

Canada's Forgotten Poor? Putting Singles Living in Deep Poverty on the Policy Radar

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With commentaries by Sherri Torjman, Alain Noël and Ron Kneebone



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SUMMARY

Despite federal, provincial, and territorial governments devoting a lot of effort on plans to reduce poverty in recent years, too many Canadians continue to struggle to meet their basic daily needs on incomes that fall far below the poverty line. And, among all household groups, single persons without dependants are most likely to find themselves in these dire circumstances. Working-age singles constitute the largest proportion of beneficiaries on social assistance, and they are three times as likely to live in poverty as the average Canadian. The average income of singles living in deep poverty is less than \$10,000 a year, which includes social assistance benefits. Yet, they have been overlooked in social policy reforms for several decades and in many ways remain the “forgotten poor.”

This report presents the findings of extensive research about employable singles on social assistance undertaken by Toronto Employment and Social Services, in partnership with the Ontario Centre for Workforce Innovation. Drawing on data from 69,000 singles who were receiving social assistance in Toronto in 2016, and 51 interviews with randomly selected participants, the report highlights these individuals' characteristics, their complex needs, and the barriers they face in moving off social assistance and into employment. Complementing the quantitative analysis, the interviews provide important insights into the daily realities of participants' lives and their journeys on and off assistance.

The report indicates that, contrary to common belief, singles on social assistance are not a homogenous group of young men. For instance, 38 percent of them were women and 38 percent were 45 years of age, or older. Men under the age of 30 accounted for less than 20 percent of the cases. Education levels varied greatly, as did the immigration background of those on assistance. Notably, about a third had not completed high school, but as many as 30 percent had post-secondary credentials of some kind. Naturalized Canadian citizens and permanent residents represented 43 percent of the singles caseload, the same proportion as those born in the country.

One of the key issues highlighted by the report is the fact that public income supports for single individuals living in poverty – in the form of social assistance, tax credits and supplementary benefits – are considerably less generous than those for families. Unlike the many lone parents who have been helped to move out of poverty through targeted programs and child benefits, singles have minimal access to income supports beyond modest social assistance payments. Interview participants described the difficult trade-offs they made between meeting essential needs and other living expenses. They pointed to malnourishment and deteriorating physical and mental health, not to mention the stigma and social isolation, that resulted from spells on social assistance. Singles on social assistance also reported multiple barriers to employment. The most common reasons cited were poor health, a lack of education/skills, limited transportation options, and insufficient Canadian work experience. All of this underscores the importance of better understanding their diverse circumstances and challenges to be able to provide public services tailored to their needs. The report's findings provide

valuable information not only to policy-makers in Toronto, but also across Canada, as the increasing number of singles on social assistance and the limited financial support available to them are nation-wide concerns.

To follow up on this research, the Institute for Research on Public Policy asked three experts to comment on the findings and the broader implications for social policy reform, in particular how policy-makers at all levels of government could better help reduce deep poverty in Canada.

Sherri Torjman, social policy consultant and policy associate with Maytree, has long advocated for a fundamental “reformulation” of the country’s patchwork social safety net for working-age adults. She points out that, in the last few decades, tremendous progress has been made lifting families out of poverty, mainly thanks to decades of improvements to the Canada Child Benefit. However, in her view, progress stalled when it came to tackling the complex needs of working-age adults, especially those of singles on social assistance who are often stuck behind the “welfare wall.” She puts forth three major policy-reform options: (1) a redesign of Employment Insurance; (2) an expansion of the Canada Workers Benefit to provide an income guarantee to low-income workers and boost their take-home earnings; and (3) a “big bang” rebuild of all income-support programs. She also stresses the need to provide more diverse individualized support services for the most vulnerable.

Alain Noël, professor of political science at the Université de Montréal, argues that the focus of social policy in the last 20 years in member countries of the Organization for Economic Co-operation and Development (OECD) has been to reform the welfare state to deal with the new social risks associated with increasingly polarized labour markets and less stable dual-earner family arrangements. As a result, policy-makers’ attention in redesigning income support programs has leaned towards children, work-family conciliation, and labour market integration. He argues that those living alone in poverty were in the blind spot of this “social investment” drive, and that this contributed to maintaining very low welfare incomes for single adults. For instance, Canadian provinces remain in the bottom tier of OECD governments in terms of the adequacy of social assistance income for employable singles relative to median income. While Professor Noël agrees the post-COVID-19 environment may provide policy-makers an opportunity to address long-standing income security gaps, he cautions that there are considerable political risks in betting on new, large-scale, basic income programs as advocated by some. Instead, he encourages multi-pronged solutions focused on lifting people out of deep poverty by significantly increasing social assistance incomes, and providing more supportive employment and social services to those facing multiple challenges.

In a similar vein, Ron Kneebone, professor of economics at the University of Calgary, opines that for decades, Canadian public policies to fight poverty have been driven by politically popular campaigns centered on seniors and families with children. He argues that with single people now making up the largest group of reported households in the census, and singles being disproportionately represented among the

ranks of the poor in the country, it's time for policy-makers to shift the focus of their efforts from simply reducing the poverty rate overall to specifically addressing the problem of deep poverty among singles and its consequences. Professor Kneebone calls not only for a significant increase in social assistance benefits for them, but also for annual cost-of-living adjustments to be made on the basis of changes in rental costs – housing being the most significant affordability challenge for those living in deep poverty.

RÉSUMÉ

Malgré les nombreux efforts que les gouvernements fédéral, provinciaux et territoriaux ont déployés ces dernières années pour réduire la pauvreté, trop de Canadiens peinent encore à subvenir à leurs besoins fondamentaux en raison d'un revenu nettement inférieur au seuil de la pauvreté. Et parmi tous les types de ménages, ce sont les adultes vivant seuls sans personne à charge qui souffrent surtout de cette précarité. Les personnes seules en âge de travailler forment la plus grande partie des prestataires de l'aide sociale et sont trois fois plus susceptibles de vivre dans la pauvreté que l'ensemble des Canadiens. Celles qui vivent dans une extrême pauvreté ont un revenu annuel moyen de 10 000 dollars, prestations comprises. Or toutes les réformes des politiques sociales des dernières décennies ont fait l'impasse sur la situation de ces « pauvres oubliés ».

Ce rapport présente les résultats d'une étude exhaustive sur les personnes seules vivant de l'aide sociale et aptes au travail, menée conjointement par les Services sociaux et d'emploi de Toronto et le Centre ontarien Innovation-Emploi. À partir de données sur 69 000 personnes seules qui touchaient de l'aide sociale à Toronto en 2016 et de 51 entrevues avec des participants sélectionnés au hasard, il met en évidence leurs caractéristiques personnelles, la complexité de leurs besoins et les obstacles à l'emploi qu'ils doivent surmonter. En complément de l'analyse quantitative, ces entrevues jettent un éclairage instructif sur la réalité quotidienne et le parcours de ces assistés sociaux et, parfois, leur réintégration au marché du travail.

Contrairement à une idée répandue, les assistés sociaux vivant seuls ne forment pas un groupe homogène de jeunes hommes : 38 p. 100 étaient des femmes et 38 p. 100 avaient 45 ans ou plus, les hommes de moins de 30 ans comptant pour moins de 20 p. 100 de cette population. Leur niveau de scolarité était aussi très variable, tout comme leur contexte d'immigration. Environ le tiers n'avaient pas terminé leurs études secondaires, mais pas moins de 30 p. 100 possédaient une attestation d'études post-secondaires. Les citoyens naturalisés et les résidents permanents comptaient pour 43 p. 100 des personnes seules vivant de l'aide sociale, soit la même proportion que les Canadiens de naissance.

Le rapport souligne un problème important : les mesures de soutien du revenu – aide sociale, crédits d'impôt ou prestations supplémentaires – sont moins généreuses pour les pauvres vivant seuls que pour les familles. À la différence de nombreux parents

uniques, qui ont bénéficié des prestations pour enfants et de programmes ciblés pour sortir de la pauvreté, les personnes seules ont rarement accès à d'autres formes de soutien que de maigres prestations. En entrevue, les participants ont décrit les pénibles compromis qu'ils doivent faire entre leurs besoins essentiels et d'autres frais de subsistance, évoquant aussi des problèmes de malnutrition, de santé mentale et physique, sans oublier la stigmatisation et l'isolement social qu'ils connaissent lorsqu'ils vivent de l'aide sociale.

En matière d'emploi, ils ont dit se heurter à plusieurs obstacles. Parmi les plus cités figurent une santé fragile, une scolarité et des compétences insuffisantes, des moyens de transport limités et une faible expérience de travail au pays. L'ensemble de ces facteurs montre l'importance de mieux comprendre la situation et les problèmes particuliers de ces personnes vulnérables pour adapter les services publics à leurs besoins. À l'heure où le nombre croissant d'assistés sociaux vivant seuls et le faible soutien financier qui leur est offert sont devenus un enjeu d'intérêt national, cette étude offre de précieuses informations non seulement aux décideurs de Toronto mais à ceux de tout le pays.

Pour lui donner suite, l'Institut de recherche en politiques publiques a demandé à trois experts d'en analyser les résultats dans la perspective d'une réforme des politiques sociales et d'examiner par quels moyens chaque ordre de gouvernement pourrait contribuer à réduire l'extrême pauvreté au Canada.

Sherri Torjman, conseillère en politique sociale et chercheuse à la Fondation Maytree, plaide de longue date pour une refonte du filet social fragmentaire destiné aux adultes en âge de travailler. D'immenses progrès ont été accomplis ces dernières décennies pour sortir des familles de la pauvreté, reconnaît-elle, notamment grâce au renforcement de l'Allocation canadienne pour enfants. Mais il en va tout autrement pour les adultes en âge de travailler, et surtout pour les assistés sociaux vivant seuls, trop souvent pris au « piège de l'aide sociale ». Elle préconise trois réformes majeures : (1) restructurer l'assurance-emploi ; (2) élargir l'accès à l'Allocation canadienne pour les travailleurs afin d'assurer un revenu garanti aux petits salariés et d'accroître leur rémunération nette ; (3) refondre la totalité des programmes de soutien du revenu. Elle souligne aussi l'importance d'offrir aux plus vulnérables des services de soutien plus individualisés.

Alain Noël, professeur de science politique à l'Université de Montréal, observe que les pays membres de l'Organisation de coopération et de développement économiques (OCDE) privilégient depuis 20 ans des politiques sociales visant à réformer l'État-providence en fonction de nouveaux risques sociaux liés à la polarisation des marchés du travail et à la précarisation des ménages à double revenu. Les décideurs ont ainsi restructuré leurs programmes de soutien du revenu en faveur des enfants, de l'équilibre travail-famille et de l'intégration au marché du travail. Si bien que les pauvres vivant seuls se sont retrouvés dans l'« angle mort » de ce mouvement d'« investissement social », ce qui a maintenu au plus bas leurs revenus d'aide sociale. Par exemple, les provinces canadiennes se classent dans le dernier tiers des pays de l'OCDE au cha-

pitre de l'adéquation entre le revenu médian et les prestations d'aide sociale des personnes seules aptes au travail. Certes, l'après-pandémie pourrait inciter nos décideurs à remédier aux lacunes de longue date de la sécurité du revenu, mais Alain Noël prévient qu'une refonte totale des programmes visant à instaurer un revenu minimum garanti telle que préconisée par certains entraînerait d'importants risques politiques. Pour réduire l'extrême pauvreté, il propose plutôt des solutions concertées visant à augmenter considérablement les revenus d'aide sociale, mais aussi à améliorer les services sociaux et d'emploi offerts à ceux qui sont confrontés à un ensemble complexe de difficultés.

Ron Kneebone, professeur d'économie à l'Université de Calgary, soutient dans le même esprit que nos politiques de lutte contre la pauvreté ont été dictées pendant des décennies par de populaires campagnes ciblant les aînés et les familles avec enfants. Mais comme les personnes seules forment désormais la plus grande partie des ménages dénombrés par le recensement, et qu'elles représentent une proportion démesurée des pauvres du pays, il est temps pour nos décideurs de recentrer leur approche de réduction du taux global de pauvreté sur les problèmes et conséquences de l'extrême pauvreté chez les personnes seules. Il propose non seulement d'augmenter leurs prestations d'aide sociale mais aussi de fonder les ajustements annuels au coût de la vie sur les charges locatives, le coût prohibitif des loyers étant la principale difficulté financière rencontrée par les plus pauvres de nos concitoyens.

1. INTRODUCTION

The current approach to delivering poverty alleviation to specific groups (e.g., seniors, families with children) has left singles behind, resulting in [their] dominating the demographic of people experiencing deep poverty (Dutton 2019).

Nowhere have [the impacts of poverty] been felt more strongly than for single people – many of whom are grappling with mental health issues, addictions, violence and abuse, homelessness and the overall traumatizing effects of entrenched poverty. They in particular have been left behind as a result of severe cuts to Ontario Works in the 1990s ... and other flaws built into social assistance programs (Ontario 2017).

Fewer Canadians are living in poverty now than was the case in 2006. In that year, according to the Market Basket Measure (MBM), Canada's first official poverty line, 15.6 percent of the population was considered poor.¹ By 2017, this figure had fallen to 9.5 percent (or 3.4 million people). This reduction in poverty has benefited various groups. Between 2006 and 2017, for example, poverty among seniors fell from 7.6 to 3.9 percent, while child poverty fell from 19.2 to 9.0 percent.²

These declines are undoubtedly positive and reflect, among other things, an economy that has remained comparatively strong, and the success of specific public policy measures. In particular, the Canada child benefit has played an important role in lifting thousands of parents and their children out of poverty (Statistics Canada 2017).

