

# **INVISIBLE AUSTERITY**

**An Illustrated Guide to Cuts to Social Assistance in Ontario**

## **Definitions**

Austerity: attempts to resolve budget deficits through cuts to spending

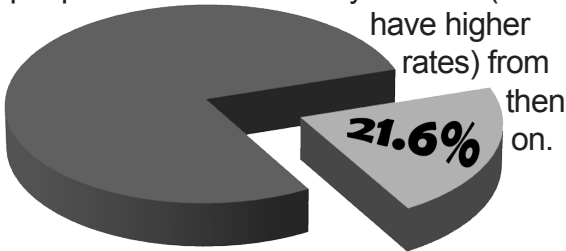
ODSP: Ontario Disability Support Program, this is social assistance for people deemed to have “a substantial physical or mental impairment” that will last a year or more with a “substantial restriction” to the “activities of daily living.” Rates are currently \$1086 for a single adult, \$2009 for a couple with 2 kids.

Ontario Works: also called welfare or OW, this is social assistance provided to people not deemed disabled under ODSP. It is currently set at \$656 for a single adult, \$1391 for 2 parents and 2 kids.

*Average market rent in Ontario for a bachelor apartment is \$803, for a 3 bedroom is \$1024.*

## Background: The Cuts Begin

During the so-called Common Sense Revolution, Mike Harris and the Conservative Party created Ontario Works (welfare) and the Ontario Disability Support Program (ODSP). They moved most families onto welfare, cut it by 21.6% (from an already too low rate) and made it much more difficult for disabled people to access disability benefits (which



2.



*Mike Harris*

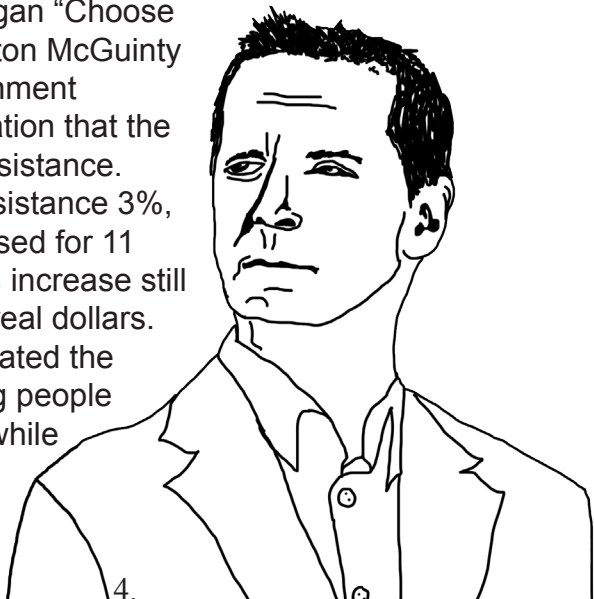
## The 'Shadow of Austerity'

From then on, the rates were frozen. But, with inflation on the rise, it actually meant that the cuts kept getting deeper. Eventually, they grew to 55% from 1995 levels for Ontario Works.



## **The Liberals:**

Elected under the slogan “Choose Change” in 2003, Dalton McGuinty and his Liberal government continued the devastation that the Tories did to social assistance. They raised social assistance 3%, noting it hadn’t increased for 11 years. However, a 3% increase still amounted to a cut in real dollars. The Liberals have created the appearance of helping people on social assistance while enacting a hidden austerity program.



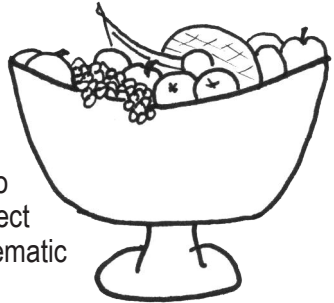
## Invisible Austerity: The Program



## The Special Diet

A lot of people on social assistance used this benefit to be able to buy healthy food. A medical practitioner would prescribe what the person should be eating and they would get a set amount for it. This included things like iron supplements, an organic diet and extra protein. People could get up to \$250 extra a month on their welfare cheques. OCAP and other anti-poverty activists began telling people about this money and helping them find medical practitioners so they could get enough to eat AND pay rent.

