

# POVERTY

## WATCH

Spring 2012

**Monitoring progress toward the eradication of poverty for persons with intellectual disabilities and their families.**



50 years

Canadian Association for Community Living

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## Inside

- 2 **The Dollars and Sense of Solving Poverty**  
*National Council of Welfare*
- 4 **Provincial/Territorial Updates**
- 5 **Focus on Ontario**
  - **Social Assistance Review Commission**
  - **Ensuring Adequacy: ODSP Action Coalition**
  - **Enabling Employment: Ontario Disability Employment Network**
- 7 **Exploring Canada's Commitment to Economic and Social Rights**  
*Megan Yarema, Canada Without Poverty*
- 8 **Federal Budget 2012**

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Welcome to the spring 2012 issue of *Poverty Watch*. A number of significant shifts have taken place since the last edition in the fall of 2011. Governments across Canada and internationally have struggled with deficits and have made cuts to spending on social programs in the context of an austerity agenda. Meanwhile, the grassroots Occupy movement has been driving a growing awareness of income inequality and has fueled a conversation about fairness and the concentration of wealth. People with disabilities and others currently underrepresented in the labour force are facing an uphill battle to compete for jobs. Those who do “get in” are entering an economy that is increasingly dependent on precarious employment. These factors in turn have led to protest marches, tent cities and other grassroots actions occurring in cities around the world.

Some gains are being made in alleviation of poverty. The governments of Alberta and Saskatchewan have announced historic increases to and expansion of disability income programs. In Ontario, a social assistance review is underway as part of the province's poverty reduction strategy. The message of income inequality has begun to take hold and has even begun to appear in platforms of traditional political parties.

The recent federal budget announced important changes to the RDSP that CACL and others in the disability community had been calling for. It also made commitments to exploration of a new federal disability employment strategy. These are measures that begin to take some small steps toward addressing the tremendous rates of poverty faced by people with disabilities. Other measures in the federal budget, if left unaddressed, will exacerbate the trends of poverty among people with disabilities and their families. Changes to the age of eligibility for Old Age Security and the Guaranteed Income Supplement could mean yet more time in poverty for this group. An analysis of the federal budget and its impacts on people with disabilities appears on the back page of this issue.

This edition begins with an excerpt from a report issued by the National Council of Welfare (NCW) on the cost of poverty. Funding for the NCW was terminated in the recent federal budget. For decades, community-based organizations have depended on the Council for research data and analysis of the impact of income security programs on Canada's poor. CACL and others in the disability and anti-poverty movements are disappointed by this decision.

This issue brings together a number of voices and perspectives on poverty and disability. Our hope is to foster this national conversation with Canadians—to show the costs and consequences of poverty and to build support for actions to close this gap. The contributions in this edition demonstrate that progress can be made in confronting poverty, but it remains ad-hoc, and highly regionalized. We are far from realizing the national vision of a poverty reduction strategy as outlined by the National Council of Welfare and Canada Without Poverty. In this edition you will find emerging strategies to build a national grassroots movement to confront poverty in challenging times.

# National Council of Welfare: The Dollars and Sense of Solving Poverty

The following is an excerpt of a report from the National Council of Welfare: *The Dollars and Sense of Solving Poverty* published by the Government of Canada. The following reproduction does not represent the views of the Government of Canada. The full report is available at <http://www.ncw.gc.ca/>

**P**overty is costing us too much. The National Council of Welfare provided examples in its 2002 report on the **Cost of Poverty**. In 2006, in *Solving Poverty: Four Cornerstones of a Workable National Strategy for Canada*, we outlined a governance model based on long-term vision, plans and budgets, accountability and measures to assess progress.

*The Dollars and Sense of Solving Poverty* expands on both reports by providing more examples from a growing body of studies as well as insights that can improve success in establishing clearer vision, designing more effective plans and budgets, improving accountability to Canadians and ensuring progress by measuring what matters.

This report provides insights into:

- Why the costs of poverty are far higher than many people realize;
- Why poverty has persisted in wealthy countries despite many policies and programs for people living in poverty;
- What economic and social factors need to be taken into account for public policy to be successful in ending poverty;
- A wide range of examples of the costs we are paying now compared to the savings and positive return on investment we could be getting;
- The role of government and Canada's experience and potential to be more successful.

The report reveals:

## **The total cost of poverty is higher than many think**

- The costs and consequences of poverty are much larger than direct spending on poverty programs. We see the total cost when indirect and societal costs are taken into account.
- The poverty gap in Canada in 2007—the money it would have taken to bring everyone just over the poverty line—was \$12.3 billion. The total cost of poverty that year was double or more using the most cautious estimates.
- There is a consistent pattern of studies from Canada and other countries showing that investing to eliminate poverty costs less than allowing it to persist.

