

Introduction

On November 10, 2011, members of the London City Council asked a group of citizens from different sectors of the community to organize and lead a series of community consultations on social assistance in London. The mandate of the Citizens' Advisory Panel was to gauge public opinion about the policies for delivering social assistance given the recent downturn in the provincial economy.

This report provides needed information on social assistance. In addition to providing immediate data relevant to London, it furthers the ongoing Commission for the Review of Social Assistance in Ontario (SAR) by providing a forum for community consultation as well as offering substantive feedback.¹ This report has canvassed a cross-section of Londoners and compiles their opinion on how social assistance is provided. In addition to surveying those who are direct beneficiaries of social assistance, the Citizens' Advisory Panel received significant input from Londoners who are not on social assistance, but who are concerned about the way social assistance is currently administered.

Two events surrounding the Citizens' Advisory Panel's work have shaped its mandate and provided a context for its study of social assistance. The invitation to organize the Citizens' Advisory Panel came in the wake of members of the removal of the Occupy Movement from Victoria Park – a demonstration that was part of a worldwide protest and that attracted people from throughout London who were distressed by the increasing concentration of wealth among the top 1% percent of wage earners in the United States and Canada.²

In addition, during the time that the Citizens' Advisory Panel completed its work, a much-publicized lockout occurred at the Electro-Motive Diesel (EMD) plant in London on January 1, 2012, after its parent company, Caterpillar Inc., proposed significant cuts in wages. The anticipated closure of this plant will mean that 465 workers (and many others working in manufacturing products that supported the EMD plant) will lose their jobs in the near future as the production from the EMD plant in London is transferred to another plant in Muncie, Indiana – a state that does not offer the same level of protection for workers either through labor unions or legislation.

Like Occupy, the EMD lockout and subsequent strike has received enormous public support from a cross-section of citizens' in London who are concerned

¹ For more on the SAR, particularly on the role of community conversations, see <http://www.socialassistancereview.ca/home>.

² This statistic is accurate. According to a report released by the Congressional Budget Office in October, 2011, between 1979 and 2007 the top 1 percent of earners in the United States more than doubled their share of the nation's income. <http://cbo.gov/ftpdocs/124xx/doc12485/10-25-HouseholdIncome.pdf> (Last accessed November 27, 2011)

about economic inequality. Taken as a whole, the Social Assistance Review, Occupy London, and EMD point to a considerable concern for economic justice emerging in London. This report has been written with these broader concerns in mind, and *city leaders must acknowledge and address these concerns* as they consider the information and recommendations provided concerning social assistance.

In the course of completing our work, we organized and presented a series of public education opportunities and community meetings about economic inequality, social assistance, Low-Income Cut-Offs (LICO), market cap, Cost of Living, Market Basket Measure (MBM), and other details around the rules and requirements for both Ontario Works (OW) and the Ontario Disability Support Program (ODSP).

On December 14, 2011, James Shelley organized a special event as part of the City Symposium series at which three experts spoke about economic inequality. Sean Quigley organized a meeting at which more particular information on social assistance was presented on January 29, 2012. Kevin Dixon organized a rally at St. Paul's Cathedral by the inter-faith community on January 15, 2012. Finally, Sean Quigley and Glen Pearson held a special event concerning EMD was held on February 13, 2012. These public meetings were well-attended and drew from many different communities in London, from the CAW to members of local churches.

In addition, different networks for social media gathered feedback and maintained the momentum generated by our public meetings, and perhaps the most important lesson this project has taught the members of the Citizens' Advisory Panel concerns the potential that this interaction between "virtual" and "real time" meetings has for public deliberation and activism.

Qualitative and Quantitative Analyses

We have organized the data obtained through the community consultation process into qualitative and quantitative analyses. In this section, we focus on the qualitative analysis, bringing to the forefront feedback from a cross-section of citizens in London – not just those who directly benefit from social assistance, but other Londoners who were concerned about how social assistance is provided. In the appendix, we have also organized the quantitative analysis to provide additional perspective on the material discussed in this section.