In 2005, Liberal minister in charge of social assistance, Sandara Pupatello, admitted that “not one of us could probably safely live on welfare.” However, instead of raising social assistance rates, providing extra money to people for food or simply letting people collect their special diet benefit, they instituted a systematic attempt to reduce access to it.



First, the Liberals put in a policy so that only an official Special Diet form would be accepted. A photocopy of a blank form was no longer allowed. There was no good reason for this change except to make it harder to get the special diet. The old form also required the health provider's stamp and signature and workers could call them if they were concerned. What the form did do, however, was slow down the application, saving money for the government.



*Signature*

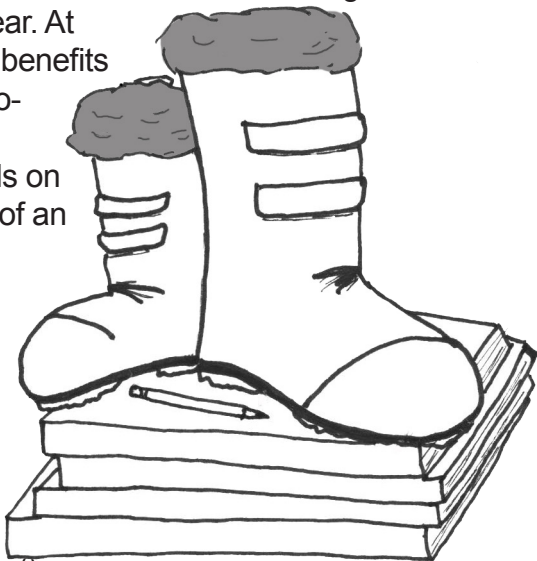
Next, they changed the benefit, basing it on specific medical conditions. Lots of people needed special diets but their conditions weren't on the form so they lost their money. The benefit could also no longer be used for prevention of things like malnutrition or diabetes.

Now, someone who has lost more than 10% of their body weight from cancer or HIV gets \$242, not the maximum of \$250. The Liberals also reduced the number of conditions that they provided the special diet for from 42 to 34 (more than 1/2 required substantial weight loss) **Then, in 2010 the Liberals announced they were going to eliminate the Special Diet.** However, they backed down on this after public outcry.



In 2008, the Liberals fully implemented the Ontario Child Benefit which increased the money parents on social assistance get for their kids by about \$600 a year. At the same time, it eliminated the benefits for kids to get winter and back-to-school clothing (\$184 or \$245/year, depending on age). So kids on social assistance saw way less of an increase than other kids.

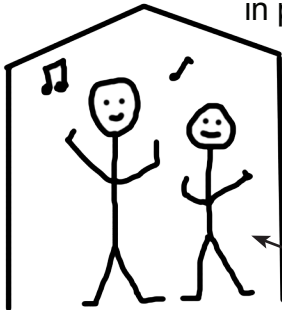
Parents on social assistance would have to save \$15-20 a month in order to have the equivalent to the two funds. This is an impossibility for people who already don't have enough.



## Ontario Child Benefit (OCB)

The Liberals partially separated kids' social assistance from their parents through the Ontario Child Benefit. Social assistance rates went down for children but they were supplemented with the OCB. This is an important benefit for working families but families on social assistance don't benefit nearly as much from it. It is designed, at least

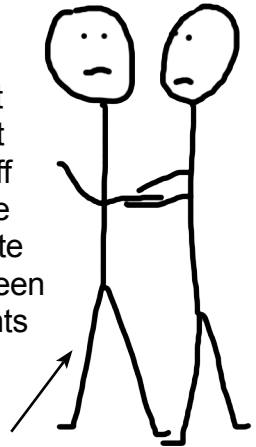
in part, to try to get parents off of social assistance. The OCB also works to create a false separation between the poverty of the parents and their children.



the kids

9.

the parents



## Community Start-Up Benefit Reduced Then Eliminated

The CSUB provided up to \$799 (single) or \$1500 (family) for housing costs.

People used it to pay arrears, get essential furniture and

be able to move in an emergency (domestic violence, fire, etc.).

