

September 27, 2022

Hon. Merrilee Fullerton, MPP
Minister of Children, Community and Social Services
7th Flr, 438 University Ave.
Toronto, ON M5G 2K8

Dear Minister Fullerton,

We are writing with respect to Budget 2022 and people relying on Ontario's Social Assistance System.

Mennonite Central Committee (MCC) Ontario has decades of experience working with people experiencing poverty and homelessness, with indigenous communities, with refugees and newcomer communities and working to foster restorative justice. Particularly in our Walking with People in Poverty Programs, many of our program participants live with disabilities that limit their ability to find gainful employment. For many of these participants their main source of income is either the Ontario Disability Support Program (ODSP) or Ontario Works (OW). Some are able to supplement social assistance incomes with paid part-time employment.

We would first like acknowledge the decision of your Government to raise ODSP rates by 5% and, importantly, to link ODSP rate increases to inflation going forward. As the Minister of Finance noted, more work needs to be done on improving incomes for people relying on ODSP. We agree. But the increase in ODSP rates is a step in the right direction. Indexation of ODSP rates will prevent the steady erosion of ODSP incomes due to inflation. And the 5% increase makes up almost half of the loss in purchasing power since the last ODSP increase in 2018.

We would be remiss if we did not also note that the 2022 Provincial Budget made no mention of increasing Ontario Works (OW) rates.

As your Government's vision for social assistance transformation states,

Ontario's social assistance programs play a key role in supporting Ontarians in need. Programs like Ontario Works and the Ontario Disability Support Program (ODSP) are critical to helping those who have lost their jobs or are unable to work.

Recovery and Renewal: Ontario's Vision for Social Assistance Transformation further states:

People are most likely to achieve economic and employment success when the rest of their lives are stable. This includes having a safe place to live, their physical and mental health needs met and feeling connected and supported within their communities.

Ontario Works is one of Ontario's most critical programs to help stabilize the lives of people in crisis. OW is the income support program people turn to when fleeing violence, or when they lose work and are not eligible for Employment Insurance. People with disabilities waiting for their applications to the ODSP program to be approved also rely on OW. Yet, OW rates are extremely low.



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We note that in July 2022 nearly 380,000 Ontarians were relying on Ontario Works, with sole support parents and single adults making up the majority of beneficiaries. These people are living in the deepest poverty. At a maximum of \$733 a month for a single adult, OW payments push people into deep poverty -- leaving them with incomes 60% below the poverty line. The extremely low level of income assistance makes it virtually impossible for people to retain housing. For those who become homeless, they then lose the housing portion of their OW income. The same applies to people relying on ODSP.

We understand that the provincial government is working to address many serious challenges. There is a shortage of affordable housing. Rent costs are rising and communities across the province are turning to the Province in dismay as more people become homeless and tent encampments arise. Ontario is also in the midst of a mental health crisis and the health care system is under enormous pressure. Many responses to these challenges will require significant time. Raising the incomes for people who are experiencing the deepest poverty is, however, one area where the Provincial Government can make an immediate, positive impact.

This is why we support the Government's decision to increase ODSP rates and index them to inflation. We hope these two improvements will lay the foundation for more Government actions to help eliminate poverty, hunger and homelessness across Ontario.

We feel compelled to ask, however, why has your Government decided to freeze Ontario Works rates and not index them to inflation?

Given the rise in inflation especially for basics like food and rent, would it not make sense to also increase OW rates by 5% and index them to inflation?

We look forward to your answer to our questions and offer our sincerest good wishes as you work to provide the best supports and services to the people of Ontario.

Sincerely,

Margaret Smart

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Walking With People in Poverty Program

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