

February 7, 2023

The Honourable Peter Bethlenfalvy
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, Ontario
M7A 1Z1

Dear Minister Bethlenfalvy:

Re: 2023 Budget Consultations

Thank you for accepting the 2023 pre-budget consultation brief prepared by the Campaign Against Cuts to Social Assistance (CACSA). CACSA is a cross-sector and non-partisan campaign in Ottawa that educates on social assistance issues and advocates for an improved social support system. Our members include social assistance recipients and those with lived experience, and non-profit organizations serving recipients.

Those living on the deep-poverty level benefit rates of social assistance and who struggle to manage the extra costs of weathering the COVID-19 pandemic continue to be left behind as Ontario looks towards economic recovery.¹ Income is one of the principal social determinants of health; for example, there is a strong causal link between income insecurity and food insecurity in Canada.² While Ontario took a step in the right direction in 2022 with a 5% raise to Ontario Disability Support Program (ODSP) rates and the introduction of regulations tying rates to inflation, rates remain insufficient for recipients to afford life's necessities. Single ODSP recipients in Ottawa can receive a maximum benefit rate that is only 59% (or more than \$10,000 short of) the 2021 Market Basket Measure of poverty. Moreover, Ontario Works (OW) received no rates increase in 2022, and there is no similar commitment to tie rates to inflation.

Present and extraordinary inflation and the cost of living crisis are further and disproportionately harming social assistance recipients who cannot absorb these financial pressures. For example, 2022 saw a 16% increase in rental housing prices in Ottawa and a more than a 10% yearly increase in retail food prices; rental housing and food prices are predicted to continue to rise in 2023 by 5%, and by 5%-7%, respectively.³ Social service agencies have also not received the investment required to support those living in poverty, and their need for adequate funding is only growing compared to pre-pandemic levels, as evidenced in extraordinary local food bank demand in 2022.⁴

Building the economy together must include the social and financial inclusion of vulnerable families and households that are in need of targeted and meaningful support. Renewed and adequate investments in Ontario's income support programs and social service agencies, as well as support for workers, must be priorities in the 2023 budget.

Recommendations:

1. Raise Ontario Works (OW) and Ontario Disability Benefit Program (ODSP) rates

to match the cost of living, to at least the local Market Basket Measure amount adjusted for inflation:

- 1.1. Ensure sufficient income benefits to ODSP recipients to account for the extra costs of living with disabilities;
 - 1.2. Increase the amount of the housing allowance in ODSP and OW to match average local market rent; and
 - 1.3. Tie OW rates to inflation.
- 2. Eliminate disincentives to work in social assistance programs and elsewhere:**
- 2.1. Apply the employment earnings deduction rule to Employment Insurance, Canada Pension Plan Retirement, Canada Pension Plan Disability, and Workplace Safety and Insurance Board Loss of Earnings benefits, rather than the current 100% clawback;
 - 2.2. Under ODSP, increase the employment income threshold to \$1,000 per month *for each member of the benefit unit*, and institute the same rules for OW; and
 - 2.3. Ensure all workers have a minimum of 10 paid days of sick leave.
- 3. Ensure the Ministry of Children, Community and Social Services engages in meaningful consultation and co-design with social assistance recipients, persons with disabilities and their advocacy groups, and other community-based stakeholders in the government’s “Renewal” of social assistance.**
- 4. Ensure social service agencies are adequately funded, directly or through transfers to municipalities, to support communities at today’s cost of living.**

¹ For the Ottawa region in 2021, an unattached single individual is living in poverty below an annual income of \$25,177.50 as determined by the Market Basket Measure (MBM) of poverty. Unattached single recipients of Ontario Works (OW) and Ontario Disability Support Program (ODSP) are therefore living in deep poverty as their maximum annual benefits are only \$8,796 (just 35% of the MBM) and \$14,736 (just 59% of the MBM), respectively.

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² Tarasuk, V., Li, T. & Fafard St-Germain, A. (2021). *Household Food Insecurity in Canada 2021*. PROOF Food Insecurity and Policy Research and Hub Solutions. <https://proof.utoronto.ca/resource/household-food-insecurity-in-canada-2021/>

³ Dalhousie University, University of Guelph, University of Saskatchewan & University of British Columbia. (2023). *Canada’s Food Price Report 2023. 13th Edition*. https://cdn.dal.ca/content/dam/dalhousie/pdf/sites/agri-food/Canada%27s%20Food%20Price%20Report%202023_Digital.pdf

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⁴ CityNews Ottawa. (January 23, 2023). *Funding falling short as need for social services rises*. <https://ottawa.citynews.ca/helpers/funding-falling-short-as-need-for-social-services-rises-6418148>

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