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TO:	CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON OCTOBER 1, 2012
FROM:	LYNNE LIVINGSTONE ACTING ADMINISTRATOR, ONTARIO WORKS
SUBJECT:	ONTARIO WORKS CASELOAD UPDATE FOR JANUARY 2012 TO AUGUST 2012

RECOMMENDATION

That, on the recommendation of the Acting Administrator Ontario Works, 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 at the last Community and Protective Services Committee, which was a precursor to the Community Services Committee, meeting of each month. Copies of these reports can be accessed through the City Council, Community and Protective Services Committee, Agenda section of the City of London website.

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.

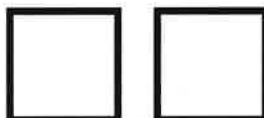
BACKGROUND

ONTARIO WORKS CASELOAD, JANUARY 2012 TO AUGUST 2012

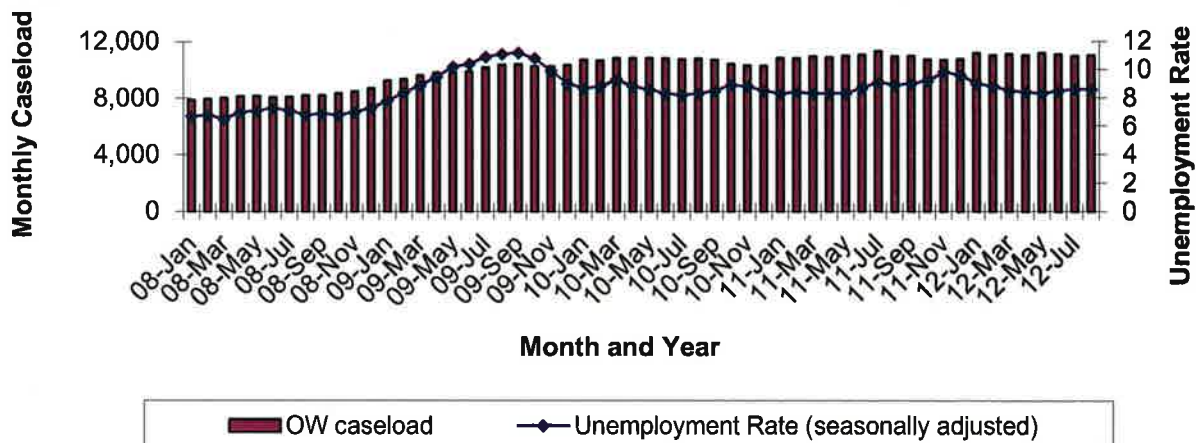
The following are the updated highlights of the City of London's Ontario Works caseload and related performance indicators for January to August 2012. The context for this report is that after many years of steady caseload decline to a record low in October 2006 the caseload started to increase. This growth was a direct result of the decline in the economy.

Caseload

- The Ontario Works caseload increased by an overall average of 33 cases per month from January to August 2012.
- The Ontario Works 2012 year to date average monthly caseload was 11,052. This is 0.3% higher than budgeted for this time period. The budgeted caseload for 2012 is 11,000. The average monthly caseload was 10,889 in 2011.
- Caseload expenditures (net) are estimated to be within budget for 2012.
- The caseload is lagging economic trends. Labour force figures began improving in October 2009 and although caseload growth has stabilized, overall caseload size was 0.9% higher in 2012 (year to date) than in 2011.
- 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 August 2012¹



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

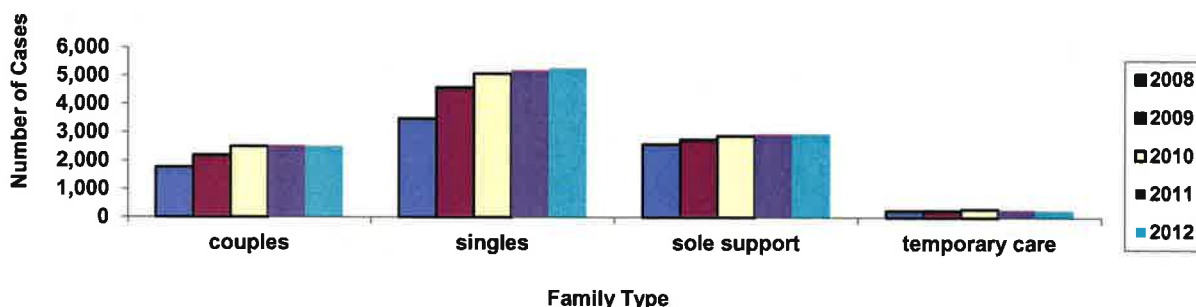
Caseload Dynamics and Performance Indicators