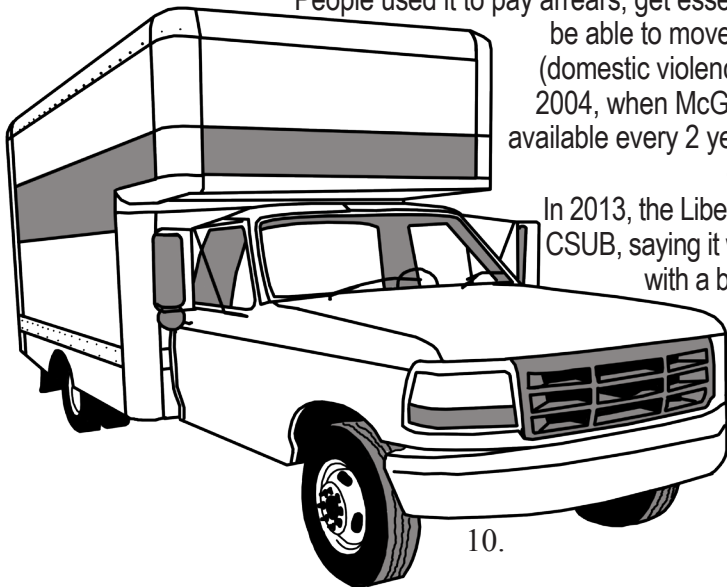
Until 2004, when McGuinty made it only available every 2 years, people could get it once a year.

In 2013, the Liberals eliminated the CSUB, saying it would be replaced

with a benefit that anyone who needed it

could get, not just people on social assistance.

This benefit is delivered by each municipality.



## **But the Replacement for the Community Start-Up**

- is 50% of what was spent on the Community Start-Up (but after an outcry, the Liberals temporarily added another \$42 million).
- wasn't created by a number of municipalities.
- leaves out the people the Liberals said it was designed to include. In many communities you still have to be on social assistance to qualify.
- is a finite fund. It puts people on social assistance in the position of competing against one another for funds.
- eliminates the right of appeal to the Social Benefits Tribunal.
- amounts to a major cut to social assistance benefits.

## Leaving Families Behind

The 1% increase in social assistance in 2013 excluded rates for dependants (kids and spouses) from ODSP. Community and Social Services Minister, Ted McMeekin, said this was part of an effort to “narrow that gap” between welfare and ODSP. This was done, according to McMeekin, to “free up some resources” to make other changes to social assistance.

But, the Liberals are ‘narrowing the gap’ in the wrong direction. Overall, rates are already painfully low for both ODSP and Ontario Works but lowering ODSP family rates to be more similar to welfare rates is simply moving backwards.

Families of disabled people, then, are helping to pay for the SAMS computer system and the Employment-Related Benefit (which is actually a cut to many people’s cheques).

After Kathleen Wynne came to power in 2013, things continued to get worse.



## Employment Benefits

The Wynne Government combined a number of different ODSP and OW benefits into a single Employment-Related Benefit.

### The New Benefit:

- Discretionary, delivered municipally (no appeal to Tribunal).
- Requires development of an employment plan with a worker (more money can be saved by not making workers available).
- Focuses on getting people into paid work (the ODSP Work-Related Benefit was designed to “help with employment costs.”)
- Up to \$1800 for a disabled person on ODSP, \$1200 for OW, spouses/kids on ODSP.



### Eliminated:

- Employment Start-Up (up to \$500 a year for people with a new job/training)
- Work-Related Benefit (\$100/month for people on ODSP who had employment income)
- Transportation Benefit (\$100/month for volunteering)

**This is a big cut**  
for many that will  
come into effect over  
the next 6 months.

# Transportation

The transportation benefit was provided to people who volunteered. The Liberals eliminated it, including transportation money under the Employment-Related Benefit. Now, it has to be included in the employment plan, be short-term and show that it will lead to paid employment. People on social assistance no longer get financial help





I am SAM - the new Social Assistance Management system that was put in place by the Liberals and I cost \$250 million. The ODSP Workers' union thinks it will take time away from talking to people and make them do a lot more data entry. I will take overpayments off all of your benefits. Before, only your basic cheque was deducted from, now your special diet and other benefits will be reduced too. I am saving money one poor person at a time.

