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TO:	CHAIR AND MEMBERS COMMUNITY AND NEIGHBOURHOODS COMMITTEE MEETING ON SEPTEMBER 27, 2011
FROM:	CINDY HOWARD DIRECTOR OF SOCIAL AND COMMUNITY SUPPORT SERVICES COMMUNITY SERVICES DEPARTMENT
SUBJECT	ONTARIO WORKS CASELOAD UPDATE FOR MAY 2011 TO AUGUST 2011

RECOMMENDATION

That, on the recommendation of the Director of Social and Community Support Services, with the concurrence of the Executive Director of Community Services, the following report **BE RECEIVED** for information purposes.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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With some exceptions, starting in 2002 until June 18, 2007, Ontario Works Caseload information reports were submitted to the Community and Protective Services Committee.

As of September 24, 2007, the Social Assistance Trends Quarterly Report replaced the Ontario Works Caseload report.

As of January 2009, the Ontario Works Caseload Update Report is provided to monitor caseload size and activity on a more frequent basis.

BACKGROUND

ONTARIO WORKS CASELOAD, MAY 2011 to AUGUST 2011

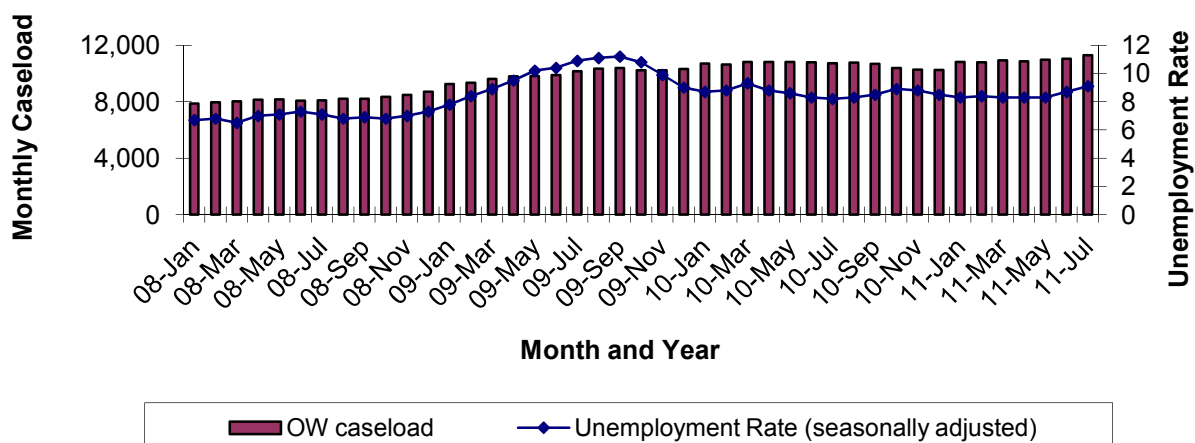
The following are the updated highlights of our Ontario Works caseload and related performance indicators for May to August 2011.

Caseload

- The Ontario Works 2011 year to date average monthly caseload is 10,953. This is 3.5% lower than budgeted for this time period.
- Caseload expenditures (net) are estimated to be within budget for 2011.
- The caseload is lagging economic trends with a 2% overall caseload increase in 2011 compared to 2010.
- Our caseload is forecasted based on a model that is similar to what is used by the Province except that we use local data. Our model takes into account unemployment rates, economic forecasts, caseload dynamics (entering and exiting the caseload), historical caseload information, and policy and program changes.



Unemployment Rate and Ontario Works Caseload, January 2008 to July 2011¹



- History suggests that high caseloads may persist even after unemployment starts to decline.