At the same time, however, more than 5 percent of Canadians experience "deep poverty," defined as incomes below 75 percent of the poverty line. Living in deep poverty means that individuals and families must use all of their income to meet basic necessities such as shelter and food, making it virtually impossible to address other needs or plan for their future.

The existence of deep poverty raises important questions for researchers and policy-makers: Who experiences deep poverty? What unique or compounding challenges do those experiencing deep poverty face when they attempt to escape it, compared with others who are poor? To what extent is the current income security system helping them? And what changes might better support them?

Addressing these questions is important to help those currently living in such dire circumstances, and to reduce the incidence of deep poverty, especially in times of economic

¹ The Market Basket Measure (MBM) is based on the cost of a basket of goods and services that individuals and families require to meet their basic needs and achieve a modest standard of living. Wherever individuals and families are living across the country, if they cannot afford the cost of this basket of goods and services in their particular community, they are considered by the federal government to be living below Canada's poverty line.

² In 2017, Canada's official poverty line for a family of two adults and two children ranged from \$32,849 in parts of Quebec to \$41,362 in parts of Ontario. The average across the 50 regions included in the calculations was \$37,489. By comparison, the poverty line for singles ranged from \$16,423 to \$20,681 (Statistics Canada 2017)

downturn, such as that caused by the COVID-19 pandemic. Qualitative research in particular can shed light on the daily realities and conditions of groups that are often forgotten and that, during this pandemic, face heightened risks, as increasing demand strains social programs and physical distancing measures intensify social isolation.

Previous research has identified the following characteristics associated with both the risk of being poor and longer spells of poverty: having a physical or mental disability; being part of a lone-parent family; having less than a high school education; being a visible minority born outside Canada; and being single (Statistics Canada 2015).

Recent analysis shows that those experiencing deep poverty are more likely to be single compared with the rest of the population. For example:

- Working-age singles are three times as likely to live in poverty (31 percent, or 1.25 million) as the Canadian average (10 percent).
- Singles who live in deep poverty have average incomes of less than \$10,000 a year.
- Singles have great difficulty exiting poverty, with previous research suggesting that 20 percent of those aged 45 to 64 experience poverty for six straight years or more (Food Banks Canada 2017; Feng, Dubey and Brooks 2007).

The elevated risk of poverty, especially deep poverty, among unattached single adults is especially important given ongoing demographic shifts. As a result of social, economic and demographic factors – such as population aging and longer life expectancy, higher separation and divorce rates, and, for women, greater financial independence – the number of people living alone has more than doubled in the past 35 years, increasing from 1.7 million in 1981 to 4.0 million in 2016 (that is, from 9 to 14 percent as a share of the population aged 15 and over). Indeed, 2016 marked the first time in census history that one-person households were the most common household type, overtaking households consisting of couples with children (Tang, Galbraith and Truong 2019).

Despite this demographic shift, unattached, single, working-age adults living in poverty are poorly served by income security programs. They have even been referred to as the “forgotten poor” (Sauve 2008). Indeed, most of the successful policy initiatives cited in Canada’s national poverty reduction strategy are designed to support families with children (Dutton 2019). To some, this reflects a “family bias” in the amounts of income support provided to low-income people; this is evident not just in the basic benefits provided but also in the design of refundable tax credits (such as those for the goods and services/harmonized sales tax (GST/HST) and the Canada workers benefit), policy measures from which singles benefit significantly less on an adult-equivalent basis.³

Building on research undertaken by Toronto Employment and Social Services (TESS), in partnership with the Ontario Centre for Workforce Innovation (OCWI), this IRPP

³ From this point forward, this paper uses the term “singles” to describe unattached working-age adults who are on social assistance

report focuses on one group in deep poverty – namely, singles receiving social assistance in Toronto (Toronto 2018).⁴ The TESS Singles Study was designed to better understand changes to the social assistance caseload in Toronto and to develop greater insights into the characteristics and experiences of singles who receive assistance. The research findings presented in this report provide the backdrop for commentaries from three social policy experts who reflect on the broader challenges facing singles on social assistance with regard to income security; policy measures that have been helpful in supporting other family types; and policy proposals that they believe federal and provincial governments should implement to assist singles experiencing deep poverty.

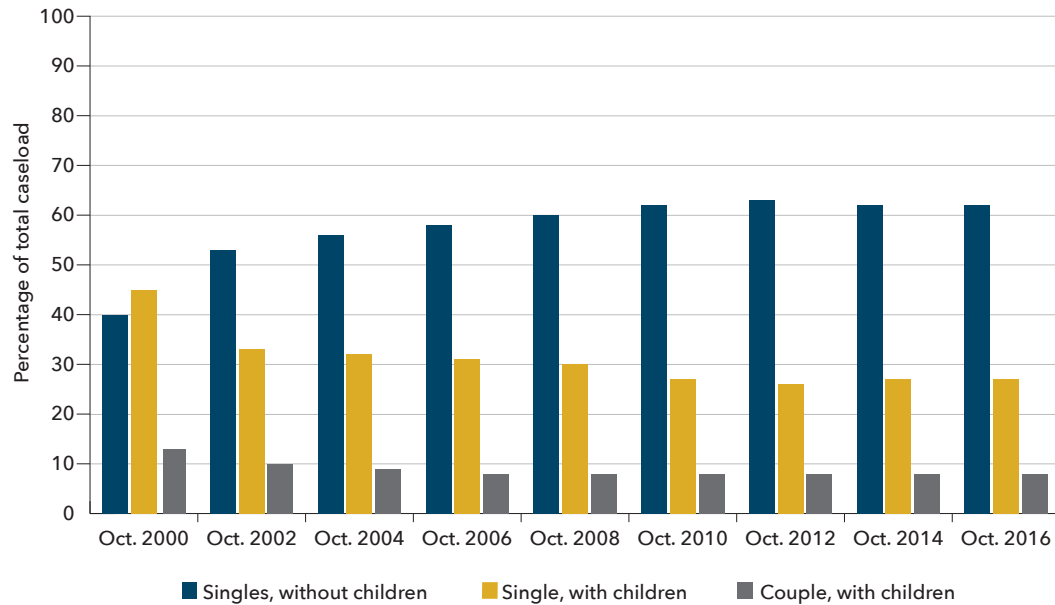
2. THE CHANGING FACE OF SOCIAL ASSISTANCE

Social assistance is a last-resort safety net that provides financial support for basic necessities to those who have exhausted all other options. Along with other federal and provincial income support programs, such as Employment Insurance (EI), Old Age Security and the Canada child benefit, social assistance is an important component of Canada’s income security system. Each province and territory has its own social assistance program(s), with different administrative rules, eligibility criteria and benefit levels. The number of people seeking assistance at any time reflects the strength of the (local) economy, as well as various policy changes, not only to social assistance but also to related programs such as EI and child benefits.

Against the backdrop of rising deficits and structural unemployment in the 1990s, traditional social assistance programs were transformed: restructured from “passive” programs of entitlement, based on need, to “active” labour market policies, with an explicit welfare-to-work orientation (OECD 2005a). In the years following these changes, both the size and the composition of social assistance caseloads changed significantly. Across Canada, caseloads fell from a peak of 3.1 million in the mid-1990s to 1.6 million around the onset of the 2008 recession (Finnie, Irvine and Sceviour 2005; Wilkins 2019). This decline reflected the combination of a strong economy, tightened social assistance eligibility rules, stricter eligibility rules for EI, enhanced child benefit payments and cuts to the real value of social assistance benefits. In Ontario, for example, welfare income – which includes basic social assistance payments, child benefits (federal and provincial) as well as other benefits and tax credits – for various family types saw a sharp reduction in 1995 and a steady downward trend over the next decade. This was followed by several years of increases, but mainly for families with children due to increases in child benefits. These changes meant that the welfare income levels for singles fell from \$13,331 in 1992 to \$9,646 in 2018, mainly as a result of reductions in basic social assistance payments. Over the same period, welfare income for a single parent with one child declined from \$26,245 to \$21,463, in 2018 dollars (Tweddle and Aldridge 2019).

⁴ In Ontario, social assistance consists of two programs: Ontario Works (OW) provides financial and employment assistance to people considered to be employable; the Ontario Disability Support Program (ODSP) provides similar supports to those with disabilities. While this report uses the term social assistance, the focus is on the OW program.

Figure 1. Toronto social assistance (Ontario Works) monthly caseload, by case type, October 2000-October 2016



Source: Toronto (2018).
Couples without children are not shown.

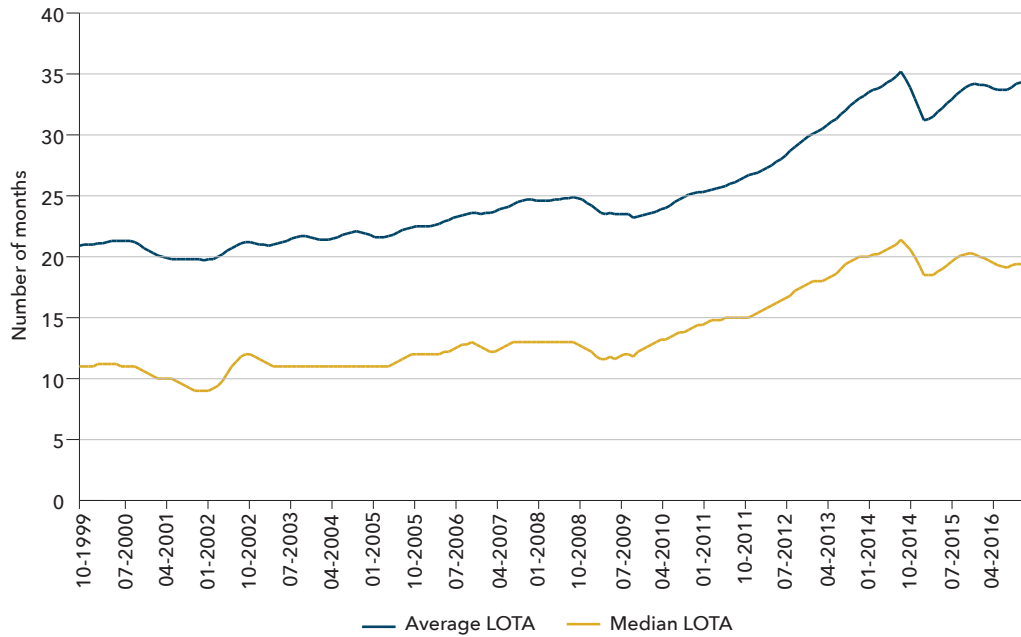
Over this period, the composition of caseloads also changed, with unattached single adults replacing lone parents as the “new face of social assistance” (Stapleton and Bednar 2011). In Ontario, the number of singles receiving social assistance increased from 92,000 in 2000 (compared with 95,000 lone parents) to 151,000 in 2011 (compared with 76,000 lone parents). In other words, the number of lone parents on social assistance declined by 20 percent, whereas singles increased by 65 percent. Similar changes have taken place across much of Canada. For example, the proportion of singles on assistance in British Columbia grew from 62 percent in 1995 to 81 percent in 2012, and between 2012 and 2016 approximately 70 percent of Albertans experiencing deep poverty were single (Pulkingham 2015; Dutton 2019).

Consistent with these trends, significant increases also occurred in the singles caseload in Canada’s largest city, Toronto. As shown in figure 1, in the early 2000s, singles represented just under 40 percent of the social assistance caseload in the city.⁵ Between 1999 and 2016, the proportion of singles on the monthly caseload increased from 38 percent to more than 60 percent.

Figure 2 shows that singles were also staying on social assistance for longer periods of time, increasing from an average of 21 months in 1999 to 34 months by 2016. Moreover, singles also represent a significant proportion of those on assistance for three to five years. For example, 56 percent of those on social assistance for three years are single; of those on assistance for five years and longer, almost half (47 percent) are single.

⁵ Data on the social assistance caseload in Toronto refer specifically to the Ontario Works program.

Figure 2. Singles’ average length of time on social assistance (LOTA), October 1999-October 2016



Source: Toronto (2018).

Changes in the composition of social assistance caseloads are a consequence of a combination of factors, including transformations in labour markets and in the nature of work, as well as outdated income and employment supports. Numerous analysts have noted, for example, the emergence of a more polarized labour market – with an increase in higher-skilled and well-paying knowledge jobs, alongside lower-skilled and lower-paid entry level positions (Institute for Competitiveness & Prosperity 2017; Zizys 2011). Among other things, this has given rise to more varied and often precarious forms of employment (Noack and Vosko 2010). While some workers have benefited from more flexible working arrangements, these changes have also broadened and deepened social risks, reinforcing disadvantages for some and creating newly vulnerable populations. This is reflected, for example, in the growing numbers of working poor and comparatively high levels of long-term unemployment, especially among older workers. Notably, the long-term unemployed are more likely to be single, and those in working poverty are almost twice as likely to be single as the average working-age individual (Stapleton 2015; Stapleton 2019; Moazzami 2017).