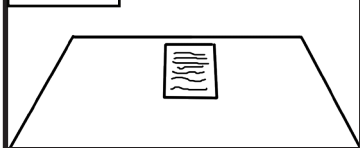


"In November, 2014, social assistance offices across Ontario will start using a new computer system. You will continue to receive income support and benefits on time. However, you may experience slight delays in other services such as returning your phone call."  
~ODSP voicemail,  
February, 2015

Many people didn't get their social assistance for November/December, 2014, because of the new SAM system. Many had serious mistakes in their cheques, getting only \$5. For people who live on social assistance, a missed cheque is devastating. These glitches continue to impact people.

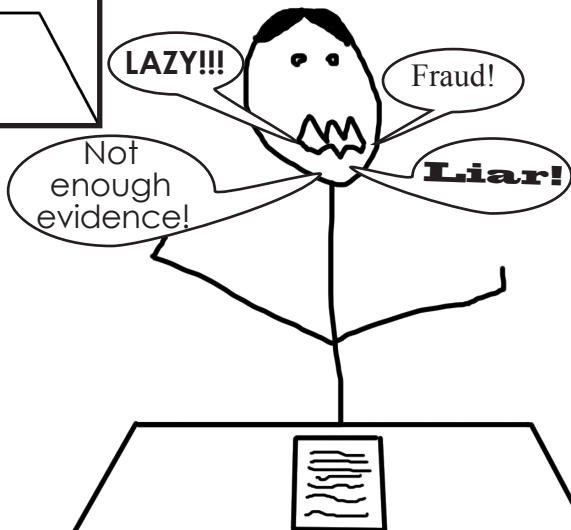
## ODSP Appeals

Before



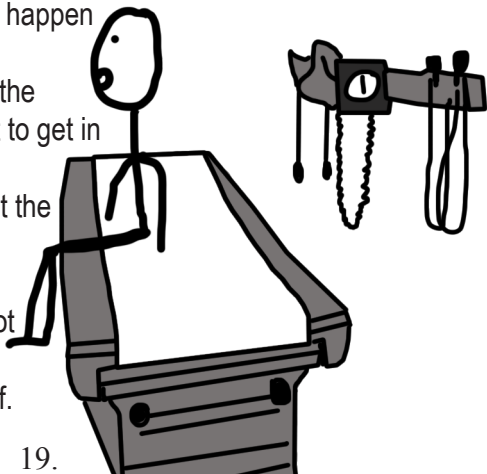
The Province almost never used to send officials to fight ODSP appeals in person. Now, it happens almost every time. This seems like a systemic effort to limit the number of people getting ODSP, saving them money in the long run.

Now



The Liberals have also actively implemented efforts to cut off people who are on ODSP. Many people who get ODSP are approved for a year or several years and then they are medically reassessed. A backlog of 60,000 cases developed. Now the Liberals are trying to eliminate the backlog. There are a number of problems with this, including:

- Some people don't expect it to happen because it has been years.
- People only get 90 days to do the forms. It takes longer than that to get in to see some specialists.
- Homeless people might not get the notice and will be cut off.
- People who have low English literacy or are in crisis might not understand or be able to deal with the form and will be cut off.

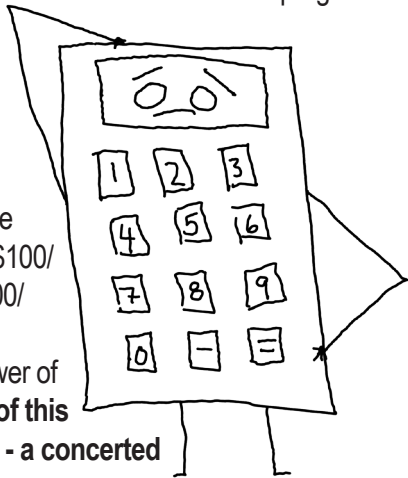




1. Some people simply won't be able to follow through with the medical review process (much like the appeal process). It is unjust to try and solve budget problems on the backs of poor people.
2. The definition of disability under ODSP is very restrictive. Many disabled people can't get on ODSP but also can't get jobs because of discrimination.
3. It is a punitive process. Essentially, the system assumes people aren't disabled and then they have to prove otherwise or are cut off.
4. There is a backlog of people waiting to get on ODSP from OW - the Liberals should focus on putting those people on ODSP first.