Caseload dynamics and employment outcomes for January to August 2012 are showing positive results. The caseload appears to be stabilizing with less people entering and more people exiting than in 2011. Furthermore, the number of participants gaining employment increased in 2012 compared to 2011 as did the number of participants with earnings and the number of participants exiting to employment.

January to August 2012

- An average of 1,038 people per month applied for Ontario Works from January to August 2012. This is 2.0% higher than for the same months in 2011.
- An average of 690 people per month entered the caseload from January to August 2012. This is 2.1% lower than for the same months in 2011.

Figure: Caseload by Family Type, January to August 2008, 2009, 2010, 2011 and 2012



- From January to August 2012, 1.0% more people gained employment than during these same months in 2011. Some people gaining employment remain on the caseload while others are able to exit.
- From January to August 2012, an average of 721 people left the caseload each month, 3.3% more than for the same months in 2011 when 698 left each month.



Employment in the London Census Metropolitan Area (CMA) for 2012 has generally reflected a slow and uneven economic recovery. 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 2012) indicate that compared to August 2011:
 - The number of people in the labour force who are employed has increased by 7,300 or 3.0% to 250,400; and
 - The number of people in the labour force who are unemployed has decreased by 300 or 1.3% to 23,500.
- In June 2012 (the most recent data available at the time of this report), 5,270 people received regular Employment Insurance (EI) benefits in the London CMA. This is 9.4% lower than in June 2011.
- In August 2012 the unemployment rate in the London CMA was 8.6%. This is higher than the provincial unemployment rate of 8.0% and the national unemployment rate of 7.3%. In comparison the London CMA unemployment rate was 8.9% in August 2011 which was also higher than the provincial unemployment rate of 7.5% and the national unemployment rate of 7.3%.
- 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 2012 Forecast for the London CMA states that economic growth in London is to rebound in 2012, albeit at a modest rate. Although London's economy continues to recover from the 2008-09 recession; the pace of the recovery has been slow.

- Total employment to decline by 0.4% in 2012 and increase 2.7% in 2013 and 1.7% in 2014;
- Lower unemployment rates are forecast for 2012 through 2014. Unemployment rates are expected to be 8.2% in 2012, 7.5% in 2013 and 6.7% in 2014;
- GDP is predicted to expand by 1.7% in 2012, 2.5% in 2013 and 2.5% in 2014; and
- The forecast increases in total employment and GDP and the forecast decline in the unemployment rate for the London CMA are below both the provincial and national forecasts.

Conference Board of Canada Winter 2012 Forecast³

	Total Employment			Unemployment Rate			GDP Growth		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
London CMA	-0.4%	+2.7%	+1.7%	8.2%	7.5%	6.7%	+1.7%	+2.5%	+2.5%
Ontario	+1.2%	+2.4%	+1.7%	7.6%	6.0%	6.5%	+2.3%	+2.7%	+2.7%
Canada	+1.2%	+2.3%	+1.8%	7.3%	6.8%	6.3%	+2.3%	+2.7%	+2.8%

FINANCIAL IMPACT

- The 2012 budget was based on a twelve month average of 11,000 cases, 1.0% higher than 2011 actual average caseload of 10,889.
- Net caseload expenditures for January to August 2012 were under budget by \$105,553 or 1.0%.

