
| Clothing                            | \$2743                      | \$1027.34                |
| Transportation                      | \$9292                      | \$3480.15                |
| Health care                         | \$1396                      | \$522.85                 |
| <b>TOTAL</b>                        | <b>\$25 728</b>             | <b>\$9668.95</b>         |

### Yearly Cost of Nutritious Food Baskets in Ontario cities, 2003<sup>13</sup>

|                             |           |
|-----------------------------|-----------|
| Windsor-Essex County        | \$6178.12 |
| London and Middlesex County | \$6307.60 |
| Toronto                     | \$6292.00 |
| North Bay and District      | \$6308.92 |
| Ottawa                      | \$6876.00 |
| Thunder Bay                 | \$6826.56 |

<sup>10</sup> Statistics Canada, *Average household expenditures, provinces and territories, 2002*.

<sup>11</sup> Based on an average household size of 2.67.

<sup>12</sup> These are very rough calculations made according to the instructions in Statistics Canada's User Guide to Survey of Household Spending, 2002. A formula to better account for family composition (number of children and adults) is not available.

<sup>13</sup> Cost for a family of 4: two parents (25-49 years of age), girl (7-9 years of age), boy (13-15 years of age).