## **The indirect and societal costs of poverty are the most expensive ones**

- Canadians are paying the most in the least productive areas, trying to fix costly problems linked to inequality, insecurity and poverty that are preventable.
- If someone can't afford medicine, for example, they end up in an emergency ward; without support for child care, a mother can't take a paid job; if someone has no home, they can't manage an illness or employment.
- The bigger that economic and social problems become the less likely individuals, families, communities or businesses can meet the need and the greater the odds that government has to step in—that means all of us pay a higher bill.

## **An investment approach is needed to end poverty, not just alleviate its symptoms**

- The old saying that “an ounce of prevention is better than a pound of cure” applies to solving poverty as much as anything else.
- A long-term, investment approach is more appropriate to human wellbeing and development than a short-term spending approach focused largely on costs.

- We could achieve better human and financial outcomes by contributing to greater productivity and wellbeing. The results will show up in lower poverty rates, reduced strain on health care and other public service systems, and less stress, anxiety and debt in our lives.

### **Effective investments require that we understand what creates human wellbeing**

- Poverty is not inevitable, natural, or too complex to manage.
- Poverty is about more than money because life for all of us is about more than money. The work we do without pay and the time we devote to family, friends and community, or to education and sleep, are essential to our wellbeing and quality of life.
- Time stress can matter as much as income stress in meeting needs. Living in poverty in Canada is very time-consuming.
- Societal networks and the ability to have some control over life are important to everyone. Science shows that a little stress is good for us, but too much stress can damage our bodies and brains, triggering physical and mental illness.
- Achieving greater wellbeing requires a better balance and connection between the economic and the social aspects of life.
- Good governance, where people participate and have trust in government institutions and public policy, supports both economic and social goals.

### **Canada has the capacity to invest in wellbeing and solve poverty**

- Canada is a wealthy country. We have a great deal of knowledge and experience, good public policy models, and a concerned population. We have had success in dramatically reducing poverty among seniors over the past few decades.
- As a country we are in the middle of the international pack and slipping on some key indicators of wellbeing. If we can turn things around, avoid bigger problems that need bigger fixes and invest more wisely, our future can be brighter and more sustainable.

### **We will all benefit from a Canada without poverty**

- All Canadians benefit by being able to use our time and money for the things that matter most to us individually and collectively and that make life more worthwhile.

## ***Recommendations for Taking Action***

The patterns revealed in this report, along with the Council's own deliberations and the conversations we have had with people from many walks of life, clearly show that it makes economic sense to solve poverty. The National Council of Welfare suggests that Canada can do this, for the benefit of all Canadians, by:

1. Adopting a Canada-wide Strategy for Solving Poverty that builds on the Council's four cornerstones as a governance model, builds on existing poverty reduction strategies and initiatives, and continuously improves with experience.
2. Establishing a Sustained Investment Plan within the strategy that builds human capacity, removes barriers, creates opportunities, and considers interrelationships among policies as well as the changing realities of Canadians over the course of their lives.
3. Developing a Consistent Design Framework to get the greatest effectiveness from policies and programs. It should be based on: fairness and reasonable reward for work effort; support for autonomy and initiative; portability, security and stability; coordination and simplicity; and accountability and communication.
4. Fostering an Open Forum for Conversation and Action involving many partners in an ongoing, inclusive pan-Canadian space for sharing ideas, questions, research, evidence, progress reports, and lived experience.



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## Making gains in Alberta and Saskatchewan

### *Alberta increases AISH benefit rates*

**A**cross Alberta, parents who have sons and daughters with developmental disabilities are truly appreciative of the fact the provincial budget finally recognizes the needs and interests of their families and those of their family members. The increase in AISH benefits both in terms of income and employment incentives are the largest accorded this program since its inception. Individuals with disabilities requiring AISH will be able to have a life that is more reflective of the dignity to which they ought to be accorded.

The Government of Alberta is increasing benefit rates for the Assured Income for the Severely Handicapped program by \$400 per month to \$1,588, effective April 1.

The program also provides employment income exemptions allowing recipients to retain a portion of their earnings. The thresholds for the employment income exemptions will double, from \$400 to \$800 per month for a single person and from \$975 to \$1,950 per month for recipients with cohabiting partners or dependent children. About 17 per cent of AISH recipients and/or their cohabiting partners (more than 7,500 households) report some form of employment income.