Those who turn to the income security system for support find that federal programs such as EI and provincial social assistance programs have their own challenges and limitations. The limited coverage provided by EI, for example, means that many unemployed people ultimately turn to social assistance for help. Various reviews and reports have highlighted not only the complexity of the social assistance system in Ontario but also its inadequacy and ineffectiveness (OSARAC 2010; Commission 2012). Given these challenges, commentators have stressed the need to transform existing income security programs and services to address emerging labour market

realities and risks (Mowat Centre 2015). As conversations about the future shape of social assistance and income security continue, with the pandemic providing renewed focus, research on the changing characteristics and experiences of those in need can offer important insights.

3. THE SINGLES STUDY: BETTER UNDERSTANDING SINGLES ON SOCIAL ASSISTANCE

Adopting both quantitative and qualitative approaches, the Singles Study aimed to identify

- the characteristics of singles on social assistance in Toronto;
- how the singles caseload is changing over time;
- the factors that predict exits to employment; and
- the service experiences and needs of singles.

To address these aims, the study drew upon administrative data to summarize the characteristics of and barriers faced by nearly 69,000 singles who were receiving social assistance in Toronto in 2016. In addition to these descriptive statistics, the study examined historical trends among singles, as well as the factors associated with transitioning to employment. Complementing the quantitative analysis, the study involved 51 in-depth semi-structured interviews with randomly selected singles who received social assistance in 2016. Ranging from one to three hours in length, these interviews enabled participants to describe their family backgrounds and support networks, education and work histories, daily routines and efforts to make ends meet, health and housing, and experiences with social assistance. As a result, the interviews provide extensive insights into the daily realities of participants' lives and their journeys on and off assistance.⁶

Combined, the breadth and depth of the quantitative and qualitative components of the TESS Singles Study provide a detailed municipal-level data set on and important insights into the characteristics and experiences of working-age singles on social assistance in Canada's largest city. However, given the increase in the number of singles on social assistance in other parts of the country, and the limited financial support provided to them regardless of where they live in Canada, it is hoped that the study's findings will resonate with, and be of value to, researchers and policy-makers across the country.

3.1 Characteristics of Singles on Social Assistance

Contrary to common belief, singles on social assistance are not a homogenous group of young men (Stapleton and Bednar 2011). In fact, there is no one "type" of single person. For instance, in 2016, 38 percent of Toronto's singles caseload were women and 38 percent of singles were 45 years or older. Women aged 45 and older made

⁶ Throughout this study, pseudonyms are used to protect the identity of study participants.

Table 1. Demographic characteristics of singles on social assistance in Toronto, 2016

Variable	Percent
Sex¹	
Male	62
Age	
Average age (years)	39.5
Under 30	31
30-44	31
45 and over	38
Highest level of education attained²	
Less than high school	33
High school diploma	38
Postsecondary credentials	30
Immigration status	
Canadian born	43
Naturalized Canadian citizen	28
Permanent resident	15
Convention refugee	2
Refugee claimant	12
Accommodation type³	
Rent	89
Subsidized rent	4
No shelter costs/homeless	5
Earnings	
Percent with earnings	18
Earnings per month (2016\$) ⁴	\$935.4
Number of spells on OW in Toronto	
Number of spells since 2002	1.9 times
N	68,908

Source: Toronto (2018).

¹ Information on sex was missing for 17 individuals.

² Information on educational attainment was missing for 500 individuals.

³ Information on accommodation type was missing for 530 individuals.

⁴ N=12,284; average monthly earnings were calculated only for those who reported earnings greater than 0 dollars at least once in 2016.

up 16 percent of the singles caseload, whereas young men (i.e., under the age of 30) constituted less than 20 percent of the singles caseload.

Further, as table 1 shows, 30 percent of these singles had obtained postsecondary credentials of some kind, and 43 percent were Canadian born. The majority had been on social assistance only once between 2002 and 2016. Singles reported facing a diverse range of barriers to employment (as shown in table 2), as indicated by the fact that fewer than one-fifth of singles reported any employment earnings in 2016 (and most did not work consistently throughout the year). Notably, during their appointments with caseworkers, 35 percent of singles reported poor physical or mental health, and 13 percent reported a disability of some kind.

Table 2. Reported barriers to employment among singles on social assistance in Toronto, 2016

Variable	Percent
Barriers to employment¹	
Financial pressure	16
Housing/Homeless	13
Poor health	35
Disability	13
Addiction	7
Transportation	21
Lack of technical skills	7
Literacy/Numeracy	7
Lack of education/skills	22
Loss of motivation	11
Cultural differences	7
Language barriers	15
Need for criminal pardon	11
Immigration status	7
Canadian work experience	19
<i>N</i>	66,340

Source: Toronto (2018).

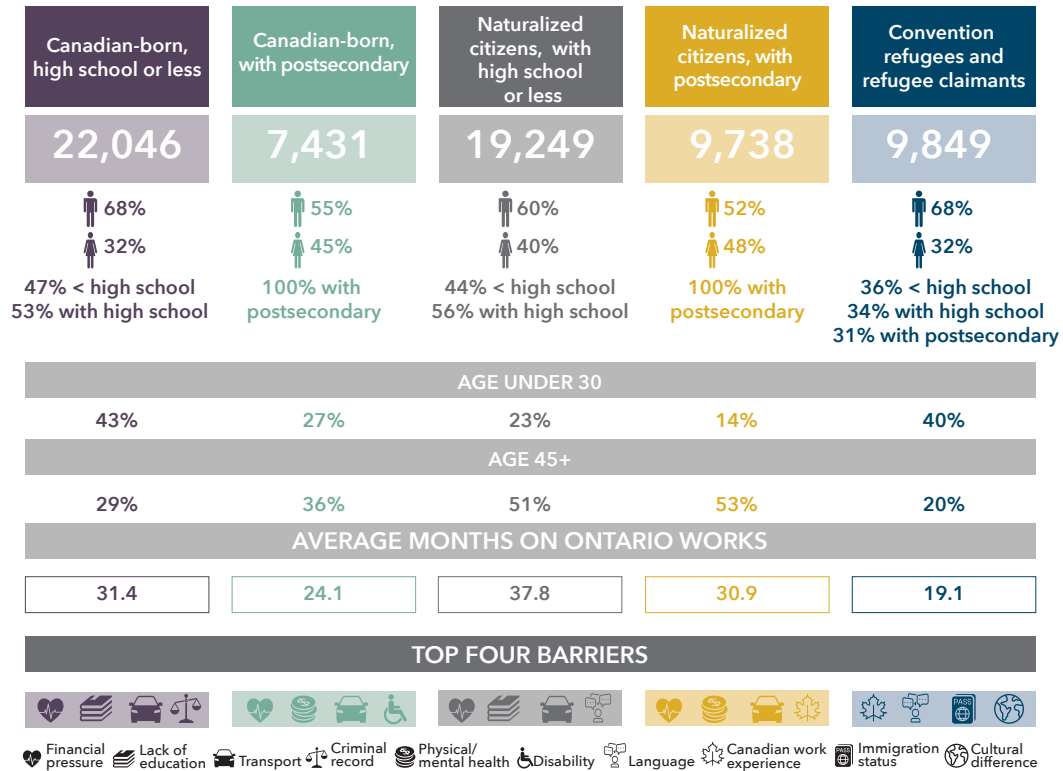
Note: Data on barriers to employment are collected by caseworkers during their conversations with clients. The identification of a barrier is therefore subject to some degree of interpretation by the caseworker. As a result, the true prevalence of these barriers may be higher, as this information is likely underreported (especially if the barrier, such as mental health or disability, is invisible or stigmatized).

¹ Information on barriers to employment was missing for 2,568 individuals.

Interestingly, the research also identified certain groupings of singles who shared some characteristics that set them apart from other groups (see figure 3), and have important implications for service delivery, program design and policy-making. For instance, consider two groupings that emerged: Canadian-born singles and singles born abroad that have attended or completed high school. While both groups may require some upskilling, treating these two groups uniformly would overlook the fact that the Canadian-born singles were on average much younger than their counterparts who were born abroad (35.7 versus 43.3 years old, respectively).

Digging deeper, this analysis reveals that among Canadian-born singles receiving social assistance, 43 percent of those with high school credentials or less are under 30 years old (whereas only 23 percent of their internationally born counterparts are under the age of 30). In addition, for some singles, ignoring country of birth would be a lost opportunity to understand how their immigration journey and status could be tied to their labour market experience. These distinctions highlight the importance of understanding the diversity of singles who receive social assistance for governments to better tailor services to their needs.

Figure 3. Characteristics of singles on social assistance in Toronto, 2016

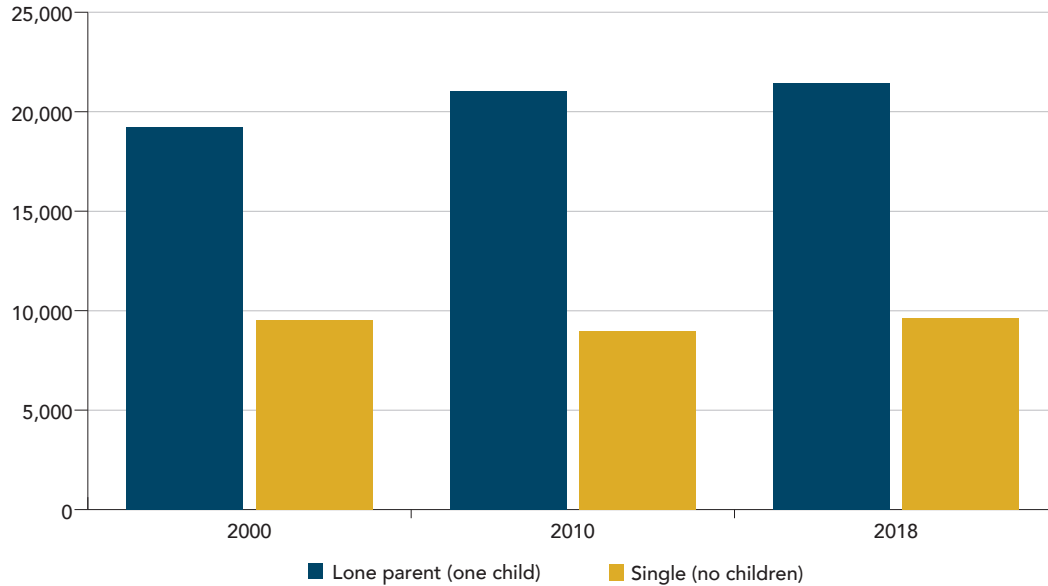


Source: Toronto (2018).

Although social assistance benefit levels no longer reflect even the basic cost of living for any family type, singles are further disadvantaged in two ways:

1. Monetary benefits for single people are significantly lower than those for other family types. When the interviews were conducted in summer 2017, singles were entitled to a maximum of \$706 for basic needs (\$330) and shelter (\$376) and, depending on individual circumstances, some might qualify for additional discretionary benefits – for example, to meet health needs. With average monthly rent for a bachelor apartment in Toronto reaching more than \$950, and the monthly cost of nutritious food for an individual costing \$280, singles must struggle to make ends meet with incomes far below Canada’s official poverty line (Toronto 2017a). Figure 4 illustrates research by the Maytree Foundation showing the change in total welfare income for those on social assistance over time for different family types. In Ontario, for example, the amounts, adjusted for inflation, confirm that the income for lone parents increased from \$19,233 in 2000 to \$21,043 in 2010 and to \$21,463 in 2018. The corresponding amounts for singles were \$9,542, \$8,993 and \$9,646 (Tweddle and Aldridge 2019).
2. Unlike lone parents who have been helped to move out of poverty with targeted programs and child benefits, singles have had minimal access to income supports outside of social assistance, such as tax credits and supplementary

Figure 4. Welfare income in Ontario, 2000 to 2018 (2018\$)



Source: Author's calculations from Tweddle and Aldridge (2019).

Note: Welfare income for those on social assistance includes basic social assistance benefits, as well as child benefits (both federal and provincial) and any additional benefits and tax credits (such as the GST tax credit).

benefits, and have become mired in deep poverty. For example, in 2017, singles who filed tax returns qualified for a GST/HST credit of \$23 a month and an Ontario Trillium Benefit of \$65 a month, for a maximum of \$794, including social assistance (Toronto 2017b). By comparison, a lone parent with two children on social assistance could have received more than \$2,330 per month (including a GST/HST credit of \$70, a Trillium Benefit of \$119 and a Canada child benefit of \$1,126). Some do not file returns, however, believing there is no reason to do so if they have little or no income, lack the appropriate identification or paperwork, or worry that they may end up owing taxes.

