



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

Social Assistance Rates

POSITION PAPER

January 2022

Rural Ontario Municipalities Association (ROMA) Conference

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

The TBDSSAB urges MCCSS to adjust Ontario Works 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 and by approximately another 2.3% from 2019 and 2020¹. As illustrated in Figure A, Ontario Works shelter allowances are insufficient to cover housing expenses for a benefit unit of their 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.

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

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

Benefit Unit Size	Apartment Size	Average Rent (Thunder Bay)	OW Shelter Rate	Average Shelter Allowance Shortfall
1	Bachelor	\$732	\$390	-\$342
2	1 Bedroom	\$880	\$642	-\$238
3	2 Bedroom	\$1,092	\$697	-\$395
4	3+ Bedroom	\$1,298	\$756	-\$542
5	3+ Bedroom	\$1,324	\$815	-\$509
6+	3+ Bedroom	\$1,324	\$844	-\$480

For example, a single, 40-year-old Ontario Works recipient will experience a shortfall of approximately \$229 after paying the average rent on a bachelor apartment and the cost of a nutritious food basket (\$249.96) in Thunder Bay².

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 month³. Across Ontario, the number of people accessing food banks has increased

² Thunder Bay District Health Unit. "The Cost of Eating Well in the District of Thunder Bay 2020." <https://www.tbdhu.com/sites/default/files/files/resource/2019-10/The%20Cost%20of%20Eating%20Well%202019.pdf>

³ Regional Food Distribution Association. FAQs. <http://www.foodbanksnorthwest.ca/about-us/faqs/> Accessed February 19, 2020.

1.8% since 2018 and 72% of households accessing food banks in 2019 lived in market rental accommodations. Only 0.7% of food bank users identify as homeless⁴.

When households on Ontario Works cannot afford market rental units the only option is to couch surf or to access emergency shelters. The number of emergency shelter beds used annually in Thunder Bay has increased an average of 2% year over year since 2015. The cost contributed by TBDSSAB for an individual to stay in an emergency shelter in Thunder Bay for one month is \$1,089. Including other funding sources, the true cost paid by shelters averages more than \$2,200 a month per individual⁵.

By bringing shelter rates up to the average market rent of a bachelor apartment in the District of Thunder Bay for individuals in receipt of social assistance, the province would reduce homelessness and potential monthly cost savings of \$1,468 per recipient⁶ could be realized. This savings is calculated by assuming that a single person on OW is homeless because they can't afford rent and that they are therefore at an emergency shelter for one month at a cost of \$2,200. For the District of Thunder Bay, if OW shelter rates were to match the average rent for a single person the shelter allowance would need to be increased by \$342 (bachelor apartment = \$732 rent). Therefore, by increasing the shelter rate by \$342, the month-long shelter stay is eliminated and an estimated savings of \$1,468 is realized on the system (Shelter Stay \$2,200 - \$342 OW shelter rate increase = \$1,468).

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 6.88% between 2018 and 2021⁷. This results in significantly less buying power today for recipients of Social Assistance. This also leaves OW recipients unable to afford services such as phone and internet, which have become essential needs. Therefore,

⁴ Feed Ontario. Hunger Report 2019. <https://feedontario.ca/wp-content/uploads/2019/11/Hunger-Report-2019-Feed-Ontario-Digital.pdf> Accessed February 19, 2020.

⁵ TBDSSAB Shelter Data and CHPI shelter allocations + Emergency Shelters operating costs not covered by TBDSSAB as calculated during Operational Review

⁶ Based on TBDSSAB calculations of CHPI shelter allocations and OW rates

⁷ Bank of Canada Inflation Calculator. <https://www.bankofcanada.ca/rates/related/inflation-calculator/>

the Basic Needs allowance should be increased to reflect the local market basket measure 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 MCCSS to adjust Ontario Works shelter rates to match local average market rents. As well, TBDSSAB calls on 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.