Alberta Premier Alison Redford said of the rates increase: “A healthy society looks after its most vulnerable. This increase reflects the compassion of Albertans and will help individuals on AISH enhance their quality of life.”

The Alberta 2012 Budget provides \$271 million to cover the cost of increasing the maximum monthly benefit for AISH recipients by \$400 per month and doubling the AISH program’s employment exemption thresholds. The total 2012-13 budget for the AISH program is \$1.1 billion.

### *Saskatchewan Enhances Disability Income Program*

The recent Saskatchewan provincial budget takes a significant step towards improving the quality of life for 8,000 – 10,000 people with disabilities, a development that is welcomed by the 38 member organizations of the Disability Income Support Coalition (DISC). The increased benefits will come into effect along with a major expansion of the Saskatchewan Assured Income for Disability (SAID) program this summer.

“The budget promises an increase of \$200/month for single people with disabilities who live independently in their community” notes Saskatchewan Disability Income Support Coalition (DISC) Chair Judy Hannah. “For people who have lived on an average income of less than \$950/month this increase means that they will no longer have to choose between paying for medication or food. They will be able to afford to buy fresh fruit for some meals; in fact they may be able to afford 3 meals a day instead of 1 or 2 meals.”

The budget notes that income for people living independently will increase on average by a total of \$350/month over the next 4 years. For people living in residential care, a total increase of \$100 per month over four years is promised. The Saskatchewan Assured Income for Disability (SAID) Program, launched by the Government of Saskatchewan in the fall of 2009, is a mechanism providing income to people with disabilities that is different than social assistance. The development of SAID has been an innovative process for Saskatchewan that has involved a collaborative partnership between government and community in all aspects of the design and implementation of the program.

DISC remains committed to working with the government to see all recommendations for the SAID program implemented, including the recommendation for a “Living Income” that will include a socially acceptable living allowance along with a benefit that recognizes the specific costs of disability. “Saskatchewan’s SAID program will be unique in Canada because it will recognize that having a disability carries its own costs. People should not have to use their food or rent money to cover those disability expenses” says Merv Bender, chair of the Program Implementation Advisory Team (PIAT). PIAT is comprised of representatives of the disability community who are primarily nominated by DISC. “Last fall the Premier promised that Saskatchewan will be the best place in Canada for people with disabilities to live” notes Hannah. “Today we have moved closer to that goal”.

# Focus on Ontario

## *Ontario Social Assistance Review*

In its 2008 poverty reduction strategy, Ontario announced a commitment to conduct a review of the province's social assistance programs—Ontario Works and the Ontario Disability Support Program. An advisory council was appointed which was tasked with making recommendations for the scope and terms of reference for the review. In November 2010, Commissioners Frances Lankin and Munir Sheikh were appointed to lead the review. The Commission has now conducted two rounds of consultations across the province based on two discussion papers. The first discussion paper, “Issues and Ideas,” resulted in more than 700 written submissions from individuals and groups. Consultations on the second paper “Approaches for Reform” were concluded in mid-March of this year.

Challenging economic conditions have made the Commission's task particularly difficult. A common theme among responses to the discussion papers has been a request for the Commission look broadly and consider fundamental changes for a social assistance system that is seen by many to harm more than it helps. However, while many have pointed to a need for sweeping changes to the system as a whole, many have also cautioned the Commission not to let current economic conditions and an austerity agenda influence its current task of crafting a longer term vision for social assistance that is rooted in an objective of poverty reduction.

Two key themes for the Social Assistance review have centered around the question of employment and ways of better supporting people to enter the labour market, and benefit rates—how to structure benefit rates to ensure fairness, adequacy and incentives for working.

The following are excerpts from two innovative submissions on these key issues of employment and adequacy. Community Living Ontario is a member of both groups below and has issued a response to the Commission consistent with the positions cited below. Visit [www.communitylivingontario.ca](http://www.communitylivingontario.ca) to view the submission.

### ***Enabling Employment — The Ontario Disability Employment Network***

*The Ontario Disability Employment Network is a professional body of employment service providers that operate in Ontario. Our vision is that all people who have a disability in Ontario have access to the labour force and the ability to achieve meaningful employment. By ‘meaningful employment’ the Network subscribes to jobs that meet the requirements of the Employment Standards Act; are paid at commensurate wages and that add value to the economic and social well-being of people who have a disability.*

The Ontario Disability Employment Network recently released a report to Ontario's Social Assistance Review Commission that includes 37 recommendations aimed at helping more people who have a disability find work, while also saving taxpayers millions.