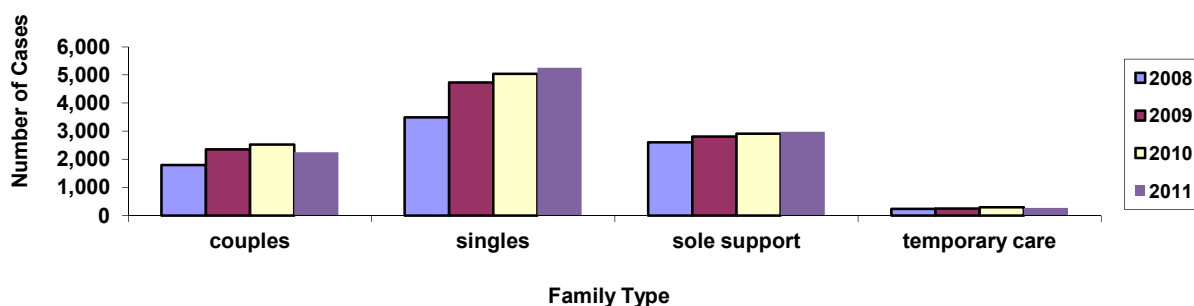
Caseload Dynamics and Performance Indicators

Caseload dynamics and employment outcomes for May to August of 2011 show some positive signs. There were more people applying for Ontario Works than for the same months in 2010; however the number of people actually entering the caseload declined. Although the total number of participants exiting the caseload was lower in 2011 compared to 2010, the number of participants with earnings and the number of participants exiting to employment increased in 2011.

In the four month period covered by this report there was a steady climb in the Ontario Works caseload culminating with a spike in July followed by a significant decline in August. The Ontario Works caseload increased by 249 cases in July 2011 bringing it to 11,289. This increase was influenced by the Province’s decision to suspend “holds” on Ontario Works cheques during the Canada Post strike. As anticipated a correction occurred in August 2011 with the Ontario Works caseload decreasing by 352 cases to 10,937.

- An average of 1,027 people per month applied for Ontario Works in May to August 2011. This is 11.4% higher than for the same months in 2010.
- An average of 714 people per month entered the caseload in May to August 2011. This is 1.1% higher than for the same months in 2010.
- Caseload growth for May to August 2011 differs by family type: the sole support caseload has increased as a proportion of the total caseload and the couples and singles caseload has declined.

Figure: Caseload by Family Type, May to August 2008, 2009, 2010 and 2011



- From May to July 2011 (the most recent data available at the time of this report), 8.2% more people gained employment than during these same months in 2010. Some people gaining employment remain on the caseload while others are able to exit.



Labour Market Indicators

Employment in the London Census Metropolitan Area (CMA) for 2011 has generally reflected an economy that has managed to remain relatively stable. The London CMA includes: London, St. Thomas, Townships of Middlesex Centre, Thames Centre, Central Elgin, Southwold and Strathroy-Caradoc.

- Labour Force Survey seasonally adjusted figures for the London CMA (August 2011) indicate that compared to August 2010:
 - The number of people in the labour force who are employed has decreased by 2,000 or 0.8% to 243,000; and
 - The number of people in the labour force who are unemployed has increased by 1,800 (8.2%) to 23,700.
- In June 2011 (the most recent data available at the time of this report), 5,320 people received regular Employment Insurance (EI) benefits in the London CMA. This is 21.9%% lower than in June 2010.
- As a result of the relatively stable unemployment rate in the London Area over the past few months, the number of hours needed to qualify for EI remains at 595. The maximum number of weeks that EI can be claimed in London remains at 42. The number of hours needed to qualify and the maximum number of weeks that benefits may be claimed is adjusted monthly based on local unemployment rates.²
- The Conference Board of Canada’s Summer 2011 forecast for the London CMA shows positive signs of recovery, albeit at a modest rate and lower than previous projections:
 - Total employment to increase by 0.4% in 2011 and 2.1% in 2012;
 - Lower unemployment rates in both 2011 and 2012. Unemployment rates are expected to be 8.2% in 2011 and 7.1% in 2012; and
 - Following a 4.7% decline in 2009, London’s GDP is predicted to expand by 1.7% in 2011 and 2.5% in 2012 based on a rebound in new home construction.

FINANCIAL IMPACT

- The 2011 budget is based on a twelve month average of 11,500 cases.
- Net caseload expenditures for January to August 2011 are forecasted to be under budget by \$720,412 or 6.0%.