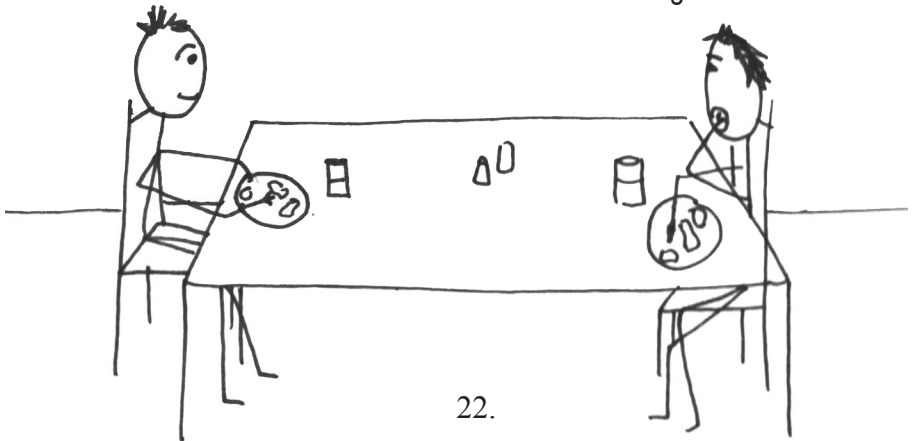
## The Damage:

While depicting themselves as the heroic saviours of poor people through social assistance rates raises and its (failed) poverty reduction strategy, the Liberals have actually been working to erode social assistance. Their program of invisible austerity has amounted to real losses for people on OW and ODSP. They have eliminated or profoundly restricted the Special Diet Benefit (\$250 max each/mo.), Community Start-Up (\$799/\$1500 max/yr.), Winter & Back-To-School Clothing Allowance (\$245 max per kid), Work-Related Benefit (\$100/month - ODSP), Transportation Benefit (\$100/month) and Employment Start-up (\$500/yr). And, inflation reduces the real spending power of people on social assistance every year. **All of this adds up to an invisible austerity agenda - a concerted attack on poor people in Ontario.** 21.



## 14% Cut Coming Soon?

Government consultants have called for a 14% cut for all adults on social assistance who live with a non-spouse adult (couples already get less). They say that these people share expenses so they don't need as much money. Even assuming that this is true, social assistance is not enough and a further cut would be devastating.

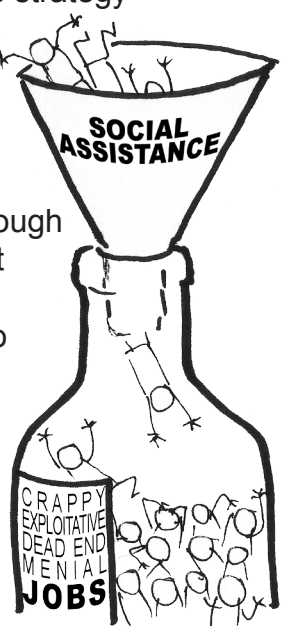


## Why Austerity?

The Liberal Government's social assistance strategy works to funnel people into the capitalist economy and is guided by neoliberalism - the belief that governments should leave the provision of nearly everything to the free market.