Given this context, the vast majority of interview participants in the study highlighted the small amount of benefits they receive and the struggle to make ends meet. Participants described a number of strategies to meet their most pressing needs, which included meticulous planning and budgeting, seeking out deals, making use of food banks, turning to family and friends and finding ways to earn additional income, albeit small amounts and episodic. Participants also explained the difficult trade-offs they were forced to make between meeting basic needs and other living expenses, and the malnourishment and deteriorating physical and mental health that resulted. For example, faced with a steady stream of impossible choices, Tony and Tracy described a daily reality of juggling priorities, uncertainty and loneliness:

They're giving me enough not to die ... I've got to stay home. Where am I going to go? If I go out, I've got to spend money ... I go out, I spend \$2 to buy a coffee

... I stay there a couple of hours, home on the couch, laying down, all day long, every day. All day long. Come on, this is no life. It's worse than being in jail. At least in jail, you don't pay rent or food. It's a nightmare ... I live in a basement. How much lower can I go? I cannot go any lower except if I move into a sewer.
– Tony

It's actually physically impossible to survive off that amount of money ... Even some rooming houses now are going up to \$600 a month. It's really getting ridiculous. My room is pretty shitty. Four other people live there. The whole time I've been there nothing got fixed. I have to leave the lights off all the time. I don't cook that often either, 'cause the stove takes up a lot of electricity ... it's too expensive ... After rent I would just have nothing. I'd go to the food bank. When I don't have much food to eat, I just feel lazy and weak all the time. I felt pretty depressed so I didn't want to leave the house. – Tracy

As these accounts suggest, one consequence of this constant struggle to make ends meet was exclusion from normal aspects of daily life and a deep sense of isolation. Richard's reflection on his time on assistance provides insights into the intersections between being single, living in deep poverty and completely withdrawing from social activities:

Being single is really hard because you've got nobody else that you can depend on. You've got nobody. You've got to do it yourself or it doesn't get done. It's taxing, physically and mentally. It's draining ... I didn't go out, didn't socialize much ... It's really tough because everything costs money. When people aren't getting the money, they're not going out. They're staying inside and they're just hiding from society. That's what I did in a way. I just hid from everything ... There's a feeling that you must be a loser and if you hear that enough times you start to believe it. You need to find ways to give people a chance and get them out of the hole they are in.

Recent years have seen policy-makers give much more attention to the notion of social isolation.⁷ Expressed simply, social isolation refers to a lack of social contact, with individuals staying at home for lengthy periods of time, having no access to services or community involvement and rarely or never spending time with friends, colleagues or others in social groups (OECD 2005b). Such isolation can result from family breakdown, job loss, poor health or financial difficulties. Once isolated, individuals may face greater difficulties reintegrating into society and fulfilling personal aspirations with respect to work, family and friends. Social isolation makes the pathway into employment and out of poverty much more difficult to navigate.

Although growing awareness of social isolation is welcome, most research on this subject to date focuses on the experiences of retired individuals and older adults.

⁷ Reflecting this growing interest, for example, the United Kingdom established a Minister for Loneliness in 2018 and developed a broad strategy to address loneliness and social isolation (United Kingdom 2018).

While working-age singles are by no means necessarily isolated, living alone can lessen meaningful interactions with friends or family, with isolation felt more acutely than by other family groups in poverty. The experiences of study participants suggest that much more work is necessary to understand and address the isolation faced by working-age singles living in poverty. Given the complete lack of support networks reported by many, one practical response is for service interactions to create more empathetic and supportive relationships. Such interactions can have an important and lasting positive impact for people who are struggling to maintain a positive sense of self. Efforts to help people increase their social and professional networks are also important. Research suggests the importance of a thoughtful approach, given that gradual withdrawal from social networks is one way of managing the stigma associated with poverty and receipt of social assistance.⁸

3.2 Additional challenges and concerns

In addition to financial hardship and isolation, a number of other overarching issues were evident throughout the interviews. Most often, participants expressed their concerns and experiences with housing instability, poor physical and mental health, food insecurity, debt and having a criminal record.

Given high rental costs in Toronto, participants complained of housing instability and poor housing conditions. Nearly half of participants identified housing as the major barrier they faced to leaving assistance. Many described living in basement apartments and rooms in shared houses. Furthermore, the limited options available to singles led participants to endure poor quality housing, noting problems with mould, infestations and the absence of repairs. As Marco put it, "*[Landlords] are giving you the lowest possible quality of place and taking the most amount of money because they know what you get.*"

Without exception, participants found it hard to believe what they were expected to pay for rent, given the poor quality of the accommodation that was available and the barriers and discrimination they faced looking for housing as singles receiving assistance. Participants explained that their limited income often meant that they could not even get a formal rental agreement in their names. And many others expressed deep frustration with the number of years they had to wait for social housing.

Compounding their struggle with housing, a large number of participants indicated that mental or physical health issues posed significant barriers to leaving assistance. They identified a wide range of conditions, many of which are strongly associated with or exacerbated by poverty, including diabetes, heart disease, high blood pressure, anxiety and depression. In addition, they described the impact of poor and deteriorating

⁸ For example, Peterie et al. (2019) note that because "social withdrawal is often an attempt to save face and conserve energy in a stigmatising social environment ... [i]t is not enough for scholars to call on employment services to encourage their clients to network their way into employment. It is also vital that they address stigmatising policies, damaging social attitudes and vilifying discourses – all of which affect the well-being, behaviours and networks of those who are subject to them."

health on all aspects of their lives, including their search for employment, the limited availability of mental health supports and the challenges they experienced trying to access Ontario's disability program. Furthermore, a number of participants reflected on the impact on their health of having limited food choices. With basic food costs often being out of reach, many described having to choose less healthy and cheaper food, eating less or missing meals. Maria described it this way:

You get sicker because you're not eating properly. I just was eating one samosa, one soup a day. How could you not get sick? How could your mind function when you're not eating anything properly?

In such circumstances, more than half of those interviewed noted that not consistently having access to nutritious food was a key barrier to progress.

Along with the major issues of housing instability, food insecurity and poor health, a significant number of participants also described the impact that large levels of debt, having a criminal record, stigma and discrimination had on their daily lives and plans to move forward. While the amount and nature of debt varied widely among participants, nearly all described chipping away at their debt but being unable to make progress because of accumulating interest, coupled with feelings of ongoing stress and anxiety. Similarly, some participants described the struggle to move forward without a criminal record suspension, and feeling particularly limited in their ability to find a job, pursue education and even seek volunteer opportunities.

Many of these personal challenges lowered the chances for singles to find employment and leave assistance. In 2016, 14 percent of singles left social assistance for employment. Beyond personal barriers, systemic factors also contribute to the difficulties in finding and securing stable employment. For example, though the exact mechanism was not fully explored in this study, higher neighbourhood unemployment rates were associated with significantly lowered probabilities of exiting social assistance through employment.⁹ This factor may speak to the lack of employment opportunities in a given community; or it may provide a signal about an individual's social network. Living in an area where a higher proportion of residents are unemployed may affect a person's employment prospects, given the demonstrated importance of social networks on job-search success (Zizys 2011). In addition, the hurdles and processes associated with obtaining a criminal record suspension and lack of access to transportation also predict reduced chances of finding employment. The impact of these contextual factors reinforces the importance of policy-makers taking into account the broader policy and economic environment in which singles operate, in addition to personal challenges, when they are considering the appropriate suite of supports and services to help move an individual forward.

⁹ Using survival analysis (i.e., competing risk analysis), the model estimated that the sub-distribution hazard ratio on neighbourhood unemployment was 0.94 and statistically significant with a 95 percent confidence interval. Subdistribution hazard ratios of less than 1 indicate a reduced probability of exiting OW; in this case, as neighbourhood unemployment rates increase, the probability of exiting OW for employment decreases (for further details, see Kim, Carrasco and Herd 2018).

3.3 Multiple layers of disadvantage

Underpinning all of these barriers are the issues of stigma and discrimination commonly faced by social assistance beneficiaries, as well as the perception that singles have fewer needs or are a less deserving population than other households. More subtly, some felt that they received less empathy as well as less information and guidance than others on social assistance because they were single. This contributed to a feeling of being overlooked and unsupported, creating multiple layers of disadvantage and making the path forward more challenging. Echoing this concern, Jennifer elaborated:

We don't really have anyone to turn to in the sense of [getting] help. People kind of look at us like we have it easy because we don't have anybody to support. But in reality, we have it just as hard as everybody else. You don't know what's in somebody's mind or what they're going through. You don't know anyone's situation until you walk a mile in their shoes.

Taken as a whole, these experiences reflect a more complex interplay in the way social assistance and the broader income security system define, understand and respond to the needs of singles. The system can respond slowly and tentatively to those with multiple, complex health and substance abuse issues – often the most marginalized and vulnerable – who struggle to meet administrative criteria of public services and income support programs.

Yet despite facing significant life challenges and circumstances, and expressing sentiments of being forgotten, many participants spoke about the important role that social assistance played in helping them find stability or turn their lives around. In some cases, the experience of being referred to an effective training program or simply having a caring and knowledgeable caseworker going “the extra mile” helped at critical moments in their lives. Felicia, for example, was touched that her worker “treated me like a human being ... like I was her only client.” And Karen explained:

I would never have thought I would have gone on social assistance. But at that point in time, I did need it because there was no way I would survive ... They were very helpful, very understanding. I expected it to just be, walk in, they help you and then nothing, but she talked to me. She asked all kinds of questions and gave me information on all these programs. She was the nicest person and very helpful ... Social assistance was there when I needed it.

3.4 Summary of findings from the Singles Study

The increase in the number of singles on social assistance, the significant length of time during which many need financial support and the challenges they face represent important public policy issues. Yet, singles have limited options for support and are often left outside or on the margins of policy discussions – unlike lone parents, who have benefited from the introduction and subsequent indexation of the Ontario Child

Benefit as well as increases to the Canada child benefit, and newcomers and youth, who are more likely to be targeted by public services.

Certainly, many of the singles interviewed for this study – facing the daily realities of living in deep poverty – felt overlooked and left behind. Collectively, their experiences suggest a number of responses:

First, given the levels of poverty and isolation, as well as challenges with poor and deteriorating health observed among singles on social assistance, the research supports the need for more empathetic and supportive relationships with caseworkers, with the provision of wrap-around supports and enhanced services coordination.

Second, in confirming that singles are staying on assistance for longer than was previously thought to be the case, the research underlines a simple but significant point: that detailed assessment of need, rather than family type, should be the primary driver of services.

Third, the findings provide support for approaches that recognize that for those facing multiple and complex challenges, progress might involve many small steps over time and require supports for multiple facets of life, such as housing, health, and education and training.

Given its role in providing financial and employment benefits and making connections to community resources for thousands of residents, TESS has responded to the findings of the Singles Study in a number of important ways. These include more deliberately applying a “singles lens” to planning and programming decisions; using the more detailed understanding of singles characteristics to help shape the design of innovative case management pilot projects and placing greater emphasis on indicators that better capture client progress across multiple domains. More generally, actions taken as part of the City of Toronto’s Poverty Reduction Strategy are also benefiting singles. For example, the introduction of a discount transit pass for people who receive social assistance has had a positive impact, with 60 percent of users reporting benefits such as reduced isolation. Moreover, informed by the Singles Study’s findings, Toronto’s current Poverty Reduction Strategy Term Action Plan identifies the need to expand service partnerships to increase access to mental health services for those facing social isolation (Toronto 2019).

Most important, by highlighting the multiple and interconnected impacts of deep poverty on all aspects of individuals’ lives, the research also underscores the need to enhance the financial and professional support that singles can access – not only within the social assistance framework – to help them stabilize their lives and transition toward a more secure future.

To underline the task at hand, the final word here goes to the study participants. Reflecting on their own experiences of moving between short-term contracts and social assistance, Deon described the precarious situation that many people find themselves

in, while Mark alluded to the failings of the broader income security system with regard to singles:

Let's say you lose your job. How long do you think it will be before you have to turn to a system like this? It's not very long. The average person does not have seven to eight months of rent saved and that's just rent. Your savings get depleted. You got to tap into resources; you got to borrow; now you borrow and now you are in debt. Then you got to dig out of the hole. Getting back on your feet could take some time. Life can change very, very quickly. – Deon

The cracks are so big now that they're not cracks, they're holes, and everybody is falling in these holes. It's one thing to say a few people are slipping through the cracks, but that's not what's happening. We're failing an entire group; we're failing a whole group of our population ... A single person could have a lot of valid reasons for why they're not looking for work besides just having a child, so we should be looking at those. – Mark

As efforts to reform social assistance and income security continue, both policy directions and on-the-ground service delivery must be more responsive to the pressing and complex needs of singles.

4. THE CURRENT ECONOMIC CONTEXT: FINDING ENDURING SOLUTIONS FOR SINGLES LIVING IN POVERTY

The existing gaps in Canada's income security system and the specific challenges facing singles have been brought into focus by the COVID-19 crisis and its unprecedented impact on the labour market. Employment fell by more than 3 million between February and April 2020, and 2.2 million Canadians remained unemployed in July – twice as many as in February (Statistics Canada 2020). At the time of writing, job loss was concentrated among low-wage workers, with almost half the jobs lost from February to April 2020 occurring among the bottom 25 percent of earners (Lemieux et al. 2020). As of July, employment among low-wage employees remained at 85.7 percent of February levels (compared with 97.4 percent for all other paid employees).

While COVID-19 is challenging the financial and emotional resilience of many, those living in poverty prior to the outbreak, including singles on social assistance, are especially vulnerable. Many of those on social assistance who previously reported some earnings have either lost their jobs or have seen their hours reduced, leaving them with much less money to live on. At the same time, while middle- and upper-income households may have seen their costs of living reduced as they no longer commute or eat out, those living in deep poverty may be facing increased costs as community services that reduce out-of-pocket expenses, such as food banks and libraries with free Internet, are harder to access or may have closed completely. For many singles already vulnerable to social isolation, their situation is likely to have worsened (Thomson 2020). While the unifying mantra that “we're all in this together” remains true, it is also the case that some of us

are in this more than others. The deep poverty and isolation of singles receiving social assistance mean they face greater financial and mental health challenges compared to other household groups and risk further lasting damage as a result.

