



Welfare: Myth and Reality

Pay the Rent and Feed the Kids

www.paytherent.ca

Myth: Welfare caseloads are declining as people find good jobs.

Reality: People are being moved off the welfare rolls whether they have the income to support themselves or not. The City of Toronto reports that most people leaving welfare find jobs that are “**typically unstable and low paying with few benefits**” causing a “**cyclical pattern of moving back and forth between social assistance and marginal employment.**” A recent Ontario Association of Food Banks study found an astonishing **58% increase** in food bank clients reporting **no income whatsoever**. The report concludes that people formerly on the welfare rolls are being replaced either with people who have no income, or are working in low-paid employment.

Survey of People Leaving Ontario Works: Key Findings and Implications, City of Toronto, 2002.

The Food Bank Report: Food Bank Assistance in Ontario, 2002, Ontario Association of Food Banks.

Myth: Welfare rates are too generous.

Reality: All welfare rates in Canada are **well below the poverty line**. A couple with 2 children in Toronto receives **\$14,316 per year**. This is **\$21,115 below** the estimated Low Income Cut-Off (LICO) for 2001.

Welfare Incomes, 2000 and 2001, National Council of Welfare Reports.

Myth: Mothers on welfare have too many kids.

Reality: Families on welfare tend to be relatively small. The stereotype of welfare families with large numbers of children is not even close to the truth. Nearly **half of all single-parent families on welfare have only one child**; another **31% have two children**.

Profiles of Welfare: Myths and Realities, National Council of Welfare, 1998.

Myth: The welfare system is rife with cheating and fraud.

Reality: The rate of **fraud in the income tax system is approximately 20 times higher** than the rate of fraud in the welfare system. A study conducted by a national auditing firm estimated **fraud to be in the range of 3%** of the Ontario welfare budget. A 2002 report from the Ontario Provincial Auditor noted: “of the 763,000 corporations with active accounts on the Ministry’s tax roll, 355,000 corporations – or one in two – did not file required returns.”

<http://www3.uakron.edu/hef/eondep/nf-myth.htm>

<http://tofightpoverty.virtualave.net/welcome.html>

Provincial Auditor’s Report, December 3, 2002.

Myth: People on social assistance are lazy and do not want to work.

Reality: Many people on social assistance want to work, but cannot find jobs to support themselves or their families. A 1995 study of Ontario social assistance recipients by York University found that the most commonly cited reason for leaving their ‘best job’ was because of a layoff or because the employer went out of business, closed or relocated. That people continue to need social assistance says more about the labour market and changing economy than about the character of people. **Lack of work is the largest single reason people are on welfare**, and it probably accounts for more than half of all welfare cases. **Disability is the second most common reason** and is a factor in perhaps one-quarter of all cases

Profiles of Welfare: Myths and Realities, National Council of Welfare, 1998.

http://www.haltonspcvc.on.ca/publications/sara/section_2.htm

Myth: People on welfare lack education and schooling.

Reality: According to the National Council of Welfare, statistics suggest that many people on welfare are well educated, and in fact **disability or aging** may be bigger barriers to employment than lack of education. The Daily Bread Food Bank reports that 41.1% of food bank clients on welfare have at least some college or university education. What people really need is more jobs rather than more schooling.

Profiles of Welfare: Myths and Realities, National Council of Welfare, 1998.

Annual Survey of Food Bank Clients 2002, Daily Bread Food Bank.

Myth: Canada spends too much on social programs.

Reality: In his most recent fiscal update, federal finance minister John Manley bragged that Canada's program spending as a percentage of GDP "is now lower than in all other G-7 countries, with the exception of the United States," and that the 9.2% reduction in government program spending as a share of GDP from 1992-2001 was "a greater reduction than in any other G-7 country."

The Economic and Fiscal Update, John Manley, October 2002.

Myth: Welfare benefits in Ontario are among the most generous in the country.

Reality: People on welfare spend most of their income on rent. Rents in Toronto and other major Ontario cities are among the highest in the country. When average rents are factored in, **Ontario's welfare benefits are among the least generous in Canada.**

www.welfarewatch.toronto.on.ca.wrkrw/bul11.html

Myth: Raising welfare rates will just encourage more people to sign on.

Reality: There is no proof that the rise and fall of the number of people on welfare coincides with benefit levels. In fact, every significant study has shown that **welfare caseload growth tends to coincide with periods of recession and rise of unemployment.** It is not the meager benefit levels that attract people to welfare or discourage them from leaving to find a job.

www.welfarewatch.toronto.on.ca.wrkrw/bul15.html

Myth: People on welfare are different from the rest of us. They are in general more lazy, unskilled and dysfunctional than other people.

Reality: The welfare rolls are made up of older people as well as younger people, people with disabilities as well as people who are able-bodied, and people who are well educated as well as people who are poorly educated. People on welfare differ in their reasons for assistance, family types and sizes, housing arrangements, length of time on welfare, and outside sources of income. **Stereotypes about welfare are certain to be inappropriate.** Losing a job, losing a spouse, and losing good health are some of the reasons that people go on welfare.

Profiles of Welfare: Myths and Realities (1998), National Council of Welfare.

The biggest myth of all would be to assume that any of us are immune to personal tragedies or the many other misfortunes that can lead to reliance on welfare.