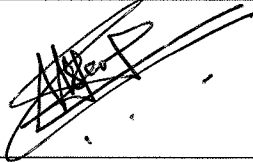

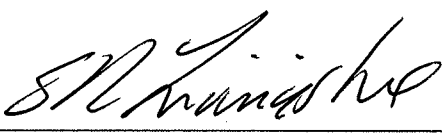


Financial Impact: Estimated Caseload Expenditures (January to August, 2012)

		2012 Budget	2012 Actual	2012 Difference from Budget to Actual
Total Expenditures	Gross	\$61,020,560	\$60,508,901	\$511,659
	Net (17.2%)	\$10,495,536	\$10,389,983	\$105,553
Average Case Cost	Gross	\$692	\$684	\$8
	Net (17.2%)⁴	\$119	\$117	\$2

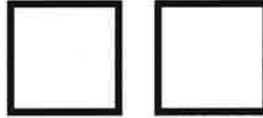
CONCLUSION

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.

PREPARED BY:	
	
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Social Assistance Caseload Size⁵

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

Caseload Size

	2012 Caseload	2011 Caseload	Percent Change Previous Month	Percent Change 2011 to 2012
January	11,152	10,810	3.9%	3.2%
February	10,996	10,786	-1.4%	1.9%
March	11,098	10,925	0.9%	1.6%
April	10,997	10,856	-0.9%	1.3%
May	11,153	10,977	1.4%	1.6%
June	11,065	11,040	-0.8%	0.2%
July	10,959	11,289	-1.0%	-2.9%
August	10,998	10,937	0.4%	0.6%
September		10,956		
October		10,707		
November		10,653		
December		10,733		
Average	11,052	10,889		

Beneficiaries

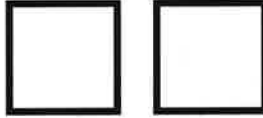
	2012 Beneficiaries	2011 Beneficiaries	Percent Change Previous Month	Percent Change 2011 to 2012
January	24,198	23,453	3.2%	3.2%
February	23,944	23,328	-1.0%	2.6%
March	24,201	23,660	1.1%	2.3%
April	23,915	23,740	-1.2%	1.6%
May	24,173	23,826	1.1%	1.8%
June	24,013	24,023	-0.7%	0.5%
July	23,796	24,179	-0.9%	-2.0%
August	23,845	23,827	0.2%	0.1%
September		23,902		
October		23,470		
November		23,340		
December		23,458		
Average	24,011	23,684		

Caseload Dynamics⁶

2012

Month	Incoming Calls	Applications	Eligibility		Number Finding Employment*	Exits	
			Total	% of Caseload		Total	% of Caseload
January	1,928	1,345	850	7.6%	298	565	5.1%
February	1,473	1,003	724	6.6%	272	766	7.0%
March	1,546	945	645	5.8%	333	689	6.2%
April	1,490	1,011	634	5.8%	342	667	6.1%
May	1,778	1,087	766	6.9%	364	769	6.9%
June	1,578	965	602	5.4%	292	744	6.7%
July	1,595	950	637	5.8%	306	811	7.4%
August	TBD	1,001	662	6.0%	340	757	6.9%
September							
October							
November							
December							
Total							

*Number finding employment based on SDMT report SEE100M and not Service Contact report as data source



2011

Month	Incoming Calls	Applications	Eligibility		Number Finding Employment*	Exits	
			Total	% of Caseload		Total	% of Caseload
January	1,510	1,212	847	7.8%	286	427	4.0%
February	1,467	898	691	6.4%	250	707	6.6%
March	1,682	974	692	6.3%	313	685	6.3%
April	1,453	951	558	5.9%	338	654	6.0%
May	1,789	1,108	820	7.5%	352	772	7.0%
June	1,547	1,037	704	6.4%	322	756	6.8%
July	1,624	937	631	5.6%	296	647	5.7%
August	1,861	1,027	699	6.4%	364	933	8.5%
September	1,749	1,084	705	6.4%	435	873	8.0%
October	1,470	925	659	6.2%	362	888	8.3%
November	1,500	1,080	695	6.9%	351	785	7.4%
December	1,229	895	663	6.2%	218	700	6.5%
Total	18,881	12,128	8,364		2,521	8,827	

* Number finding employment based on SDMT report SEE100M and not Service Contact report as data source