On the positive side, federal and provincial governments have moved quickly to provide emergency income supports. While provinces have each reacted differently, many have introduced small, supplementary benefits for those receiving social assistance and have sought to streamline application processes. Ontario, for example, has modified some social assistance program requirements on a temporary basis, including authorizing “risk-based” approaches to eligibility determination. These measures have simplified processes and reduced the administrative burden on the system and on beneficiaries.

Most notably, in response to the staggering need for income support and the rapidly growing application backlog for EI, on March 25, 2020, the Government of Canada announced the introduction of a new, temporary benefit – the Canada Emergency Response Benefit (CERB). Administered by the Canada Revenue Agency, the CERB provided \$2,000 a month over seven four-week qualifying periods between March 15 and September 26, 2020, to Canadian residents aged 15 or older who had stopped working, or were working reduced hours, due to COVID-19.¹⁰ As of August 23, 2020, 8.7 million people had applied for the CERB.

With the program set to expire in September 2020, eligible CERB recipients are being redirected to EI – with a reduced hours-worked qualification criterion (temporarily set at 120 hours in the last 52 weeks versus the prior minimum of 420 hours) and a new minimum benefit of \$400 per week – whereas a new Canada Recovery Benefit (CRB) has been created for Canadians who have lost some or all of their income due to the pandemic and do not qualify for EI. Eligible individuals could receive as much as \$400 per week for up to 26 weeks.¹¹ The CRB – like the CERB that preceded it – aims to adapt to current labour market realities by making eligible self-employed individuals and other workers in non-standard jobs, such as those working in the gig economy or on contract, who have not recently paid into EI.

While the CERB and the CRB were conceived as emergency temporary programs, there are precedents for temporary federal measures leading to permanent changes. The creation of these new programs and modifications to EI rules were intended to broaden access to income support and prevent the large proportion of workers ineligible for EI from falling through the cracks and onto social assistance. The possibility of and openness to longer-term structural reform with regard to income security was evident in the comments of Federal Minister of Employment Carla Qualtrough, who

¹⁰ Eligibility conditions include having had an income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application. First-time claimants cannot earn more than \$1,000 in employment and/or self-employment income for 14 or more consecutive days prior to application. Repeat claimants must state they don’t expect to earn over \$1,000 in employment or self-employment income during the entire four-week period.

¹¹ Eligibility criteria require that an applicant had at least \$5,000 of employment or self-employment income in 2019 or in 2020 and that they have not quit their job voluntarily.

has indicated that the CERB (and the CRB) could serve as models for future programs and provide the impetus to "radically simplify how people access income support from the federal government" (Lewis 2020).

Looking forward, we may now have an unprecedented opportunity to implement fundamental changes to our income security system. The crisis has exposed important gaps in the current system, but it has also provided a conducive environment in which to test, under exacting conditions, elements of potential new income-support measures. As federal and provincial policy-makers evaluate the lessons learned in this process, they should reflect on the adequacy and effective delivery of the measures implemented and what this means for the future. In doing so, they should ensure that singles on social assistance – Canada's "forgotten poor" – are no longer overlooked.

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Next Steps in Reformulating Social Assistance

The IRPP report on single people living on social assistance (also known as “welfare”) in Toronto in 2016 presents empirical and qualitative data on 69,000 individuals, describing their characteristics and the many barriers they face. The focus on the “forgotten poor” is critical because, for too long, their needs have been ignored by all orders of government. These are the people who must be front and centre for policy-makers.

This report comes at just the right time. A deadly pandemic has made it starkly clear that the people who have been hit hardest in both health and financial terms are those whose needs have been overlooked for years. The report challenges the conventional wisdom and stereotypes about “typical” social assistance recipients, such as single individuals on social assistance being a homogenous group of young men. Turns out, there is nothing at all typical about these individuals – a powerful policy lesson in itself.

There are large and growing numbers of single social assistance recipients. Not surprisingly, they live in deep poverty, relying on a transfer program that provides staggeringly low levels of income support – regardless of the benchmark employed to assess adequacy.

It would be natural for many readers of the report to conclude that social assistance benefits for single individuals need to increase, immediately and substantially. Deep poverty in a wealthy country like Canada is both shocking and unacceptable.

In the past, I would have agreed that increasing social assistance benefits is a top policy priority. No longer. In what follows, I explain why my opinion changed.

THE TANGLED SAFETY NET

In 1986, I was asked by the National Council of Welfare to write the first Canadian report on social assistance. Because there was little public documentation about the rules that govern this program, it was essential to explain its structure and the many complex regulations that dictate eligibility, the amount and types of benefits, work expectations, monitoring of clients and reporting requirements.

One of the first tasks was to figure out how each jurisdiction calculated its respective benefit levels. This work evolved into the detailed methodology that is still used today.¹ The findings were presented in the 1987 report *Welfare in Canada: The Tangled Safety*

¹ Annual reports were published by the Caledon Institute of Social Policy and later by Maytree. For the most recent report, see A. Tweddle and H. Aldridge, “Welfare in Canada, 2018.” (Toronto: Maytree, November 2019), https://maytree.com/wp-content/uploads/Welfare_in_Canada_2018.pdf.

Net.² It showed that welfare is a complicated system and is often inconsistent in its treatment of applicants. Because the system was designed as a last-resort safety net, it virtually guarantees a life of poverty. Even in provinces/territories that pay higher benefits, its archaic apparatus persists – requiring strict asset limits to qualify, carrying out frequent reviews of income and personal circumstances, and causing life-long stigma.

In response to the many problems embedded in the program, *The Tangled Safety Net* made 55 recommendations for reform. For years, the primary social policy agenda was to raise social assistance benefit levels by increasing the base amounts and indexing them to ensure their value kept pace with the cost of living. This was the preferred policy route, until new information became available to challenge this long-held policy prescription.

The Welfare Wall

In 1992, I joined colleague Ken Battle in launching the Caledon Institute of Social Policy. A study we undertook in 1993 made us realize that continuing to call for significant improvements to social assistance alone could not cure a fundamentally broken system. We did a policy-180. We went from promoting welfare reform to welfare reformulation, that is, a step-by-step dismantling of that program and its reconstruction into a renewed architecture of income security.

In 1993, the Caledon Institute was asked to carry out a study for the Ontario Fair Tax Commission. The task was to analyze the impact of the tax system on social assistance recipients who do some work for wages. There was no existing source of data, so we had to design the model. We examined 11 household types and tracked what happened to their total annual household income – social assistance benefits plus employment earnings minus taxes – with every additional \$1,000 of employment earnings.

We found that social assistance recipients who supplemented their incomes by doing some casual work could keep only a fraction of their earnings. Single individuals were hit particularly hard. Those able to increase their earnings from \$1,000 to \$13,000 per year ended up with only a 25-percent gain in household income. What happened to their hard-earned money?

Social assistance recipients had to pay back most of their gains – mainly because employment earnings reduced social assistance benefits and refundable tax credits, as well as increased income taxes and payroll contributions. Recipients also lost hundreds and sometimes thousands of dollars of income-in-kind in the form of supplementary health benefits. We described this problem in the report, referring to it as the Welfare Wall.³ The term is an apt image for the social assistance benefits clawbacks

² National Council of Welfare (Canada), *Welfare in Canada: The Tangled Safety Net* (Ottawa: Minister of Supply and Services Canada, 1987).

³ K. Battle and S. Torjman, *The Welfare Wall: The Interaction of the Welfare and Taxation Systems, conducted for the Ontario Fair Tax Commission* (Ottawa: Caledon Institute of Social Policy, 1993).

and the higher tax burdens recipients face when they earn income from paid work. The graphic representation of the resulting effective tax rates looks like a wall with prison-like bars over which it would be impossible to climb.

For us, this new evidence was astounding. We realized that continuing to recommend only improvements to social assistance was not the most effective way to help people move off that program and it certainly was not the best way to tackle poverty in the long run. The Welfare Wall became the foundation for our policy work on the need to dismantle social assistance, piece by piece, and replace it with more adequate income support programs and services.

The National Child Benefit

The proposal for the National Child Benefit (now the Canada child benefit) became the first brick in a proposed new architecture of income security. The idea behind this initiative was the reformulation of welfare by first removing children's benefits from social assistance. Ottawa would substantially boost its child benefit payments to raise the income of all low-income families, whether they were on social assistance, other income programs, or in the workforce. The provinces/territories, in turn, would remove child benefits from social assistance and use the resulting savings to invest in a range of services and/or cash payments for low-income families with children.

The current Canada child benefit is the latest iteration in the evolution of this program, which has contributed to the reduction of poverty and the number of families on social assistance. Perhaps most important, the Canada child benefit provides an income guarantee that is paid to the majority of Canadian families but provides its greatest support to children in low- and modest-income households. Unfortunately, the fundamental reformulation of social assistance that we recommended never got to the next stage: tackling the long-standing needs of single recipients. The forgotten poor were truly forgotten. For these individuals, deep poverty and the associated insecurity are their only guarantees. They represent part of larger systemic issues in the architecture of income security programs in Canada.

Unfinished work

Through our analysis of the Welfare Wall, we envisaged a second stage of reconstruction that would involve a reconfiguration of income-support programs similar to that for child benefits. The federal government would assume responsibility for income security, and the provinces/territories would invest in employment-related supports, health benefits and social services.

Workers currently rely on two main federal programs if they become unemployed: the Canada workers benefit (CWB) and Employment Insurance (EI). The CWB supplements low earnings, while EI replaces lost earnings for workers who make payroll contributions to the program and meet eligibility criteria. Together, these programs are intended to ensure income security for Canadian workers.

But they don't.

As a supplement to low earnings, the CWB is supposed to act as a work incentive. However, many Canadians have not heard of this program and don't realize that they might qualify for it when they fill out their tax forms. The benefit is very modest – especially so for singles – and its design too narrow to significantly bolster low earnings.

The design of EI creates serious eligibility problems and regional imbalances. In order to qualify for regular benefits, applicants need between 420 and 700 hours of insurable earnings, depending on the unemployment rate in their area. There are bookshelves of studies on the wide-ranging problems with EI. Although many significant improvements to the program have been introduced over the years, a fundamental flaw remains: the coverage for unemployed Canadians is limited. In recognition of this, in August 2020, the federal government announced that it would reduce, for the next 12 months, the number of qualifying hours to a minimum 120 hours of insurable work over the previous year.

The shortcomings of EI became starkly clear at the onset of the COVID-19 pandemic, when there was a frantic rush to create a new program, the Canada Emergency Response Benefit (CERB), to assist the millions of workers without coverage. This includes individuals who have not worked enough hours to qualify for EI benefits; those who do not have a valid job separation to qualify for EI benefits (i.e. they quit or are fired); the self-employed, who don't contribute to the program; temporary foreign workers; and many others who are left out of the EI tent and otherwise have no choice but to turn to social assistance in times of need. This trio of income supports for working-age adults – EI, the CWB and social assistance – needs more than basic adjustments. It needs reformulation.

POLICY OPTIONS: INCOME GUARANTEE/GUARANTEED INCOME

Income security programs for working-age adults should be reformulated, so as to:

1. provide adequate support in both absolute and relative terms (its actual amount and its value relative to the cost of living); and
2. ensure a principled approach that is fair, respectful, transparent in its rules and conditions, and simple and efficient in its delivery.

Although there are many different ways to reformulate social assistance, their intent is the same: to keep people off the program in the first place. For illustrative purposes, the following are policy options to provide more adequate income guarantees to singles – much as the CCB does for parents on social assistance.

Option #1: Redesign of EI

One option is to provide an income guarantee, while leaving in place current programs like the Canada child benefit and Canada workers benefit. A fundamental

redesign of EI could, for example, modify the program's existing parameters and add missing elements. Important changes to EI would include dropping the regional variation element used in calculating eligibility for and the duration of benefits. For the many unemployed who do not qualify for the program, a new benefit could be introduced. It would pay income-tested benefits on a time-limited basis to unemployed Canadians who are not entitled to benefits from the contributory EI program, such as contractual workers, the self-employed and new entrants to the labour force. In August 2020, the Canada Recovery Benefit was created for non-EI-qualifying unemployed Canadians who have stopped working or have had a reduction in earnings as a result of COVID-19 public health measures.⁴ Eligible individuals could receive as much as \$400 per week for up to 26 weeks.

Adding an individually tailored employment preparation component, consisting of educational upgrading, skills training and job search assistance, could well serve working-age adults who are likely to remain unemployed for longer. It could include a wage-like benefit to replace social assistance. A federal income benefit could also replace provincial/territorial social assistance for those working-age persons with severe disabilities who cannot earn an income from work. Meanwhile, the CCB and CWB would be substantially redesigned to collectively ensure a decent level of income and standard of living.

Option #2: Redesign of the Canada workers benefit

Another route to reformulation is a federally delivered guaranteed income, which would involve dismantling several programs, including social assistance, and replacing them with a new program.

A redesigned Canada workers benefit, for example, could provide broader eligibility and more generous benefits. Current payments are too low to provide a meaningful incentive to work, let alone an adequate income. The program as designed is so restrictive that even minimum-wage workers in Ontario have had difficulty qualifying.

Option #3: "Big-bang" dismantling of all income programs

In another guaranteed income option, which is sometimes referred to as the "big-bang" approach, all existing income support programs, including social assistance, would be dismantled and replaced by a single income benefit. It should be noted that the Ontario government, in spring 2017, did launch the Ontario Basic Income pilot to test a form of guaranteed income that would replace social assistance. However, in 2017, the newly elected provincial government halted it, citing its high cost and work disincentives.

