



Fact Sheet

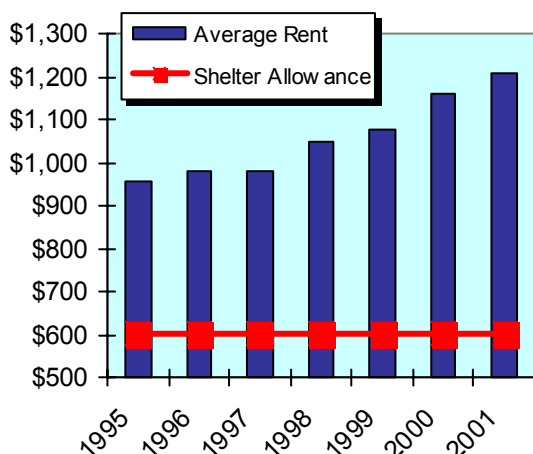
Welfare is failing Toronto families:

- A single parent with 2 children on welfare in Toronto receives a yearly income of **\$13,032 - \$6,203** below the Fraser Institute's poverty line, the most conservative measure of poverty available;
- A couple with 2 children receives **\$14,316 - \$8,207** below the Fraser Institute poverty line;
- Welfare incomes have **declined by over 1/3** since 1995: that year social assistance rates were cut **21.6%** with no increases since, while inflation has further eroded **15%** for a total of **35.6% in 7 years**;
- In Toronto, **the number of children living in poverty grew by 9% between 1995 and 1999** ~ *2002 Toronto Report Card on Children*;
- **1 in 5** Toronto families lives in poverty ~ *Statscan, Prepared by City of Toronto Community and Neighbourhood Services*;
- **Family homelessness is on the rise: 6200 children** stayed in shelters in 1999 and 2 parent families with children are among the **fastest growing** group of homeless ~ *2001 Toronto Report Card on Homelessness*;
- **Children are going to school hungry:** food bank use has increased from **115,000** people per month in 1995 to over **155,000** in 2002, over **50,000** of which are children ~ *Daily Bread Food Bank*.

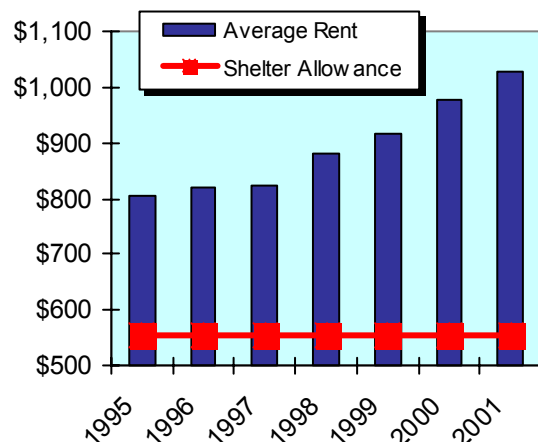
Welfare recipients are struggling to pay the rent:

- Welfare rates were cut **21.6%** in 1995, but average rents have increased by about **30%** in Toronto since then;
- **86%** of welfare clients rent in the private market ~ *City of Toronto, Community and Social Services*;
- The shelter allowance component of welfare is meant to pay the rent, but a single parent with 2 children receives just **\$554** while the average Toronto rent on a 2 bedroom apartment according to the **CHMC** is **\$1,027**; two parent families with 2 children receive **\$602** while the average Toronto rent on a 3 bedroom apartment is **\$1,208** (see below):

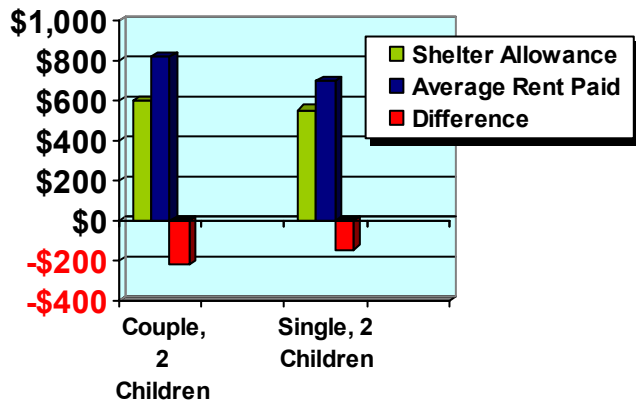
Couple + 2 Children, 3 Bedroom Apartment



Single + 2 Children, 2 Bedroom Apartment



- a couple with 2 children living on welfare in Toronto pays an average rent of **\$846.25** compared to a shelter allowance of just **\$602** – a difference of **\$244.25**;
- a single person with 2 children pays **\$700** per month in rent compared to a shelter allowance of **\$554** – a difference of **\$146** (see below):



Source: City of Toronto

- **When rent exceeds the shelter allowance, welfare recipients must take money out of their budget for food and all other necessities (see sidebar);**
- For the average 4 person family living on welfare in Toronto, this means the basic allowance is reduced from **\$602** to just **\$357.75 per month**;
- For the average one parent family with 2 children, the basic allowance is reduced to **\$408 per month** from **\$554**.
- Meanwhile, the cost of nutritious food is **\$504.49 per month** for a family of 4, a shortfall of **\$146.74**, and **\$365.58 per month** for a family of 3, leaving just **\$42.42** to cover all other monthly expenses ~ *Calculated using "The Cost of the Nutritious Food Basket in Toronto - 2001."*

Social Assistance Primer

When the **Pay the Rent AND Feed the Kids** coalition talks about "**social assistance**", we are referring to **two income programs** for low-income people funded by the provincial government:

- the first is **Ontario Works** or **welfare**;
- the second is the **Ontario Disability Support Program (ODSP)**, which is an income program for those unable to work because of a disability.

Each month, the **welfare or ODSP cheque** that a recipient receives **is made up of two portions**:

- the first, called the **shelter allowance**, is the portion the recipient is expected to use for **housing costs** such as rent.
- the second, called the **basic needs allowance**, is the portion the recipient is expected to use for **all living costs** aside from rent.

A **single parent with two kids** receives a gross amount of **\$1,086** per month from welfare: **\$554 of that is for the shelter allowance and \$532 is for the basic needs allowance**. The average two bedroom apartment in Toronto costs **\$1,027**.

In order to pay for that apartment, a single parent must use **all** of the shelter allowance portion of the welfare cheque **AND the majority** of the basic needs portion of the welfare cheque.

If that parent uses the basic needs portion of the cheque to buy food and other necessities for his/her kids, he/she risks losing the apartment by being unable to pay the rent.

Low shelter allowances and high rents, then, force low-income people into a desperate decision every month. Instead, the shelter allowance should be enough to afford average rents, while housing could be made affordable through rent controls and expanded rent-geared-to-income programs. These two policy changes would allow low-income parents to **pay the rent AND feed the kids**.

Poverty costs us all:

- **Poverty is the main contributor to a number of diseases.** A new study in the *British Medical Journal* shows that children living in poverty are at greater risk for **obesity, heart disease and diabetes** later in life than adults who smoke, drink and eat unhealthy foods, putting undue financial stress on the health care system ~ *Toronto Star, October 11, 2002.*

**Shouldn't every family be able to
Pay the Rent AND Feed the Kids?**