Financial Impact: Estimated Caseload Expenditures (January to August, 2011)

		2011 Budget	2011 Actual	2011 Difference from Budget to Actual
Total Expenditures	Gross	\$63,305,722	\$59,622,801	\$3,682,921
	Net (18.8%)	\$11,901,476	\$11,181,064	\$720,412
Average Case Cost	Gross	\$697	\$680	\$17
	Net (18.8%)³	\$131	\$128	\$3

CONCLUSION

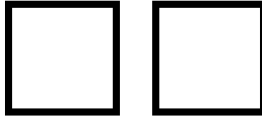
It is generally accepted that the unemployment rate is an indicator of caseload, however a number of other variables also impact caseload such as social assistance policy changes and changes to other policy areas such as employment insurance. Unless there are some significant policy changes, we can anticipate that even with slow improvement to the economy the caseload will continue to remain high.

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SUBMITTED BY:	
Elisabeth K. White Manager, Employment & Strategic Initiatives Social and Community Support Services Community Services Department	
RECOMMENDED BY:	CONCURRED BY:
Cindy Howard, Director Social and Community Support Services Community Services Department	Ross L. Fair Executive Director Community Services Department

Prepared by: Randy MacTaggart, Community Planning and Research Associates with the support of Gail Devito, Momodou Jeng and Anna Oliveira

- c. Anna Lisa Barbon, Manager, Financial & Business Services
- Elaine Sauve, Program Supervisor, Ministry of Community and Social Services
- Momodou Jeng, Manager, Social Research and Planning



Social Assistance Caseload Size⁴

The number of individuals and households participating in Ontario Works Program are average monthly figures.

Caseload Size

	2011 Caseload	2010 Caseload	Percent Change Previous Month	Percent Change 2010 to 2011
January	10,810	10,704	5.4%	1.0%
February	10,786	10,634	-0.2%	1.4%
March	10,925	10,826	1.3%	0.9%
April	10,856	10,819	-0.6%	0.3%
May	10,977	10,824	1.1%	1.4%
June	11,040	10,793	0.6%	2.3%
July	11,289	10,721	2.3%	5.3%
August	10,937	10,715	-3.1%	2.1%
September		10,679		
October		10,382		
November		10,277		
December		10,259		

Beneficiaries

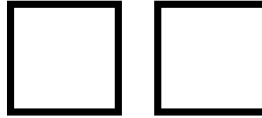
	2011 Beneficiaries	2010 Beneficiaries	Percent Change Previous Month	Percent Change 2010 to 2011
January	23,453	23,663	4.4%	-0.9%
February	23,328	23,032	-0.5%	1.3%
March	23,660	23,377	1.4%	1.2%
April	23,740	23,374	0.3%	1.6%
May	23,826	23,423	0.4%	1.7%
June	24,023	23,411	0.8%	2.6%
July	24,179	23,351	0.6%	3.5%
August	23,827	23,504	-1.5%	1.4%
September		23,528		
October		22,891		
November		22,555		
December		22,466		

Caseload Dynamics⁵

2011

Month	Incoming Calls	Applications	Eligibility		Number Finding Employment*	Exits	
			Total	% of Caseload		Total	% of Caseload
January	1,510	1,212	847	7.8%	281	427	4.0%
February	1,467	898	691	6.4%	254	707	6.6%
March	1,682	974	692	6.3%	294	685	6.3%
April	1,453	951	558	5.9%	362	654	6.0%
May	1,789	1,108	820	7.5%	341	772	7.0%
June	1,547	1,037	704	6.4%	317	756	6.8%
July	1,624	937	631	5.6%	292	647	5.7%
August	TBD	1,027	699	6.4%	TBD	933	8.5%
September							
October							
November							
December							