It is essential to acknowledge that even if such reforms were implemented, some form of social assistance-like financial aid would still be required as an emergency backstop.

⁴ Further eligibility criteria require that an applicant had at least \$5,000 of employment or self-employment income in 2019 or in 2020 and have not quit their job voluntarily.

While we can't do away with the program entirely, we can reduce its role as originally intended when it was first designed. Moreover, a reformulated income security architecture, whether in the form of an income guarantee or guaranteed income, cannot succeed without vital supports and services.

FUTURE RESEARCH

Even if we could achieve the daunting task of reformulating social assistance, there would still be many unknowns. The report's results are especially noteworthy in this regard. One of the most significant findings involves the diversity of social assistance recipients. While the rich aggregate caseload data presented in this report tell us a lot, they don't tell us enough. The findings are necessary but not sufficient.

The conclusion that there is no single "type" of social assistance recipient begs asking how these individuals ended up on social assistance and what factors keep them on it. Living on social assistance is by no means an easy life, but the alternatives are apparently even harder for these individuals. What are their stories?

Deeper analysis of the interviews carried out for this study could reveal important patterns. Unless we have a better idea of how these single recipients ended up relying on this program, and why they remain on it, it will be difficult to formulate effective policy responses that are appropriate to their needs.

The report found, for example, that 30 percent of single social assistance recipients had postsecondary education. This finding is perplexing and suggests a need for policy responses that focus on removing job-related barriers. This would generally involve employment-support interventions such as educational upgrading, language training, basic literacy and skills training. But with close to one-third of recipients holding postsecondary degrees, traditional efforts to bolster employability may not be appropriate. Who are these individuals and why are they on social assistance? Could they not find jobs in their fields or in related ones?

The increase in the number of singles on social assistance and the length of time they depend on it, including those with postsecondary education, may be due to difficulties finding stable jobs. Focusing on labour market policy may therefore be more pertinent, at least when it comes to these individuals. More effort may be required, for instance, to match potential workers with suitable employment. Working with local employers to highlight the benefits of offering stable employment that pays a living wage, instead of insecure contract positions, would also be beneficial.

Alternatively, the reasons individuals are on social assistance may have nothing to do with the labour market but rather with personal circumstances. Some may be facing personal challenges, such as a mental health condition like depression, which would make it difficult for them to find or maintain employment. In these cases, policy-makers may want to look at making improved access to mental health or addiction services a top priority.

Others may need help with health costs and have no choice but to go on social assistance because it's the only route to getting supplementary health benefits, a major brick in the welfare wall. Rather than individual counselling, provision of more publicly accessible and affordable health benefits and services may be the most appropriate policy response in these cases.

Another set of questions arises from seeing a sizable proportion of single recipients, 35 percent, reporting poor physical or mental health, and 13 percent reporting a disability of some kind. Again, who are these recipients and what are their stories? Is there an overlap between them and the 30 percent who have postsecondary education, or are they an entirely different group?

Housing-related issues and interventions are also important, especially in high-priced markets like Toronto. In that city, singles who are unable to share accommodations face a heavy financial burden. Subsidized housing is helpful, but is in limited supply. In 2017, Ottawa launched the National Housing Strategy, which was supposed to tackle housing affordability and expand community housing. It is not clear whether this new initiative has made any difference to singles on social assistance. Many would not need to rely on the program if the largest component of their household budget – accommodation – was covered or offset in some other way.

Finally, the personal stories of many survey participants reported by Herd and his colleagues suggest that more time and effort are required to tackle the isolation faced by single individuals living in poverty. Possible interventions, in addition to counselling and life skills support, could include having caseworkers link single recipients, with their permission of course, to community groups in which they may have an interest.

The point is, details matter. As the report correctly points out, if we are to provide tailored and appropriate supports, we will need to have a deeper understanding of the different needs of recipients.

CONCLUSION

The IRPP report, produced by TESS research staff, is a significant contribution to our knowledge. It helps dispel many myths and misconceptions about single recipients of social assistance. It rightly reminds us of the forgotten poor and the less-than-adequate (or lack of) policy measures, at all levels of government, available for these individuals.

The report points to two major policy tasks for the future. The first is to deconstruct stigmatizing, inadequate social assistance and reformulate it into a new system in which a decent income is available to all who need it. The second is to better assist single social assistance recipients by addressing their needs in an individualized manner, through employment, health and housing supports, and social networks.

Understanding both the “what” and the “why” of their personal stories would enable the design of individually tailored and respectful policy solutions.

Ideally, there will be an opportunity to continue the profound reformulation of social assistance that began with the reconfiguration of child benefits decades ago. The report could be a catalyst for this vital work.

Let’s hope that this report on “the Forgotten Poor” will soon be followed by an equally significant document with the title, “Forgotten No More.”

The Blind Spot of Social Investment

Over the last 20 years, the social policy agenda in OECD countries has been driven by the social investment perspective. The idea was to reform the welfare state to better prepare individuals to face the new social risks associated with a post-industrial economy, such as an increasingly polarized labour market and less stable dual-earner family arrangements. Investing in people and *preparing* them to deal with new conditions seemed more promising than *repairing* and compensating for the unavoidable consequences of economic change. A consensus gradually emerged on flagship “active” measures such as income support for young families, earnings supplements for low-income workers (to “make work pay”), training programs for the unemployed and enhanced services for early childhood education and care.¹

Scholars who made the case for social investment insisted that the new approach was not a substitute for social protection, deeming good minimum income programs necessary.² In a thorough analysis of active labour market and childcare expenditures in 18 OECD countries between 1990 and 2009, I found that indeed there was no trade-off between these new social investment programs and the evolution of social assistance incomes. On the contrary, the welfare states most engaged in social investment also proved to be more generous toward the poor.³

For some, however, the new reforms had relatively little to offer. Even though income security was often preserved, policy makers’ attention in redesigning income support programs leaned toward children, work-family conciliation and labour market integration. For those living alone, or unable or unlikely to be preparing for a job, it was not clear what social investment could mean. These individuals were not necessarily penalized, but they remained in the blind spot of social investment.

Some people, notes Bea Cantillon, cannot or will not move on to a job because of disability, illness, old age or the experience of long-term unemployment and poverty.⁴ This is probably the case for many of the single persons surveyed in the study produced by TESS research staff – that is, long-term recipients of social assistance who do not qualify for the Ontario Disability Support Program but nevertheless face significant obstacles to integrating into the labour market, be they lack of skills and recognized experience, poor physical or mental health, a criminal record or, more basically, the social isolation and stigma associated with a long period on social assistance. The solution to these issues

¹ A. Hemerijck, *Changing Welfare States* (Oxford: Oxford University Press, 2013), 36.

² A. Hemerijck, *Changing Welfare States*.

³ A. Noël, “Is Social Investment Inimical to the Poor?” *Socio-Economic Review*, Advance article, October 11, 2018.

⁴ B. Cantillon, “Beyond Social Investment. Which Concepts and Values for Social Policy-Making in Europe?” in *Reconciling Work and Poverty Reduction: How Successful Are European Welfare States?* ed. B. Cantillon and F. Vandenbroucke (Oxford: Oxford University Press, 2014) 286-318: 307.

must be multi-faceted. It involves providing better, more supportive employment and social services to help people who are facing multiple and complex challenges take small steps forward. It would require, as well, better recognition of the diversity of single persons receiving social assistance and adequate measures to deal with the difficulties facing various groups. More fundamentally, it calls for a serious effort to lift these people out of a deep and debilitating poverty. This is the solution I will focus on in this brief commentary once I have established how poorly Ontario and all the other Canadian provinces measure up in this regard. I will also address the ubiquitous issue of work incentives as a factor preventing improvements to income protection. I argue that in the post-COVID-19 environment there would be considerable political risks in betting on new large-scale, minimum-income support programs that build upon the federal government's temporary pandemic income support measures. Instead, there should be more focus on improving existing programs and poverty strategies.

THE SCALE OF MINIMUM INCOME PROTECTION

One person who had experienced living on social assistance in Quebec once told me, "If you are not sick when you get on social assistance, you'll become so after a while." This is exactly the message conveyed by respondents interviewed for the Toronto report. "How could you not get sick?" asked Maria, rhetorically. "They're giving me enough not to die," concurred Tony. Living in deep poverty, people lose not only their health and self-confidence, but also the social connections that make it possible to exit from social assistance. "I just hid from everything," explained Richard. "There's a feeling that you must be a loser."

In 2018, the total income of single, able-to-work persons receiving social assistance in Ontario amounted to \$9,646, or \$804 per month. If we compare this welfare income to the Market Basket Measure (MBM) of poverty for Toronto, a measure of the disposable income necessary to acquire basic necessities, it corresponds to 45 percent of the threshold.⁵ This is the essence of deep poverty, as it means that single persons on social assistance could afford less than half the goods and services they need to get by. If we use instead the low-income measure (LIM) threshold, which is equivalent to 50 percent of the Canada-wide median income, this welfare income stands at 40 percent of the threshold.⁶ Other Ontario households receiving social assistance fare better, but only in comparison with single employable persons. Single persons with a disability receive 71 percent of the MBM, single parents with one child 72 percent and couples with two children 73 percent.

Isn't this what living on social assistance means – being poor? To a point, yes. But, as the cases of other Ontario households suggest, the conditions imposed on single adults who are able to work constitute a particularly penalizing form of poverty. This need not be the case. Indeed, compared with other rich democracies, Ontario, like

⁵ In the federal government's poverty reduction strategy, released in 2018, the MBM is used as the official poverty line measure for Canada.

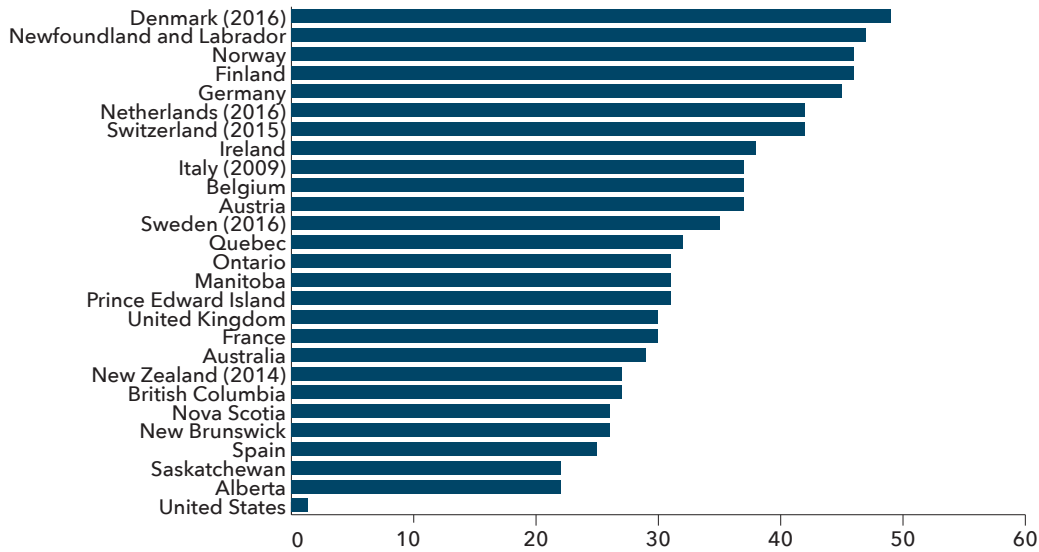
⁶ A. Tweddle and H. Aldridge, "Welfare in Canada, 2018" (Toronto: Maytree, November 2019), 81.

other Canadian provinces, appears ungenerous. In a recent article, I used international and Canadian data sources to estimate, for 2010, the adequacy of welfare incomes in relationship to a country or a province’s median income.⁷ The results for single able-to-work adults, updated here for 2017, are presented in figure 1.

Note that the proportions in figure 1 are relative to the median income and not to the LIM.⁸ What stands out in figure 1 is that Ontario and most other Canadian provinces rank in the lower half of the scale, along with Spain, France and other English-speaking countries such as Australia, New Zealand and the United Kingdom. Oil-rich Alberta is outdone only by the United States, where there is but limited access to the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps). In 2017 in Ontario, welfare incomes for single employable persons provided 31 percent of the provincial median income compared with 30 percent in the United Kingdom and France, 45 percent in Germany and 47 percent in Newfoundland and Labrador. Ontario, and the rest of Canada, can certainly do better.

In a recent blog post, John Stapleton estimates that with \$40 billion, or 2 percent of the country’s GDP, Canada could enhance welfare programs, better support the working poor and families with children, improve income security for the old and virtually

Figure 1. Social assistance income adequacy (employable single person), Canadian provinces and selected OECD countries, 2017



Sources: Social Assistance and Minimum Income Protection Dataset (SAMIP), provided as part of the Social Policy Indicators (SPIN) database (Nelson et al., 2020); Tweddle and Aldridge, 2018; Statistics Canada, Table 11-10-0190-01.

Note: Social assistance income adequacy is measured as a proportion of median income.

⁷ For methodological considerations, see A. Noël, “The Politics of Minimum Income Protection in the Canadian Provinces,” *Canadian Journal of Political Science*, 53 (2), June 2020, pp. 399-420.

