
Subject: Niagara Poverty Reduction Strategy – Social Assistance Rates

Report to: Public Health and Social Services Committee

Report date: Tuesday, June 11, 2024

Recommendations

1. That the Regional Chair **BE DIRECTED** to send correspondence to the Provincial Government requesting that action be taken to increase the Ontario Works (OW) and Ontario Disability Support Program (ODSP) basic financial assistance rates and establish a policy to index rates to inflation for OW similar to ODSP, to mitigate further hardship that has resulted from frozen rates; and
2. That the Regional Chair **BE DIRECTED** to circulate a copy of the Niagara Poverty Reduction Strategy and associated correspondence to the Minister of Children, Community and Social Services (MCCSS), the Association of Municipalities Ontario (AMO), the Ontario Municipal Social Services Association (OMSSA), local area MPs and MPPs and local area municipalities for consideration of further actions required to address poverty.

Key Facts

- The [Niagara Poverty Reduction Strategy \(NPRS\)](http://www.niagararegion.ca/community-safety/poverty-reduction-strategy/default.aspx) (www.niagararegion.ca/community-safety/poverty-reduction-strategy/default.aspx) was presented at Committee of the Whole on March 7, 2024.
- The goal of the NPRS is: Working together to prevent and end poverty and increase well-being in Niagara.
- The community identified eight Areas of Focus, with one recommendation for each area and a set of actions that addresses the issue of poverty within that area.
- Income was identified as an Area of Focus and the primary determinant of poverty.
- In March 2024, there were 42,350 people in receipt of OW and ODSP in Niagara.
- OW rates have not increased since 2018 and increases to ODSP rates have been nominal, resulting in individuals and families living well below the poverty line.
- One of the income recommendations and actions outlined in the NPRS is to advocate to federal and provincial governments for adequate, liveable rates from government income assistance programs.

Financial Considerations

There are no financial implications to the levy associated with this report. MCCSS funds social assistance basic financial payments at 100%.

Analysis

Niagara Poverty Reduction Strategy

The goal of the five-year NPRS is: Working together to prevent and end poverty and increase well-being in Niagara. The strategy reflects concerns, opportunities and actions identified by residents and service partners during a broad engagement process. The community identified eight Areas of Focus for the Niagara Poverty Reduction Strategy. Each Area of Focus includes one recommendation and a set of actions that addresses the issue of poverty within that area.

Income was identified as an Area of Focus and the primary determinant of poverty. The recommendation that addresses income levels calls for Niagara to advocate for adequate, liveable rates from government income assistance programs.

The Low-Income Measure After-Tax is an established measure of poverty in Canada. All persons in a household are considered to be living in poverty if their household income falls below half of median incomes of the same household size.

A single person on OW receives \$733 a month and a single person on ODSP receives \$1,308 a month. The rates for OW have not increased since 2018 and despite recent increases to the ODSP rates, in real terms, both rates have never been lower, having not kept up with inflation and falling well below Canada’s official poverty line.

Monthly

	Poverty Line	OW	ODSP	Shortfall OW	Shortfall ODSP
Single	\$1,848	\$733	\$1,308	-\$1,115.00	-\$540.00
Single 1 child	\$2,613	\$1,002	\$1,770	-\$1,611.00	-\$843.00
Couple 2 children	\$3,695	\$1,250	\$2,112	-\$2,445.00	-\$1,583.00

Poverty in Niagara

To fully comprehend the state of poverty in Niagara, it is important to understand the impact the COVID-19 pandemic had on the percentage of people living in poverty. In pre-pandemic statistics of 2016, Niagara had 14.5 per cent of people living in poverty (64,944 people). Numbers from Statistics Canada in 2021 indicate that Niagara had 10.4 per cent of people living in poverty (49,706 people)¹. As cautioned by the National Advisory Council on Poverty, the phasing out of the COVID-19 income supports alongside higher inflation and increasing cost of living, mean that poverty rates have likely increased.

Of the 49,706 people, living in poverty in Niagara, 42,350 people or 28,655 OW and ODSP cases (which can be comprised of singles and families) are in receipt of social assistance.

An increase to social assistance rates would immediately provide relief for people living in poverty in Niagara, benefit businesses, increase community well-being and create a positive multiplier effect across local area municipalities and neighbourhoods.

Niagara's Social Assistance Caseload

Social Assistance is comprised of two income assistance programs, OW and ODSP. OW is a provincially mandated program and delivered by the municipality, while ODSP is both mandated and delivered by the province.

Ontario Works

Pre-pandemic, Niagara's OW caseload averaged approximately 10,400 cases. In 2020/2021, Niagara realized a caseload decrease of 18% when Federal Benefits, which were a greater benefit of entitlement, became available during the COVID-19 Pandemic. When Federal Benefits ceased in late 2021, the caseload increased by 53%, surpassing the pre-pandemic average of 10,400 cases. As of March 2024, Niagara's OW caseload was 12,825 and the province is forecasting an additional increase of 8.9% in 2024/2025, resulting in a projected caseload of 13,966.

¹ Source. Statistics Canada, Census Profiles, 2016 and 2021 Census of Population. Low Income Measure After Tax (LIM-AT).

Ontario Disability Support Program

Pre-pandemic, Niagara's ODSP caseload averaged approximately 16,500 cases. As of March 2024, Niagara's ODSP caseload was 16,510 and the province is forecasting an additional increase of 2.1% in 2024/2025, resulting in a projected caseload of 16,857.

Advocacy to Increase Rates

There have been calls for the province to increase social assistance rates. The OMSSA 2024 Provincial Pre-Budget Submission outlined that OW rates have not kept up with inflation or the rising costs of basic needs. Inflation increased 3.4% in 2021, 6.8% in 2022 and 3.62% in 2023. Ontario Works rates have not seen an increase since 2018 and are forcing recipients to live in deep poverty and has led to an increase in evictions, homelessness, and encampments. Therefore, municipal service managers, responsible for poverty mitigating services (community housing, homelessness, income supports, licensed childcare) are indicating that OW and ODSP rates must be increased along with rent and utility scales. AMO also has linked the need for increased social assistance rates as a critical part of ending homelessness.

In addition, there are over 250 social service providers and community organizations who have called for the rates to be doubled, responding to calls made by the "Raise the Rates" campaign and the "Income Security Advocacy Centre."

In February 2024, the Council of Prince Edward County joined the Town of Orangeville to call on the Provincial Government to urgently at least double and index OW similar to the ODSP rates.

Alternatives Reviewed

As the caseloads for both OW and ODSP continue to rise, Niagara expects to see an increase in the number of people living in poverty. This will result in further financial strain on community in the areas of housing, health, food security, transportation, and other basic needs. The return on investment in increasing Social Assistance rates would help reduce the costs associated with these growing needs. That said, the provincial government is not currently seeking input or direction with regard to social assistance rates, and council could accept the government's current position and not advocate for an increase in rates.

Relationship to Council Strategic Priorities

- Equitable Region
- Prosperous Region

Other Pertinent Reports

- COTW 1-2024 Memorandum Niagara Poverty Reduction Strategy (March 7, 2024)

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