The Citizens' Advisory Panel received the following data through two methods. The first was a "virtual" meeting in the form of an online survey at the following website: <http://citysymposium.com/citizenship-resources/social-assistance-review>. The second was a "real-time" meeting at a 2 ½ hour information and roundtable discussion on January 29th 2012 at the London Convention Centre. The survey generated 262 respondents, and 89 citizens attended the roundtable discussion.

To ensure consistency in the survey and roundtable discussions, the Panel asked the following questions:

1. What do you think benefit levels (the amount of income support money given to recipients of OW and ODSP) should be based on?
2. What do you think about requiring people who have no other place to turn for financial assistance to deplete all of their assets including RRSP's in order to be eligible for social assistance?
3. Should an individual on Ontario Works have their benefits "clawed back" if they are working part time?

There were a number of common themes that emerged as is corroborated by the quantitative data also provided by this report.

1. What do you think benefit levels (the amount of income support money given to recipients of OW and ODSP) should be based on?

There was consensus that the current levels are not sufficient for either individuals or families on ODSP or OW and that the levels needed to reflect the conditions within the local economy. Many spoke to the need to use LICO or current cost of living as a means of setting a level from which to base income benefits upon but the trend was clear that income levels are far from sufficient in their current form.

"I think cost of living needs to be considered, and the actual cost of housing that applicants are currently living in. If the LICO is \$1595.33, how are recipients expected to survive on \$592 per month? "

“The level should be very close to LICO (perhaps 80- 100%). I believe setting the OW benefits lower obliges recipients to devote significant time and energy to seeking alternate aids and support to the detriment of their ability to find employment.”

“I think the OW payments should reflect the local conditions in terms of cost of housing and the cost of purchasing basic necessities. Also, many people living on a low income would benefit from budgeting assistance as well as how to make healthy food choices on a limited budget.”

“The criteria for a livable monthly allowance should be no less than the Low-income cut off, because from experience, I can tell you that being poor does not motivate one to get a job or take care of one's self.”

2. What do you think about requiring people who have no other place to turn for financial assistance to deplete all of their assets including RRSP's in order to be eligible for social assistance?

Again, the consensus was clear and consistently emerged throughout the entirety of the responses. Reducing savings and assets creates a cycle of poverty and does not allow the individual receiving assistance to prepare for or be prepared for retirement thereby continuing the need for governmental assistance. The respondents were clear in understanding the need to reduce the need for those needing assistance to deplete assets first.

“I think this policy is foolish. If one is saving for retirement and ends up in a situation where they need assistance for a short period of time it seems completely irresponsible to force this person to deplete their savings. Yes, financial assistance should be a last resort, but this is not to say that one should suffer penalties on their savings, or have to sell all of their assets because they are experiencing difficulty. “

“People should NOT have to forfeit everything financially (and with personal information) to be able to accept a temporary small amount of money”

“I am against having to use their RRSP money before getting financial assistance. The very fact that they have money in an RRSP shows that in the past they have practiced good and prudent money management . They have mostly likely not ended up on OW because of poor money management but rather because of the loss of their income source. Perhaps through loss of employment or health. You are punishing them for good stewardship and rewarding those who come empty handed to OW and ODSP. You are in fact encouraging people to be non savers. Not a message the government should be sending with so many Canadians getting into excessive debt.”

“Forcing people to liquidate assets only guarantees to set them back even further in their recovery from assistance as they'll have nothing to fall back on should they lose a job again, or have another setback. It takes all control out of a person's hands in so many ways.....as well as depleting hope.... and pretty much sets them up for future failures and falling”

3. Should an individual on Ontario Works have their benefits "clawed back" if they are working part time?

The response to the question of a claw back as an incentive to work was a contentious one for the respondents. What is however is clear is that the respondents all recognized that the current system of claw backs is ineffective and respondents agreed that these should be based upon local, LICO, or Market Basket rates. There was recognition that a claw back did need to be implemented once a recipient of benefits reached a cost of living metric as described earlier but there is anecdotal evidence to suggest in the comments that the current claw back methodology is a disincentive to work.

