



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

Adjustments to Social Assistance Rates

POSITION PAPER

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Prepared by:

The District of Thunder Bay Social Services Administration Board

Prepared for:

Hon. Merrilee Fullerton, Minister of Children, Community and Social Services

Brief

The District of Thunder Bay Social Services Administration Board (TBDSSAB) urges the Ministry of Children, Community and Social Services (MCCSS) to address the adequacy of current social assistance rates, in particular the need to improve the maximum shelter allowances for recipients of Ontario Works.

Summary

TBDSSAB urges MCCSS to adjust Ontario Works shelter rates to match local average market rents and to set basic needs and shelter rates for Ontario Works according to locally defined market baskets of essential goods, including transportation, telephone, average market rents and a nutritious food basket, that are adjusted annually according to the Consumer Price Index.

Background

Rents in Thunder Bay increased 3.5% between 2018 and 2019, 2.3% from 2019 and 2020 and by 3.1% from 2020 and 2021.¹ As illustrated in Figure A, Ontario Works shelter allowances are insufficient to cover housing expenses for a benefit unit of their

¹ Canada Mortgage and Housing Corporation. Housing Market Information Portal. 2021. <https://www.cmhc-schl.gc.ca/hmiportal>

size. Households are then placed in the position to draw on their Basic Needs Allowances meant for food and clothing to pay for shelter costs.

For example, a single individual on Ontario Works receiving a Shelter rate of \$390 and Basic Needs Allowance of \$343 (total combined \$733) will experience a shortfall of approximately \$490 after paying the average rent on a bachelor apartment (\$809.00), the cost of a nutritious food basket (\$264.56), transportation (\$80) and telephone (\$60) in Thunder Bay and this list does not include other household necessities which would further add to the deficit.²

Figure A: Shelter Allowances Compared to Average Rent in Thunder Bay³

Benefit Unit Size	Apartment Size	Average Rent (Thunder Bay)	OW Shelter Rate	Average Shelter Allowance Shortfall
1	Bachelor	\$809	\$390	-\$419
2	1 Bedroom	\$950	\$642	-\$308
3	2 Bedroom	\$1,168	\$697	-\$471
4	3+ Bedroom	\$1,083	\$756	-\$327
5	3+ Bedroom	\$1,083	\$815	-\$268
6+	3+ Bedroom	\$1,083	\$844	-\$239

Households in such circumstances ultimately turn to food banks to account for some of this shortfall. In the District of Thunder Bay, over 26,000 meals are provided each month.⁴

² Thunder Bay District Health Unit. "The Cost of Eating Well in the District of Thunder Bay 2021." <https://www.tbdhu.com/sites/default/files/files/resource/2019-10/The%20Cost%20of%20Eating%20Well%202019.pdf>

³ Note: for benefit units above 4 members, the average rent for 3+ bedrooms used as per available data from CMHC. The average rent for units above 3 bedrooms will be higher, resulting in an increased deficit. October 2021 rents, current 2022 OW shelter rates.

⁴ Regional Food Distribution Association. FAQs. <http://www.foodbanksnorthwest.ca/about-us/faqs/> Accessed May 4, 2022.

Further, the Basic Needs allowance has not increased since 2018. According to the Bank of Canada, the cost of a fixed basket of consumer products has risen by 12.38% between 2018 and 2022.⁵ Further significant inflation in 2022 to date is driving the costs of these products dramatically higher.

Figure B: Canadian Inflation Rates⁶

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	5.1%	5.7%	6.7%	6.8%	7.7%	8.1%						
2021	1.0%	1.1%	2.2%	3.4%	3.6%	3.1%	3.7%	4.1%	4.4%	4.7%	4.7%	4.8%

This results in significantly less buying power today for recipients of Social Assistance. Therefore, the Basic Needs allowance should be increased and set to rise each year with the increased cost of living to ensure individuals and families maintain the same buying power year over year.

Therefore, TBDSSAB urges the MCCSS to adjust Ontario Works shelter rates to match local average market rents. As well, TBDSSAB calls on the MCCSS to set basic needs and shelter rates for Ontario Works according to locally defined market baskets of essential goods — including transportation, telephone, average market rents and a nutritious food basket— that are adjusted annually according to the Consumer Price Index.

⁵ Bank of Canada Inflation Calculator. <https://www.bankofcanada.ca/rates/related/inflation-calculator/>

⁶ Canadian Inflation Rates. <https://www.rateinflation.com/inflation-rate/canada-historical-inflation-rate> Accessed June 7, 2022.