⁸ This explains why the score for Ontario in figure 1 is at 31 percent and not around 40 percent as in the numbers reported above.

eradicate poverty.⁹ This is a rough estimate, but the results for the other jurisdictions presented in figure 1 suggest improvements are within reach. The much-discussed basic income – a hypothetical government program that would ensure all citizens receive a guaranteed, unconditional minimum level of income each year – does not exist anywhere, and its implementation seems unlikely. However, there do exist in other countries social assistance programs that are more generous than those in Ontario and in most other Canadian provinces. They seem affordable and they certainly help alleviate poverty.

THE QUESTION OF WORK INCENTIVES

Canada ranks as one of the OECD's least generous welfare states. In 2018, Canadian public social expenditures stood at 17.3 percent of GDP, compared with 18.7 percent for the United States, 25.1 percent for Germany and 31.2 percent for France.¹⁰ There is certainly room for improvement of the scale suggested by Stapleton. We can do more.

If we don't, it is perhaps because Canadians maintain a high tolerance for inequality, rooted in the perception that income differences are anchored in hard work and are deserved, rather than being structural, related to luck or unjust.¹¹ There may also be a belief that income support does not work and may in fact hurt the poor by eroding their incentive to work. This is an old argument that goes back to the 18th century and continues to this day to shape the politics of social assistance.¹² Indeed, a preoccupation with work incentives is probably the main rationale for the harsh treatment of single adults deemed able to work. If income support becomes too generous, goes the argument, employable adults will work less or not at all, and we will all become poorer. How plausible is this idea?

Figure 2 shows the relationship between welfare income adequacy for employable single persons and the employment rate in the richest countries of the OECD. This relationship is slightly positive but does not appear to be statistically significant, which means that countries that are more generous toward single persons relying on social assistance do not have a lower rate of employment.

Figure 3 presents the same relationship but for Canadian provinces. In this case, there seems to be a connection between the level of social assistance incomes and the employment rate. This relationship, however, is largely driven by the contrast between

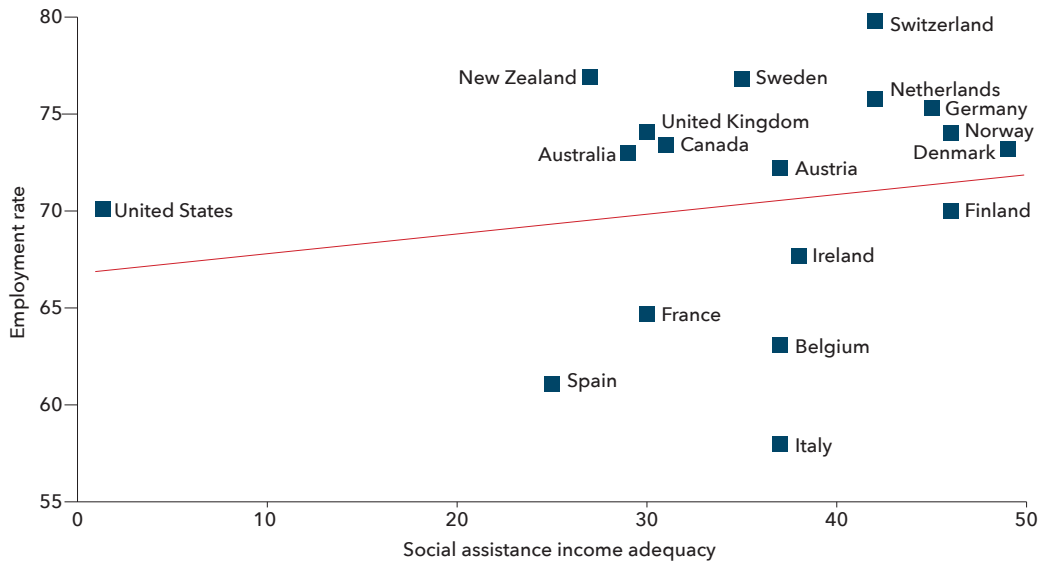
⁹ J. Stapleton, "The Pandemic and a Basic Income: Why Talking About the CERB Paves the Way to a Conversation on Eradicating Poverty," Open Policy Ontario, May 31, 2020, <https://openpolicyontario.com/the-pandemic-and-a-basic-income-why-talking-about-the-cerb-paves-the-way-to-a-conversation-on-eradicating-poverty/>.

¹⁰ Organisation for Economic Co-operation and Development, *Social Expenditures Update 2019: Public Social Spending Is High in Many OECD Countries* (Paris: OECD, January 2019); A. Noël, *Utopies provinciales: essais de politique sociale* (Montréal : Québec Amérique, 2019), 181-7.

¹¹ J.B. Mijis, "The Paradox of Inequality: Income Inequality and Belief in Meritocracy Go Hand in Hand," *Socio-Economic Review*, Advance article, January 23, 2019.

¹² P. Lindert, *Growing Public: Social Spending and Economic Growth Since the Eighteenth Century*, vol. 1: The Story (Cambridge: Cambridge University Press, 2004), 3.

Figure 2. Social assistance income adequacy (employable single person) and employment rate, selected OECD countries, 2017



Sources: Social Assistance and Minimum Income Protection Dataset (SAMIP), provided as part of the Social Policy Indicator (SPIN) database, presented in K. Nelson, D. Fredriksson, T. Korpi, W. Korpi, J. Palme, and O. Sjöberg, "The Social Policy Indicators (SPIN) Database," *International Journal of Social Welfare*, 29(3), July 2020: 285-9; Organisation for Economic Co-operation and Development, *Employment and Labour Market Statistics* (Paris: OECD, 2020).

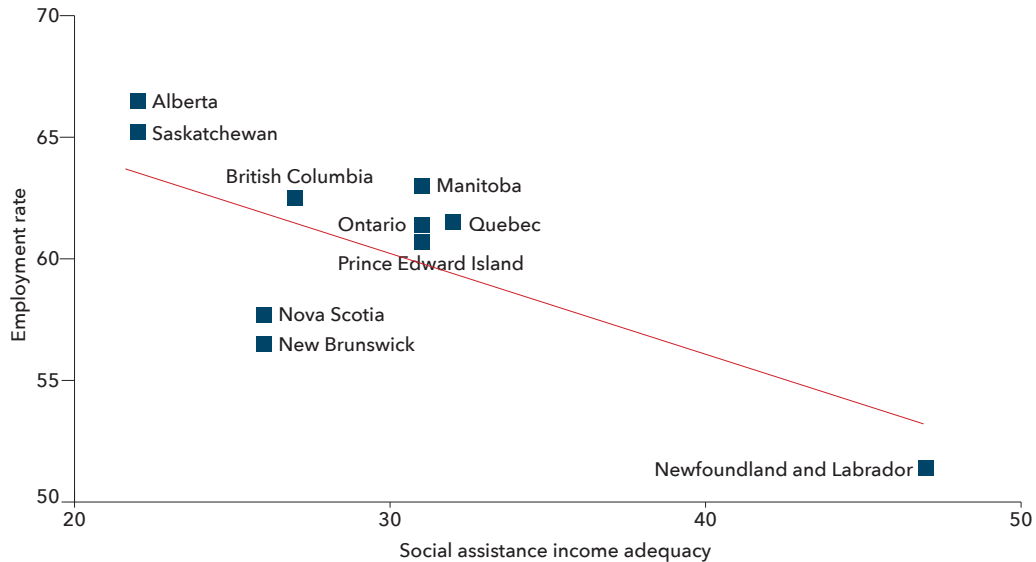
Note: The adequacy rate for Canada is that of Ontario.
R = 0.196

the employment rates of Newfoundland and Labrador and those of the oil-producing prairie provinces. We would need to control for other economic and social factors to ascertain the significance of this observation.

There is obviously a level at which generous social assistance incomes could affect work incentives, such as when the financial returns from working are only marginally superior to social assistance incomes. At 31 percent of the provincial median income and 45 percent of the MBM poverty line, however, as is the case for employable singles, Ontario (and other provinces) remains far from this level. The threat of deep poverty is not necessary to encourage people to take up work. In fact, it may do the opposite. Over the last 20 years in Canada, the households that left social assistance and entered the labour market in the greatest numbers were those whose welfare incomes increased the most – namely, one- and two-parent families with children.¹³ A number of factors may explain this outcome, but the fact is that these families left social assistance as their benefits improved.

¹³ A. Noël, "Quebec: The Ambivalent Politics of Social Solidarity," in *Welfare Reform in Canada: Provincial Social Assistance in Comparative Perspective*, ed. D. Béland and P-M. Daigneault (Toronto: University of Toronto Press, 2015), 127-141: 135-6.

Figure 3. Social assistance income adequacy (employable single person) and employment rate, Canadian provinces, 2017



Sources: Tweddle and Aldridge, 2018; Statistics Canada, Table 14-10-0327-02.

Note: Social assistance income adequacy is measured as a proportion of median income.

$R = -0.745$

THE POLITICS OF MINIMUM INCOME PROTECTION

In recent years, every Canadian government has made a formal commitment to reduce poverty.¹⁴ If we leave aside the federal poverty reduction strategy, released in 2018 in the wake of a redesigned and very effective Canada child benefit, these commitments did not make a strong impact on poverty.¹⁵ More significantly, in light of the Toronto study discussed here, these commitments had no statistically significant influence on welfare incomes.¹⁶ This lack of impact may be attributable, in part, to the rather shallow nature of some provincial poverty reduction strategies.¹⁷ More likely, however, this absence of influence on welfare incomes reflects a deep-seated understanding of poverty reduction, which emphasizes labour market integration over improved social transfers. To address poverty, governments prefer to bet on jobs rather than on enhanced income security. As a consequence, welfare incomes for single employable adults remain in the blind spot of those implementing both poverty reduction and social investment strategies.

An international comparative analysis suggests that the main determinant of the adequacy of welfare incomes for single employable adults is the generosity of the welfare state. As

¹⁴ For provinces, see C. Plante, "Policy or Window Dressing? Exploring the Impact of Poverty Reduction Strategies on Poverty Among the Canadian Provinces," *Journal of International and Comparative Social Policy*, 35 (1), 2019: 112-36; for the federal government, see A. Noël, "Un pas en avant dans la lutte contre la pauvreté," *Policy Options*, August 29, 2018.

¹⁵ C. Plante, "Policy or Window Dressing?"

¹⁶ A. Noël, "The Politics of Minimum Income Protection in the Canadian Provinces."

¹⁷ C. Plante, "Policy or Window Dressing?"

goes the welfare state, so goes social assistance.¹⁸ In Canada, the generosity of each province's social assistance benefits can be explained mainly by its overall efforts to redistribute income, and the strength of trade unions and social assistance reciprocity rates within the province.¹⁹ In Canada, as in the OECD more broadly, the generosity of social assistance programs appears to be a result of institutional factors and political decisions. Single persons relying on social assistance in Toronto, and elsewhere in Canada, remain in deep poverty because this country does not have a strong, redistributive welfare state. Canadian governments can certainly do better, as is suggested by the comparative data presented above, and raising the income floor for the poorest would not reduce incentives to work significantly. Deep poverty stems from political choices.

The COVID-19 crisis has exposed vulnerabilities in the Canadian social fabric and limitations in our income security programs. This crisis has also demonstrated the power of strong government interventions, made easier in a context where all citizens feel at risk, together. As bold new programs unfolded, some surmised they could pave the way for some form of basic income. A guaranteed universal income, however, would use up huge financial resources without consolidating existing social services or preventing poverty. No country has ever gone this way. As John Stapleton argues, we would do better simply trying to abolish poverty.²⁰ For this, we would need substantially improved social services, better working conditions, new income transfers and supplements, and, yes, social assistance incomes that lift individuals out of deep poverty. No country has entirely succeeded in this respect, but some have come closer to the objective than others. Canada is not one of them.

CONCLUSION

The social investment vision that has informed public policy in OECD countries since the late 1990s has not helped lift the incomes of single adults relying on social assistance. This approach was not constructed at their expense, but it left these persons in a blind spot. In Canada, this oversight has contributed to maintaining very low levels of social assistance income for single adults, just as those for families with children have improved. As a result, Canadian provinces remain in the bottom half of OECD governments in terms of overall social assistance income adequacy. In a country with low levels of social expenditures and ungenerous social transfers, there is certainly room for improvement in this respect. Social assistance incomes are so low that there seems to be little risk of creating negative incentives to work. Indeed, the most generous countries do not have lower employment rates. In the end, the key determinant of social assistance incomes is the general quality of the welfare state. Countries committed to social justice better protect the income of their most vulnerable citizens. By taking up this commitment, Canadian provinces could dramatically reduce poverty – and the deepest forms of it – at a relatively low cost.

¹⁸ A. Noël, "The Politics of Minimum Income Protection in OECD Countries," *Journal of Social Policy*, 48(2), 2019: 227-47.

¹⁹ A. Noël, "The Politics of Minimum Income Protection in the Canadian Provinces."

²⁰ J. Stapleton, "The Pandemic and a Basic Income."

Taking Action on Canada's Forgotten Poor

The report *Canada's Forgotten Poor? Putting the Deep Poverty of Singles on the Policy Radar* should be read by anyone interested in the design of income support programs in Canada. It contains essential information to help us obtain a more comprehensive picture of poverty. A crucial message in the report is that we need to reframe the discussion about poverty and focus on single adults. I underscore that message here by expanding on some of the policy implications of the findings and how certain costs that are closely tied to the risk of poverty, such as rental costs, should become the basis for making annual cost-of-living adjustments to social assistance benefits. Moreover, I argue that rather than narrowly focusing on lowering the overall poverty rate, policy-makers' should put greater emphasis on addressing the issues associated with deep poverty. This would require putting the needs of singles on social assistance at the heart of poverty-reduction efforts.