“This has long been the worst response of the OW program. It makes absolutely no sense to me. Any economic policy must-atitscore-understand incentives. OW policy must be developed with the incentive of securing gainful employment. Currently, it appears to be developed the other way around. If built around this core incentive, it shouldn't to be hard to see how OW must be realigned so that it actually helps people "move out" of poverty as opposed as stuck in it.”

“No. As long as the individual can demonstrate that they are still job searching or are focusing on upgrading part time employment should not be clawed back as this is often the only thing keeping people out of financial hardship. Part time employment can also lead to full time and there for OW should remove any perceived disincentives to work part time.”

“Certainly, at some point a claw-back will be required, the question is when it occurs. I think, morally, we shouldn't be clawing back until people are out of poverty.”

“Ontario Works is suppose to get those receiving social assistance back to work. In order to do that, they will require monies to pay rent, get the proper education/training to improve their job qualifications, and allow for decent food to be purchased so that they do not develop poor health. To claw back any amount of money while they are working will continue the vicious cycle of staying on social assistance because they will always have to rely on OW payments in order to sustain some form of living.”

Recommendations based on both the Qualitative and Quantitative Analyses

When considered alongside the Quantitative analysis provided in the Appendix, the Qualitative analyses identifies common themes around funding of public transportation, case manager focus, recognizing the impacts of emergency health issues on benefit payout, and the difficult transition period between transferring from OW to ODSP and the debt that can accrue because of that.

The Citizens' Advisory Panel offers the following recommendations to The Social Assistance Review Commission that we have gathered through our consultation.

1. There is consensus that our current system of Social Assistance is inadequate to the needs and well being of our communities most vulnerable
2. The level of current benefits are woefully inadequate to the real world local cost of living and causes unnecessary suffering and hardship amongst recipients in our community
3. The level of benefit should be raised to the LICO or Market Basket or local cost of living
4. The need to eliminate an individuals assets to qualify for benefits is counter productive to ending the cycles of assistance use and untimely leads to further dependency on this system throughout a recipients life.
5. Claw back of earned income, while needed once a livable level of assistance is achieved (see point 3), is a disincentive to seeking extra income and ending the cycle of poverty while receiving benefits.

In the process of engaging with Londoners on the three key focus questions there were a number of issues raised that fell outside of the questions asked. What is meaningful is that it showed the willingness on the part of Londoners to look at the totality of the issues surrounding social assistance and economic inequality and the effects it has on our community and on individual recipients.

We, as a panel of citizens engaged in the well being of our community, are in full accord with the above recommendations and strongly urge the Government of Ontario and The City of London to act on our recommendations as quickly as possible. Our participants, citizens of London, are no longer comfortable allowing the ongoing cycles of crisis and poverty to exist within our community and urge that all citizens of the City and the Province address our fellow citizens issues quickly. The human and economic cost of our current systems of assistance have become the opposite of what we intend and for our collective wellbeing must be addressed with thoughtfulness, urgency, and humanity.

Wider Implications

With all that has transpired in recent months following the launch of the Citizens' Advisory Panel, certain impressions abide, particularly because they resonate closely with the findings of current studies:

- The general tone of all discussions possessed an urgency that the fallout over income disparity is now taking a serious toll on modern society. This corresponds with studies identified by Wilkinson and Pickett which demonstrate that societies that have wider gaps between rich and poor experience higher levels of violence, racism, sexism and mental health issues as well as lower levels of social cohesion, educational performance, overall health, trust and community participation.³
- There is a sense that various levels of government are merely protecting the status quo, which in the end only adds to further imbalance. This sense of imbalance is affirmed by studies on tax rates. For example, Marc Lee points out that the poorest 10% of Canadians (those earning less than \$13,500 a year) pay 30.7% of their incomes in tax while the top 1% (those with incomes above \$300,000) paid only 30.5% of their income in tax.⁴
- There is the understanding that struggles with income disparity, even at the local level, are the result of inequitable financial policies that are global in scope and require solutions far beyond the community level. This understanding fits well with a 2012 OECD report which concludes that the social contract is starting to unravel in many countries, economic benefits are not trickling down, wealth is being redistributed upwards and, without a comprehensive strategy for inclusive growth, inequality will continue to rise.⁵
- The inter-faith community in London is growing increasingly restive over entrenched poverty and is in the process of collecting their many voices to speak out on the issue in one clear narrative. An inter-faith rally against the growing gap in London, on January 15, 2012, attracted more than 400 participants who recognized that too many people are being excluded from the benefits of the economy and highlighted the moral dimension of the economy, calling for a market economy that is governed by justice and oriented toward the common good.

³ Richard Wilkinson and Kate Pickett, *The Spirit Level* (London, UK: Penguin Books, 2009).

⁴ <http://www.policyalternatives.ca/publications/commentary/putting-fairness-back-canada%E2%80%99s-tax-system>

⁵ See 2012 OECD report, "Divided We Stand: Why Inequality Keeps Rising."

- There is a conviction that issues germane to the Occupy movement's message on income disparity should not be permitted to fade into memory, but should have an increasing effect on issues of public and economic policy. Income disparity is raising many questions that require a sustained social dialogue: In responding to the recession, should we not remember that it was the financial sector that caused it in the first place? Given that the Ontario government's budget was balanced before the 2008-09 financial crisis, does this not reiterate the fact that the recession was not caused by irresponsible government over-spending? Are governments over-reacting to deficits and, in the process, focusing myopically on austerity measures that threaten to create further job loss? Has the tax-cutting agenda undermined the government's legitimate role in managing change and shaping a future that is beneficial to all citizens? How is the tax-cutting agenda contributing to a mistrust of government?
- Citizens are asserting that the official Social Assistance Review should be a productive engine to propel increased assistance to those suffering in poverty, and that new initiatives be formed that would assist those struggling in joblessness, part-time, or minimum wage full-time employment. The Citizens' Advisory Panel found that many citizens are choosing to stand in solidarity with people who are jobless. They need the different levels of government to help them to do so by investing in people who are jobless. The increased taxes that may be required to do so should be seen as one way of reversing the troublesome upward re-distribution of wealth that was identified by the OECD.

Conclusion

The Citizens' Advisory Panel was founded on a hunch. Recognizing that the issues inherent in the Occupy movement may be finding resonance in the wider London public, some at City Hall requested that a new initiative be struck that would sample local citizens to determine if the troubling issues caused by income disparity were in fact important.

With this in mind, the Citizens' Advisory Panel held a series of public meetings. What was important about these meetings was the citizen-to-citizen nature of the dialogue. Community leaders interacted with local Londoners on the complexities of social assistance as they pertained to the provincial review (SAR), and the results were put into a database that is part of this report.

As important as the discussions around the provincial review were, the key focus of the Citizens' Advisory Panel was nevertheless to gauge the sentiment of average citizens on the overall subject of income disparity. While the responses to the Citizens' Advisory Panel's queries in this regard were not as empirical as the specific answers to the social assistance review, it quickly became clear that most we came in contact with were concerned about issues like the growing gap

between rich and poor, the persistently high rates of unemployment, especially among the young, the burgeoning challenges around issues of mental health and affordable housing, concern over the decline of public investments, to name only a few.

Two major themes that emerged from these discussions point to social and economic exclusion. These patterns are most stark amongst people who are accessing social assistance, with assistance levels that are so low that they undermine human dignity by leaving people in a constant struggle for survival. However, they also appear among people struggling to get by with minimum wage jobs and part-time employment.