According to Statistics Canada, 15.9% of Canadians have a disability and a staggering 49% of adults who have a disability are not in the workforce. Helping them get jobs is good for all of us because it reduces dependency on social assistance and allows them to contribute to the tax base.

Fixing the system – an encompassing term for the myriad of government departments and ministries that fund employment – doesn't have to be difficult. Many of the Network's practical recommendations identify savings, in many cases without the investment of new resources. Some recommendations are simple administrative changes, such as eliminating the requirement for a second eligibility approval for those who receive income support but want help finding a job.

Some recommendations are more complex and will take longer to implement. The Network's top five recommendations include:



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- Creating a single employment services framework that incorporates all ministries and departments that have responsibility for disability services
- Moving the five existing funding pots to a single stream for all employment services and transferring responsibility for those resources to municipalities
- Ensuring other programs that support people who have a disability do not compete with or undermine employment opportunities
- Changing to an audit-based accountability system, similar to that used in the income tax system
- Moving to an income reporting and adjustment system that is technology-driven and similar to an 'equal billing' system commonly used by utility companies.

While the Network supports the streamlining of employment services administration and has called for a single employment services framework, a recent move towards a “one stop shop” for employment services is something that the Network flat out rejects. “The one-stop Employment Ontario model is a giant step backward and will not serve people who have a disability well. It didn’t respond to people who have a disability in the past when it was known as the Canada Manpower Centre and there’s no reason to think it will work any better today,” said Joe Dale, the Network’s executive director.

The full submission of the Ontario Disability Employment Network can be viewed here:

<http://www.odenetwork.com/library/submission-to-the-social-assistance-review-commission/>

### ***Ensuring Adequacy — The ODSP Action Coalition***

*The ODSP Action Coalition has been active since 2002 when 16 community forums were held across Ontario to document the problems and develop recommendations for improvements to the Ontario Disability Support Program. One issue has always been at the top of most members’ priority list, and that is the amounts of monthly income support which are inadequate to pay the costs of shelter, nutritious food and the other essentials of life.*

The following are excerpts from two submissions of the ODSP Action Coalition, “Dignity, Adequacy, Inclusion: Rethinking the Ontario Disability Support Program” and “Positive or Punitive?”

The Coalition has long advocated for an independent board of experts and people with lived experience to develop criteria for setting rates. This approach is similar to a market basket approach since it involves looking at what people need and setting rates based on those costs. However, it is important that the costs used are realistic and actually cover the shelter and other living expenses – including the additional costs borne by people with disabilities. The Market Basket Measure as revised by Statistics Canada should not be used – it has recently been criticized by social policy experts because the revisions to the housing costs means that families in most cities would never find an apartment at those rents.

Recommendations of the Coalition on adequacy and benefits structure:

- Increase the levels of income support for people with disabilities to reflect average market rents (as determined by the Canada Mortgage and Housing corporation); average utility costs; average cost of a nutritious food basket (as determined by municipal boards of health); transportation costs; costs for communication devices, including telephone and internet; and all personal basic needs;
- Include an allowance for household infrastructure (such as furniture, utensils, bedding and linens, winter clothing, small appliances, etc.) and additional costs related to disability (both direct and indirect) in the income support for people with disabilities;
- Index the rates to inflation; and,
- Create an independent panel of experts, including people with disabilities and social policy experts, to recommend rational and just criteria for determining levels of income support in Ontario’s social assistance programs.

For more information about the Coalition and its responses to the Social Assistance Review visit [www.odspaction.ca](http://www.odspaction.ca).

# Exploring Canada's Commitment to Economic and Social Rights

*New course from Canada Without Poverty seeks to create network of rights-based anti-poverty advocates*

**By Megan Yarema, Canada Without Poverty**

In Canada, we have the right to adequate food, housing, and clothing as stated in the International Covenant on Economic and Social Rights, which our government ratified in 1976. Yet, when people discuss human rights they often miss the connection that conditions of poverty are violations of these rights. The federal government has abandoned its international commitments on economic and social rights leaving the most vulnerable people inadequately housed, hungry and lacking dignity.

Canada Without Poverty (CWP) seeks to engage civil society in a new project: to create a stronger voice denouncing violations of human rights that perpetuate and exacerbate poverty. This spring CWP is launching a new online course, *"Economic and Social Rights in Canada"* to develop a 'Community of Practice' – a group of anti-poverty advocates knowledgeable and skilled in applying a rights-based framework to their work. The seminar will run for six weeks starting May 7 and ending June 15 during which time 40 participants in a virtual classroom will engage in discussion on such themes as: poverty, the right to adequate housing, health rights, and women's economic and social rights.