*Number finding employment is as of August 19, 2011 report



2010

Month	Incoming Calls	Applications	Eligibility		Number Finding Employment*	Exits	
			Total	% of Caseload		Total	% of Caseload
January	1,592	1,148	787	7.4%	215	452	4.2%
February	1,462	977	738	6.9%	224	765	7.2%
March	1,636	951	748	6.9%	262	734	6.8%
April	1,527	896	596	5.5%	272	674	6.2%
May	1,305	927	696	6.4%	306	762	7.0%
June	1,302	914	730	6.8%	285	810	7.5%
July	1,181	916	735	6.9%	287	794	7.4%
August	1,106	931	664	6.2%		823	7.7%
September	1,227	916	736	6.9%		841	7.9%
October	1,165	841	592	5.7%		868	8.4%
November	1,267	902	632	6.1%		817	7.9%
December	1,004	796	598	5.8%		597	5.8%

*Number finding employment is as of August 18, 2010

Caseload Profile⁶

2011

Month	Family Profile				Children				Time on Assistance (months)	ODSP Participating in OW Employment
	Couples	Singles	Sole Support	Temporary Care	total	0 to 6	7 to 12	13 to 17		
January	23.3%	47.2%	26.9%	2.6%	6,934	3,457	2,004	1,473	24.8	290
February	23.2%	47.6%	26.8%	2.6%	6,923	3,457	1,994	1,472	24.9	283
March	23.1%	47.7%	26.7%	2.6%	6,953	3,469	2,018	1,466	24.8	283
April	23.3%	47.3%	26.8%	2.6%	6,915	3,453	2,015	1,447	25.2	278
May	23.3%	47.5%	25.7%	2.5%	6,959	3,494	2,017	1,448	25.0	261
June	23.2%	47.5%	26.8%	2.5%	6,936	3,492	2,008	1,436	25.1	255
July	22.9%	48.0%	26.7%	2.5%	6,936	3,483	2,008	1,445	25.3	247
August	23.1%	47.0%	27.6%	2.3%	6,978	3,533	2,019	1,426	25.6	241
September										
October										
November										
December										

2010

Month	Family Profile				Children				Time on Assistance (months)	ODSP Participating in OW Employment
	Couples	Singles	Sole Support	Temporary Care	total	0 to 6	7 to 12	13 to 17		
January	22.9%	47.4%	26.7%	2.7%	6,949	3,467	2,048	1,434	22.2	468
February	23.3%	47.5%	26.6%	2.6%	6,952	3,467	2,053	1,432	22.5	457
March	23.2%	47.7%	26.4%	2.7%	7,038	3,496	2,075	1,467	22.7	441
April	23.3%	47.5%	26.5%	2.7%	7,028	3,495	2,071	1,462	23.2	470
May	23.3%	47.5%	26.6%	2.7%	7,035	3,496	2,075	1,464	23.4	423
June	23.4%	47.0%	26.8%	2.7%	7,048	3,523	2,072	1,453	23.5	406
July	23.5%	46.7%	27.1%	2.7%	7,051	3,527	2,080	1,444	23.9	453
August	23.7%	46.1%	27.2%	2.7%	7,120	3,573	2,080	1,457	24.2	444
September	23.8%	45.7%	27.7%	2.8%	7,078	3,531	2,091	1,456	24.4	423
October	23.8%	45.9%	27.4%	2.9%	6,928	3,435	2,052	1,441	25.0	311
November	23.7%	46.1%	27.5%	2.7%	6,807	3,407	1,975	1,425	25.2	297
December	23.5%	46.3%	27.5%	2.7%	6,799	3,397	1,990	1,412	25.3	296



Labour Market Indicators

Labour Market and Employment Insurance figures are available for the London Census Metropolitan Area (CMA). The London CMA includes: London, St. Thomas, Townships of Middlesex Centre, Thames Centre, Central Elgin, Southwold and Strathroy-Caradoc.

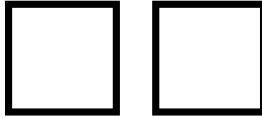
Employment Insurance⁷

Regular⁸ EI Beneficiaries

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2011	7,880	8,040	8,300	6,440	5,660	5,320	TBD	TBD				
2010	9,410	9,430	9,770	7,680	7,040	6,810	7,840	8,280	6,310	5,510	5,840	7,020
2009	9,450	9,970	12,720	9,350	9,020	9,350	11,290	10,010	7,010	6,800	7,130	8,000
2008	5,550	5,450	6,000	5,930	4,590	4,190	5,950	5,900	4,100	4,270	5,390	7,440

Source: Statistics Canada.

