

September 25, 2023

Motion to Kitchener City Council

ODSP rate increase advocacy:

WHEREAS social assistance recipients are living in extreme poverty and food insecurity and are at great risk to develop associated health issues; and,

WHEREAS the Ontario Works (OW) program is meant for people who have financial need; and,

WHEREAS the Ontario Disability Support Program (ODSP) is meant for persons with a disability who are in financial need; and,

WHEREAS OW and ODSP rates are below Canada's Official Poverty Line and since social assistance rates were reduced by 21.6% in 1995, rate increases have been nominal, representing an approximate 10% increase over 26 years; and,

WHEREAS OW rates have not been increased since 2018 and are not indexed to inflation causing further income inequality, poverty and housing unaffordability; and,

WHEREAS a single person can receive up to \$1,308 a month on ODSP which is well below the average rent for a one bedroom apartment in the Region of Waterloo; and,

WHEREAS a single person can receive up to \$733 a month on OW which is well below the average rent for a one bedroom apartment in the Region of Waterloo; and,

WHEREAS rental rates in Kitchener, along with other communities, have risen dramatically in recent years, with average one-bedroom rental rates of \$2,132 per month according to a July 2023 RBC report; and,

WHEREAS provincial programs for affordable housing are based on rent at 80% of market rates so a one bedroom apartment with "affordable rent" is \$1,705 in Kitchener; and,

WHEREAS Canada Mortgage and Housing Corporation defines housing as "affordable" if it costs less than 30% of a household's before-tax income. Based on this definition, a single person on ODSP can afford rent of \$392.40 per month; and,

WHEREAS a shelter allowance for an ODSP recipient living on their own is up to \$556 per month which is intended to help with rent/mortgage, utilities and other housing costs; and,

WHEREAS there are over 12,852 ODSP recipients in Waterloo Region and over 500,000 across the province;

WHEREAS there are over 394,000 OW recipients across the province; and,

WHEREAS ODSP has been indexed to increase with the inflation rate but is currently \$666.67 below the low income cut-off and \$1,259.07 below the disability-adjusted low income cut-off, so with the current model, it will consistently rest below the low income cut-off, with even affordable housing rental rates significantly out of reach; and,

WHEREAS OW and ODSP perpetuate a welfare trap as funds or benefits are clawed back should a recipient receive income from other sources i.e., employment. This disincentivizes people from working, and/or those who do work are penalized for earning money;

THEREFORE BE IT RESOLVED That the City of Kitchener call on the Provincial Government to raise current social assistance rates for ODSP and OW recipients to above the poverty line, to reflect the cost of living and to tie the new rates to inflation so that people can afford to live a dignified life in the Province of Ontario;

THEREFORE BE IT FURTHER RESOLVED That the City of Kitchener call on the Provincial Government to support Feed Canada's recommendation to stop the clawbacks meaning OW and ODSP will allow recipients their first \$1000 earned without penalty and to exempt benefits such as CPP, WSIB, EI and the upcoming CDB from clawbacks as well;

THEREFORE BE IT FINALLY RESOLVED that a copy of this resolution be sent to the Premier of Ontario, local and area MPs and MPPs and the Association of Municipalities of Ontario for further consideration.

Meeting minutes and recording:

<https://pub-kitchener.escribemeetings.com/Meeting.aspx?Id=c82e4916-06b3-455b-8622-994e1337d202&Agenda=PostMinutes&lang=English>