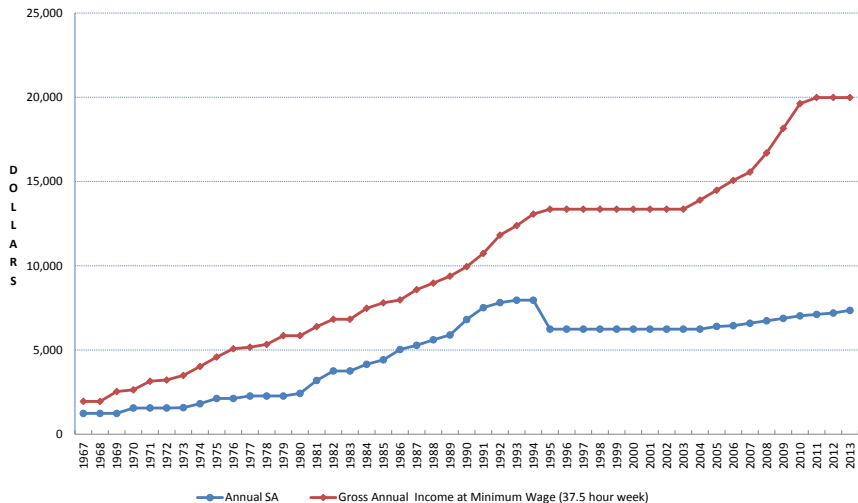
By design, cuts to social assistance (through inflation and benefits), the new employment benefit and the Ontario Child Benefit push people into the labour market. This works to keep wages low in general. The jobs that people on social assistance are forced into are often dead-end, low paid jobs.

This system works to benefit rich people who want to keep both wages and taxes low but it is bad for poor and working class people.



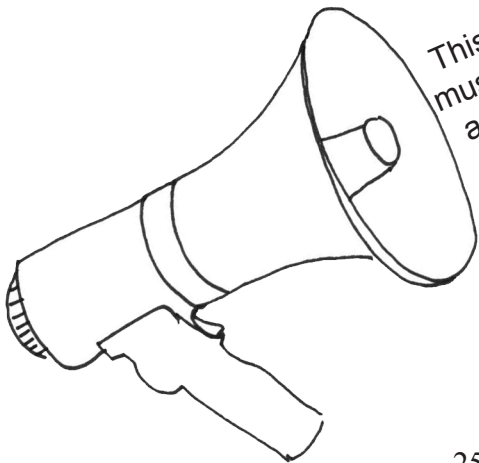


**ONTARIO: SINGLE EMPLOYABLE PERSON**  
**Annual Income from SA versus Full-Time Employment at Minimum Wage**  
**1967 to 2013**

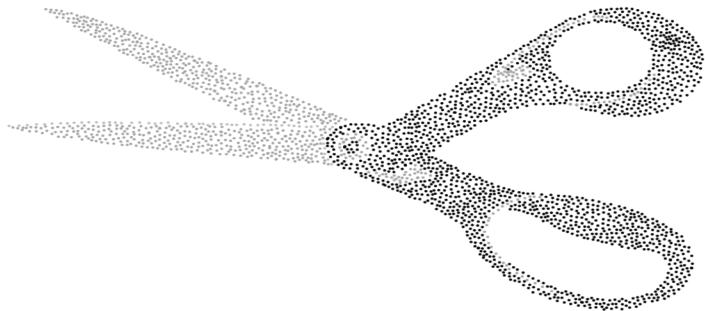


*Courtesy of John Stepleton [openpolicyontario.com](http://openpolicyontario.com)*

Welfare rates have declined dramatically in relation to the minimum wage.



This time of economic crisis  
must not be remembered for their  
austerity but for our resistance.



The Raise the Rates campaign has fought to keep benefits intact. While what we have lost is documented here, we have also defended social assistance. We won \$42 million when they were eliminating the Community Start-up and we forced them to back down on eliminating ODSP and Special Diet entirely!

**Hold the line against austerity! Raise the rates!**

# FIGHT POVERTY

RAISE  
OW & ODSP  
RATES  
NOW



**RaiseTheRates.ca**

## How Do We Resist Austerity? Together. Get Involved in the Raise The Rates Campaign!

Ontario Coalition Against Poverty

416-925-6939

email: [ocap@tao.ca](mailto:ocap@tao.ca)

web: [ocap.ca](http://ocap.ca)

twitter: [@ocaptoronto](https://twitter.com/ocaptoronto)

Join the Ontario  
Coalition Against  
Poverty Facebook  
group



For comic references, visit: [ocap.ca/references](http://ocap.ca/references)

Written and illustrated by AJ Withers for OCAP & the Raise the Rates Campaign