Civil, political, economic and social rights are all enshrined in the Universal Declaration of Human Rights and related international law. While civil and political rights in Canada are well established and generally protected, the same cannot yet be said for economic and social rights, even though all human rights are meant to be equal in status under law. One reason for this is a lack of awareness and understanding that things like adequate housing, food, and clean drinking water are in fact human rights not just gifts bestowed by governments. This includes many already working to address poverty who approach their work from a charitable standpoint rather than a social justice framework. Moreover, economic and social rights generally lack the institutional mechanisms and legal and other remedies by which these rights can be formally recognized, claimed and protected.

It is said that "human rights only become meaningful when they gain political content...they are rights that require active participation from those who hold them." It is in this spirit that the upcoming online course was developed. Public recognition and defence of economic and social rights is an important solution to systemic poverty.

This online series will be the first of its kind in Canada, and is timely considering the March 2012 federal budget, and the lead up to next year's review of Canada's human rights record (the Universal Periodic Review) by the United Nations. Human rights experts Leilani Farha, Bruce Porter, Shelagh Day, and Martha Jackman will be joining the course to help guide this critical discussion. With a full course lined up in May, and a waiting list growing, CWP will endeavour to launch a second course in the Fall of 2012.

*For more information contact Megan Yarema, Director of Education and Outreach, Canada without Poverty, [megan@cwpcsp.ca](mailto:megan@cwpcsp.ca)*



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## Federal Budget 2012

CACL has supported and endorsed the National Action Plan on Disability—a shared vision of an inclusive and accessible Canada developed in 2007 by individuals and disability organizations from across the country. The National Action Plan looks to a long term goal of expanding and enhancing the federal role in income support for persons with disabilities. In the short term, we have joined others in calling on the Federal Government to take steps to address the poverty of Canadians with disabilities by:

- Making the Disability Tax Credit refundable for low-income Canadians;
- Establishing an advisory committee – reporting to both the Minister of Human Resources and Skills Development and the Minister of Finance – to explore options for expanding the federal role in income support for people with disabilities;
- Making those eligible for Canada Pension Plan Disability Benefits automatically eligible for the Disability Tax Credit;
- Making Canada Pension Plan Disability Benefits non-taxable;
- Expanding Employment Insurance Sick Benefits to 52 weeks.

Federal Budget 2012 announced changes for Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) that will exacerbate the trend of poverty among Canadians with disabilities. Given that almost 50% of people with intellectual disabilities rely on social assistance as their sole source of income and people with disabilities are hugely over represented on welfare rolls, the planned increase in age of eligibility for OAS will mean yet more poverty for seniors with disabilities. CACL joins others in the disability community urging the Government of Canada to ensure that people with disabilities—already so marginalized by poverty—do not carry a disproportionate burden of the cost for this policy change.

To begin to address the poverty and labour force participation gap for people with disabilities, Budget 2012 did make some promising announcements. An additional \$30 million will be invested over three years in the Opportunities Fund to support the labour market inclusion of people with disabilities. This is a welcome measure. On its own it is not sufficient to address the staggering levels of labour market inequality experienced by people with disabilities. However, measures promised in the budget to appoint a high level panel reporting to both the Minister of Finance and Minister of Human Resources and Skills Development are an important and long awaited step toward development of a robust labour market strategy for people with disabilities. These measures are step toward addressing some of the structural sources of poverty faced by Canadians with disabilities.

In the meantime, there remains a critical need for short and long term measures to address the income security of people with disabilities and their families. The recent changes made by the federal government to OAS and GIS raise many questions and call for a renewed examination of the federal and provincial/territorial roles in income supports for people with disabilities. The National Action Plan on Disability has been developed and endorsed by organizations and individuals in the disability community from across Canada. It provides a framework for long and short term actions to advance income security and work to end the poverty of Canadians with disabilities.

### Registered Disability Savings Plan

Budget 2012 made changes to the Registered Disability Savings Plan that will make it possible for adults with intellectual disabilities to access an RDSP without being forced to give up their legal status. While CACL was hopeful for a solution that would allow individuals to open a plan in their own name, the temporary measures allowing parents or spouses to open an RDSP on behalf of a person with a disability will provide time to make the longer term changes that are necessary at the provincial and territorial level. More details on this policy change and other improvements to the RDSP can be found by consulting the 2012 Budget papers at [www.budget.gc.ca](http://www.budget.gc.ca).



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