Labour force characteristics, seasonally adjusted, by census metropolitan area (3 month moving average) (London, Ont.)						
	July 2011	August 2011	July 2011 to August 2011	August 2010 to August 2011	July 2011 to August 2011	August 2010 to August 2011
	thousands		change (thousands)		% change	
London (Ont.)						
Population	412.1	412.4	0.3	4.3	0.1	1.1
Labour force	263.8	266.7	2.9	-0.2	1.1	-0.1
Employment	239.7	243.0	3.3	-2.0	1.4	-0.8
Unemployment	24.0	23.7	-0.3	1.8	-1.3	8.2
Unemployment rate (%)	9.1	8.9	-0.2	0.7
Participation rate (%)	64.0	64.7	0.7	-0.7
Employment rate (%)	58.2	58.9	0.7	-1.1
Note: Population 15 and over.						
Sources: Statistics Canada, CANSIM, table (for fee) 282-0116 and Catalogue no. 71-001-XIE .						
Last modified: 2011-09-09.						



Data Sources and Definitions

¹ Statistics Canada Labour Force Survey data as reported on the Labour Market Information report distributed by Service Canada.

² While no direct relationship between low EI benefit rates in recessionary periods and increased social assistance caseloads has been established, there is anecdotal evidence which suggests that provincial social assistance fills some of the gap that occurs when EI is not working well. Source: Medelsohn, M. & Medow, J. *Help Wanted. How Well did the EI Program Respond During Recent Recessions*. School of Public Policy & Governance University of Toronto. Mowat Centre for Policy Innovation. Mowat Note. September 2010.

³ Note: Net share has reduced to 18.8% which reflects the second year of the Provincial upload of OW benefits. There are some cases funded 100% by the Province. For this reason, net is less than the 19.4% of the actual gross. Average Case Cost excludes Transition Child Benefit.

⁴ Source: London Ontario Works: SDMT Form 5 Report

⁵ Definitions and Data Sources:

Incoming Calls- The number of calls made to London's Intake Unit, including inquiry and application calls for London and Middlesex. Internal Report

Applications- The number of applications where an SDMT record was created for London by any office in Ontario. SDMT Intake Performance Report - Verification, (SIE400M) - number screening

Eligibility- The number of individuals and households who are eligible for assistance following a verification interview. Intake Tracking Report - (SIE100M) – Date Granted

Number Finding Employment - The number of Ontario Works participants who started employment /self-employment through employment assistance services. This figure is subject to change. January to May - reflects data as of the second Friday of the month. June to December – reflects data as of the third Friday of the month.

Number with Earnings – The number of Ontario Works participants with earnings currently on the City of London's caseload. Excludes participants who have left Ontario Works but are receiving Extended Employment Health Benefits (EEHB). Data source: MCSS. Ontario Works Employment Assistance Outcome Data Report. Employment Outcome Measure 2A. Percentage of Caseload with Employment Income.

Total Exits- The number of individuals and households leaving assistance every month for any reason, including reasons such as “missing information”. Many who leave for this type of reason are reinstated within two weeks. SDMT Terminations Detail Report (SPR160M)

⁶ Data Sources:

Family Profile - Form 5 Caseload Statistics, Finance

Children - Benefit Unit Summary Report, SAR 140M

ODSP Participating in Ontario Works Employment – ODSP Participants Participating in Ontario Works Employment Programs as at the end of the month. Internal Report provided by Ontario Works

Time on Assistance - Benefit Unit Summary Report, SAR 140M

⁷ Source: Statistics Canada. Table 276-0009 - Employment Insurance Program (E.I.), beneficiaries by province, census metropolitan areas, census agglomerations and sex, monthly (persons), CANSIM (database).

http://cansim2.statcan.ca/cgi-win/cnsmcgi.exe?Lang=E&CANSIMFile=CII\CII_1_E.htm&RootDir=CII/

⁸ Regular excludes maternity, sickness, parental, et cetera benefit claims