Caseload Profile⁷

2012

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%	47.8%	26.9%	2.4%	6,814	3,445	1,958	1,411	25.7	210
February	22.9%	47.9%	26.9%	2.3%	6,835	3,465	1,982	1,388	25.9	196
March	23.1%	47.9%	26.7%	2.3%	6,738	3,403	1,968	1,367	26.2	199
April	23.1%	47.9%	26.6%	2.4%	6,782	3,450	1,972	1,360	26.3	197
May	22.9%	48.0%	26.6%	2.4%	6,815	3,471	1,991	1,353	26.4	197
June	22.8%	47.8%	26.9%	2.5%	6,726	3,441	1,958	1,327	26.7	192
July	22.7%	47.6%	27.1%	2.6%	6,685	3,413	1,959	1,313	27.0	193
August	22.6%	47.9%	26.9%	2.6%	6,635	3,390	1,967	1,278	27.0	189
September										
October										
November										
December										
Average										

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	293
February	23.2%	47.6%	26.8%	2.6%	6,923	3,457	1,994	1,472	24.9	286
March	23.1%	47.7%	26.7%	2.6%	6,953	3,469	2,018	1,466	24.8	278
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	275
June	23.2%	47.5%	26.8%	2.5%	6,936	3,492	2,008	1,436	25.1	258
July	22.9%	48.0%	26.7%	2.5%	6,936	3,483	2,008	1,445	25.3	254
August	23.1%	47.0%	27.6%	2.3%	6,978	3,533	2,019	1,426	25.6	246
September	22.9%	46.9%	27.8%	2.3%	6,905	3,512	1,982	1,411	25.7	240
October	23.0%	46.7%	27.9%	2.4%	6,807	3,451	1,959	1,397	26.1	227
November	23.0%	46.9%	27.6%	2.4%	6,803	3,432	1,960	1,411	26.1	216
December	22.9%	40.3%	27.5%	2.5%	6,776	3,417	1,962	1,397	26.2	209
Average					6,903	3,471	1,996	1,436	25.4	255



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 Insurance⁸

Regular⁹ EI Beneficiaries

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	7,120	7,230	7,890	6,510	5,490	5,270						
2011	7,880	8,040	8,300	6,440	5,660	5,320	5,950	6,750	4,220	4,380	4,740	5,610
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 2012	August 2012	July 2012 to August 2012	August 2011 to August 2012	July 2012 to August 2012	August 2011 to August 2012
	thousands		change (thousands)		% change	
London (Ont.)						
Population	416.1	416.4	0.3	4.0	0.1	1.0
Labour force	272.4	273.9	1.5	6.9	0.6	2.6
Employment	249.1	250.4	1.3	7.3	0.5	3.0
Unemployment	23.3	23.5	0.2	-0.3	0.9	-1.3
Unemployment rate (%)	8.6	8.6	0.0	-0.3
Participation rate (%)	65.5	65.8	0.3	1.1
Employment rate (%)	59.9	60.1	0.2	1.2
Note: Population 15 and over.						
Sources: Statistics Canada, CANSIM, table 282-0116 and Catalogue no. 71-001-XIE .						
Last modified: 2012-09-07.						



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 Conference Board of Canada, Metropolitan Outlook 2: Economic Insights in 14 Canadian Metropolitan Economies (Summer 2012)

⁴ Note: Net share has reduced to 17.2% which reflects the third year of the Provincial upload of OW benefits. There are some cases funded 100% by the Province. For this reason, actual net is less than the 17.2% of the actual gross. Average Case Cost excludes Transition Child Benefit.

⁵ Source: London Ontario Works: SDMT Form 5 Report

⁶ Definitions and Data Sources:

Incoming Calls- The number of calls made to London's Intake Unit, emergency requests and online applications processed 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. SDMT Participation Report - (SIE100M). Service Contract data is no longer available (2012) as a data source to determine the number finding employment. Number finding employment data in this report cannot be compared to previous caseload reports.

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)

⁷ 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

⁸ 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/cnsmcqi.exe?Lang=E&CANSIMFile=CII\CII_1_E.htm&RootDir=CII/

⁹ Regular excludes maternity, sickness, parental, etc. benefit claims