Such issues and themes gathered more focus as concerns about the locked-out workers at EMD continued to gain traction. Citizens commiserating with the Panel professed a sense of urgency over the issue of the 99-1% and how the middle-class appears to be eroding. Most of those who responded to the Panel had some kind of personal experience regarding equitable income through the struggles of friends and family. The interest maintained, and support demonstrated, for the EMD workers has formed an important symbol of this raised level of consciousness over income disparity among Londoners.

Five months of public engagement on a citizen-to-citizen level has left the Citizen's Panel with a clear conviction that our efforts be maintained for a longer duration. Others will be recruited to assist with the growing interest shown by Londoners in general to the increase of poverty and the decline of public confidence in a more hopeful and prosperous future that includes all Canadians. The Citizens' Advisory Panel will seek to expand its efforts to address both of these concerns and will recruit more citizens and institutions to assist with that process.

What began as a hunch has now ended its first phase with a feeling of certainty that income disparity has reached the state of critical mass where an increasing number of citizens are seeking opportunities to express their arguments and be part of proposed solutions. We thank Council for the opportunity afforded us to test public sentiment and we commit ourselves to future efforts of interaction to assist public and private institutions now that we understand that the original hunch of Council is indeed a reality.

Appendix I: Graphs charting the results of the Quantitative Analysis

Social Assistance Review

Citizen Input from London, Ontario

Collected between December 24, 2011 and February 6, 2012
Tabulation completed on February 7, 2012

londonpolicyresponse.com

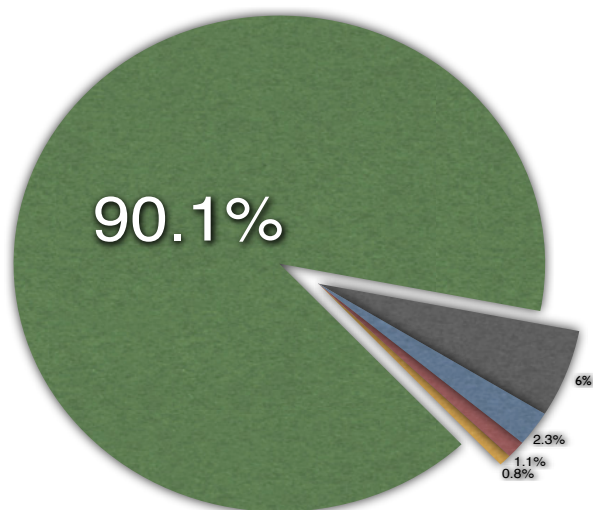
Important Note: The following graphs and figures were calculated by interpreting and categorizing the free-form, open-ended responses to the following questions:

- 1. What do you think benefit levels (the amount of income support money given to recipients of OW and ODSP) should be based on?*
- 2. What do you think about requiring people who have no other place to turn for financial assistance to deplete all of their assets including RRSP's in order to be eligible for social assistance?*
- 3. Should an individual on Ontario Works have their benefits "clawed back" if they are working part time?*

Please note that respondents were not given specific response options. The following calculations should thus be taken as a "best attempt" at determining larger themes and patterns in the data, and not as specific commentary on the nuance and particularities of each response unit.

The sample size of data represented is 262 responses.

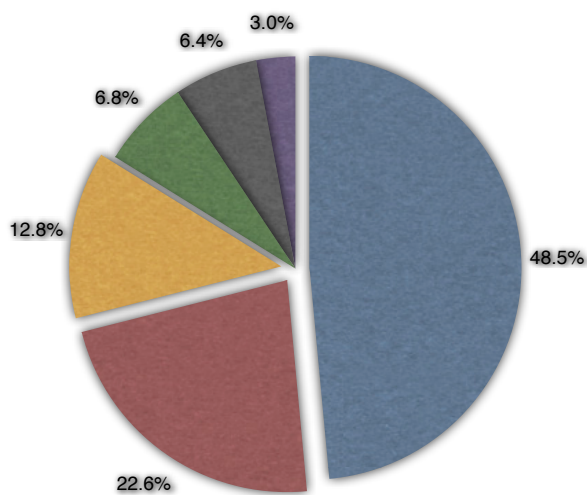
Benefit Levels



When asked what social assistance benefit levels should be based on, 90.1% of the 262 respondents indicated a desire to see benefit levels adjusted from their current rates.