THE REPORT'S KEY FINDINGS FOR POLICY DEVELOPMENT

Perhaps the report's most important finding is that a large and growing percentage of Ontario Works cases in Toronto are single adults.¹ It will surprise many Canadians to learn that the stereotypical social assistance recipient – namely, the single parent – has long been a thing of the past. In April 2020, nearly two out of every three Ontario Works cases (62.6 percent) were singles without dependants, and only 27.3 percent were single parents.² The number of Ontario Works cases that do not involve children, when we add the cases of couples without children, rises to nearly three out of four (72 percent). Although Toronto is the focus of the report, the proportion of social assistance cases made up by singles is similar in other provinces. In Alberta, for example, 68 percent of the Alberta Works caseload in April 2020 was single adults, and only 27 percent of cases involved children.³

CHILD BENEFITS AND SOCIAL ASSISTANCE

It is important to correct the stereotype of social assistance clients being single parents because, as long as it remains, voters will continue to favour public policies that emphasize devoting additional resources to households with children. This would fur-

¹ Ontario Works is a social assistance program designed to assist people who are in financial need and deemed capable of securing employment. The Ontario government also manages the Disability Support Program (ODSP), which provides assistance to people deemed to have a disability that substantially restricts their ability to work. The IRPP report does not look at ODSP cases. In April 2020, there were 380,167 ODSP cases, 79 percent of which involved single people.

² In an average month in 1995-96, 42 percent of Ontario Works cases were single people and 42 percent were lone parents. See Ontario, Ministry of Children, Community and Social Services, "Social Assistance in Ontario: Reports – Ontario Works," https://www.mcscs.gov.on.ca/en/mcscs/open/sa/trends/ow_trends.aspx.

³ The Alberta Works program has the same mandate as Ontario Works. Data on social assistance caseloads are available from Alberta, "Income Support Caseload," <https://open.alberta.ca/opendata/income-support-caseload-alberta>.

ther entrench an income support system that fails to serve the majority of people with the greatest need.

Delivering income support to people in need through child benefits is not only considered good politics, it also saves governments money.⁴ In April 2020, the cost to the Ontario government of increasing benefits by \$1 to all social assistance recipients would have been \$253,248 per month; increasing child benefits by \$1 for claims involving at least one child would have cost only \$70,830 per month. Hence, it is far cheaper to claim to be supporting people who rely on Ontario Works by increasing child benefits than it is to increase the basic amount of social assistance payable to all beneficiaries.

In the past 25 years, Canada has seen an important reduction in the number of children living in families with incomes below the poverty line, and a dramatic decrease in the number of social assistance cases involving children. These reductions were the result of major changes to Canada's income support programs, and in particular, the federal government's decision to expand its role in the provision of income support through child benefits. Ottawa's financial contribution to parents through child benefits trended upward starting in the late 1990s and has steadily increased since then. Many provinces have also provided child benefits, albeit significantly smaller ones. Although Canadians should celebrate these results, they should also be aware that a large proportion of people living in poverty and relying on social assistance experience no improvement in their lives from further increases in child benefits.

HOW TO SHIFT THE POLICY FOCUS TOWARD SINGLE ADULTS

Provincial and federal governments should focus less on population-wide poverty rates – the percentage of Canadians with incomes below the poverty line – and instead turn their attention to the depth of their poverty. The federal government's poverty-reduction plan identifies someone as being in deep poverty if their income is less than 75 percent of its official measure of poverty (Statistics Canada's Market Basket Measure). The deep poverty indicator therefore identifies who is in greatest need of income support. And while it is listed on "Canada's Official Poverty Dashboard,"⁵ it is not emphasized by either the federal or provincial governments, as they prefer to track the falling poverty rate. If we continue to allow governments to focus mainly on the proportion of people with incomes below poverty lines, they will have little incentive to develop more effective policies aimed at addressing deep poverty and its consequences – policies that would focus on single adults.

⁴ A. Harell, S. Soroka, and A. Mahon, "Is Welfare a Dirty Word? Canadian Public Opinion on Social Assistance Policies," *Policy Options* 29 (8) 2008: 53-6, <https://policyoptions.irpp.org/magazines/canadas-working-poor/is-welfare-a-dirty-word-canadian-public-opinion-on-social-assistance-policies/>. The authors note that the way the message about social assistance is framed has a profound influence on how the problem is viewed and what policies are implemented.

⁵ Statistics Canada, "Canada's Official Poverty Dashboard," <https://www150.statcan.gc.ca/n1/en/pub/11-627-m/11-627-m2019053-eng.pdf?st=ltbflw9z>.

The report's interviews highlight the consequences of failing to support those in deep poverty. One person described the benefits being provided as just enough to keep him from dying, but no more. This level of income support, combined with relatively high housing costs, forces people to make hard choices between housing and food, as well as other necessities. Kirkpatrick and Tarasuk show that, among low-income families in Toronto, food insecurity quickly rises with the percentage of the household budget allocated to housing, thus suggesting that absorbing rising housing costs takes priority over spending on food.⁶ The stress of living in deep poverty also causes poor health. Despite Canada's universal medicare system, there are vast inequalities in health outcomes: the lower one's socio-economic position, the worse one's health.⁷

Deep poverty imposes additional costs on governments and the broader social safety net. These costs take the form of lost productivity and tax revenue, and increased demands on the health and justice systems.⁸ It also puts more pressure on services provided by charities and nongovernmental organizations. For example, Food Banks Canada draws a direct link between the demand for its services and the low levels of income support provided to single adults, a demographic it describes as having been largely forgotten by federal and provincial governments.⁹

These outcomes give added weight to economists' argument that an extra dollar of income is more valuable to someone in deep poverty than it is to someone with a higher level of income. That extra dollar also yields higher society-wide benefits by reducing demands on the rest of the social safety net. Arguably, targeting income support to singles in deep poverty may yield a better social return than further increasing the incomes of parents.

HOMELESSNESS AND POVERTY

Although the IRPP report is presented as a discussion of poverty, it could also be framed in terms of housing and the problem of homelessness. The connection between poverty, housing and homelessness is straightforward: even if one can pay for the minimum quality of housing available in a city, when there is little income left over for life's other necessities (food, clothing, etc.), one might forgo conventional housing and resort to using a city's homeless shelter system. This is exactly the choice single people in Toronto are facing as a result of inadequate levels of social assistance. In 2019, the median rent on a bachelor apartment in Toronto was \$1,100, while a single

⁶ S. Kirkpatrick and V. Tarasuk, "Housing Circumstances Are Associated with Household Food Access Among Low-Income Urban Families," *Journal of Urban Health*, 88 (2), doi:10.1007/s11524-010-9535-4.

⁷ M. Bégin, "Forward," in *Social Determinants of Health: The Canadian Facts*, by J. Mikkonen and D. Raphael (Toronto: York University School of Health Policy and Management, 2010), https://thecanadianfacts.org/The_Canadian_Facts.pdf.

⁸ C.R. Lee and A. Briggs in "The Cost of Poverty in Ontario: 10 Years Later" (Toronto: Feed Ontario, October 2019), <https://feedontario.ca/wp-content/uploads/2019/09/Feed-Ontario-Cost-of-Poverty-2019.pdf>, provide estimates of these costs for Ontario.

⁹ Food Banks Canada, *HungerCount 2019 Report*, https://hungercount.foodbankscanada.ca/?_ga=2.176102178.1430956562.1593900521-977338769.1593900521.

person relying on social assistance received less than \$900 per month. Is it any wonder that the great majority of homeless shelter spaces in Toronto and in other cities in Canada are occupied by single people?¹⁰

Researchers and policy-makers are increasingly aware of the rising incidence of homelessness among young people. In Toronto, for instance, a growing number of young people are staying longer in emergency shelters, which is particularly worrisome.¹¹ Indications that young people are finding it increasingly difficult to escape deep poverty, forcing many into homelessness, are a sign that the canary in Toronto's poverty coal mine has stopped singing.

Studies from the United States consistently report that rates of homelessness are greatest in high-cost housing markets. Some research suggests that even modest efforts to increase the affordability of minimally adequate housing could have a significant impact on homelessness and reduce flows into emergency shelters.¹² My research with Margarita Wilkins shows results consistent with that conclusion.¹³ Drawing on data that tracked the provision of emergency homeless shelter beds in 51 cities across Canada, we estimate that increasing income support by \$100 per month would be sufficient to enable emergency shelter providers to close 15 percent of their beds. In other words, providing singles in deep poverty with sufficient income would enable at least some to maintain their housing. Increasing the use of housing subsidies to lower the rents paid by tenants most at risk of homelessness would have the same effect.

COST-OF-LIVING ADJUSTMENTS AND INFLATION INDICATORS

Any action taken to tackle deep poverty must address how income supports like social assistance are adjusted to increases in the cost of living over time. We cannot solve the problem of deep poverty with a one-time increase in income support. Indexing income support levels to inflation is a key part of the answer, but which indicator would be most appropriate? The consumer price index (CPI) measures changes in the prices of goods and services purchased by the average Canadian household. However, the average Canadian household does not spend 70 or 80 percent of its income on housing, as single people in deep poverty often do. The CPI is therefore a very poor indicator of the changes in prices that matter most to single people in deep poverty. Far more relevant to them is the rate of inflation in rents. Hence, not only should social assistance benefits for singles be increased,

¹⁰ A. Jadidzadeh and R. Kneebone, in "Patterns and Intensity of Use of Homeless Shelters in Toronto," *Canadian Public Policy* 44 (4), December 2018, report that 89 percent of all people using emergency shelters in Toronto used those provided for single people.

¹¹ Jadidzadeh and Kneebone, "Patterns and Intensity of Use of Homeless Shelters in Toronto."

¹² See, for example, J. Quigley, S. Raphael, and E. Smolensky, "Homeless in America, Homeless in California," *The Review of Economics and Statistics*, 83 (2), 2001, 37-51; and J. Khadduri, "Rental Subsidies: Reducing Homelessness," in *How to House the Homeless*, ed. I. Gould Ellen and B. O'Flaherty (New York: Russell Sage Foundation, 2010).

¹³ R. Kneebone and M. Wilkins, *Shrinking the Need for Homeless Shelter Spaces*, SPP Research Papers, School of Public Policy, University of Calgary, vol. 9, issue 21, May 2016.

the rate of increase should also thereafter be adjusted annually to reflect changes in rental costs.

Comparing the experiences of single people on social assistance living in Toronto with those living in Montreal highlights the value of having annual changes to social assistance benefits align with annual changes in rents. From 1990 to 2014, the increase in rents on bachelor apartments in Toronto averaged 3 percent per year. Meanwhile, the average annual increase in social assistance benefits for singles was 0.6 percent. Hence, over 24 years, low-income renters in Toronto have fallen further and further behind. Contrast this with Montreal, which saw nearly equal annual rates of increase in rents on bachelor units (2 percent) and in social assistance benefits (1.9 percent).¹⁴ As a result, single people on social assistance living in Montreal have been better able to keep their housing and avoid having to choose between paying rent and procuring other life necessities. According to the Canadian Observatory on Homelessness, in 2018, the number of homeless people (per capita) in Montreal was one-tenth of that in Toronto.¹⁵

CONCLUSION

The first step in solving a problem is to recognize you have one. *Canada's Forgotten Poor? Putting the Deep Poverty of Singles on the Policy Radar* invites us to take that first step. It draws attention to the fact that in Toronto it is single people who experience deep poverty. Dutton shows that this is also true in Alberta,¹⁶ and it is reasonable to believe it is true elsewhere in Canada.

What should we do about it? The first step would be to refocus the attention of the public, and by extension policy-makers, away from tracking the overall poverty rate and toward better monitoring the depth of poverty and its consequences. If we reorient our attention and poverty-reduction goals toward reducing the number of people experiencing deep poverty, public policies that improve the lives of people who are the most destitute will follow.

Second, we should think seriously about how we set annual increases in social assistance benefits. One approach would be to adjust them every year according to the annual changes in rents. The cost of housing is by far the largest expenditure for people living in deep poverty, and without housing one is destined to suffer poor health, lost opportunities and a shortened life span. Without adequate adjustments to social assistance benefits each year, any one-time increase in income support payments will be but a temporary solution.

¹⁴ R. Kneebone and M. Wilkins, *The Very Poor and the Affordability of Housing*, SPP Research Papers, School of Public Policy, University of Calgary, vol. 9, issue 27, September 2016.

¹⁵ Canadian Observatory on Homelessness, "Community Profiles," *Homeless Hub*, 2019, <https://www.homelesshub.ca/CommunityProfiles>.

¹⁶ D. Dutton, "Marital Status of Those in Poverty," *Social Policy Trends*, School of Public Policy, University of Calgary, June 2019.

For decades, public policies to fight poverty in Canada have been driven by politically popular campaigns focused on certain well-defined groups – namely, seniors and families with children. High rates of poverty among seniors prompted the establishment and expansion of public pension plans and the Guaranteed Income Supplement since the 1960s. In the 1990s, concerns over child poverty shifted policy makers' attention toward improving child benefits. This approach of delivering income support on the basis of demographic characteristics – first on the basis of age and then on the basis of whether one has children – has left singles far behind. This group of forgotten Canadians needs more attention and support.



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