- Not Sure
- Maintain Status Quo
- Eliminate All Benefits
- Adjust Benefit Levels
- Unspecific Response

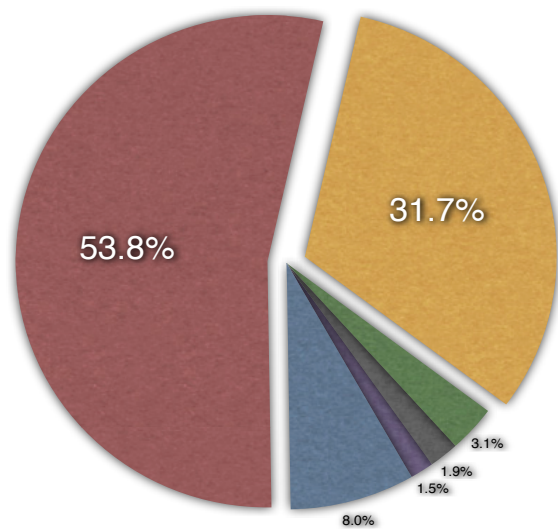
How to recalculate benefits?



The 90.1% of respondents who wish to see benefits adjusted presented a range of ideas for new calculations. These suggestions range in their specificity, but 83.9% of these indicated that rates should be tied to a metric using *either* the local cost of living, LICO or MBM, or minimum wage. In other words, **75.1% of all respondents (197 people) wanted to see benefit levels scale to an actual cost-of-living metric of one kind or another.**

- Local Cost Living (in principle)
- LICO or MBM specific
- Minimum Wage
- Adjust Fixed Rates
- Individual Determination
- Guaranteed (or per capita) Income

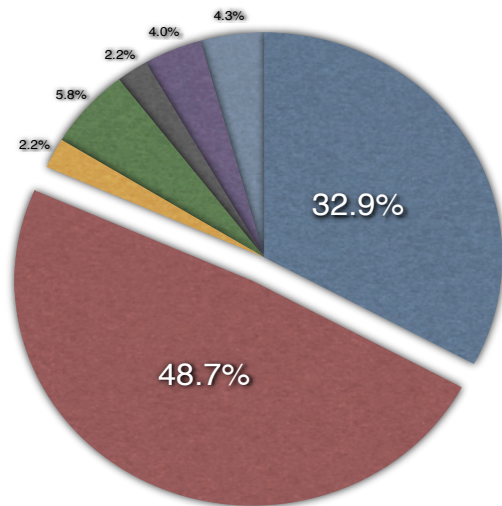
Resource Depletion



When asked whether individuals applying for Ontario Works should be required to deplete their fiscal assets in order to gain eligibility, 53.8% indicated "no" and 31.7% said yes, but with recalculated rates (varied, but all more generous) than the current allowances.

- Not sure
- No resource depletion at all
- Yes, but metric rescaled
- Keep the status quo
- Case-by-case determination
- Unspecific Response

The “Clawback”



When asked if social assistance recipients should have their benefit levels “clawed back” if they work part time, 48.7% indicated no (generally suggesting that no clawback be made until a LICO or MBM minimum is reached). 32.9% indicated a need for a clawback metric, but with various ideas about how it should be recalculated to avoid the “disincentive” stigma.

- Rescale the clawback rate
- Eliminate the clawback
- Add fiscal incentive to work
- Maintain the status quo
- Determine case-by-case
- Don't know
- Unspecific response