From Temporary Financial Assistance to Longer Term Income Support: Probing the Growth in Ontario’s Disability Support Program

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Abstract

The number of people accessing benefits on social assistance in Ontario is not of minor importance, with almost a million (964,182) beneficiaries province-wide in 2016. An important factor in explaining the recent upturn in the number of beneficiaries relates to a growth in the number of persons on the Ontario Disability Support Program (ODSP). Over the 2003-2016 period, growth in participation in this program was 4.5 times the province’s rate of population growth and about 4.7 times the observed growth in the number of persons on Ontario Works (OW). As a result, for the first time in the province’s history, in late 2014, the number of persons on ODSP actually grew to outnumber the total on OW. The primary purpose of this paper is to provide a brief overview of some of the factors contributing to ODSP growth, including an aging population, difficult labour market conditions, a greater acceptance and diagnosis of mental illness, lower rates of standard employment (and thus lower access to work-based disability benefits), and a slight upturn in the number of persons shifting from OW (meant to provide temporary financial assistance) to ODSP (which is typically longer term).

**Keywords**: Disability; social assistance; income support; demography

Résumé

Un nombre important de personnes ont accès à des prestations d’aide sociale en Ontario, en 2016 seulement, il y avait près d’un million (964 182) de bénéficiaires dans l’ensemble de la province. La croissance du nombre de personnes inscrites au Programme ontarien de soutien aux personnes handicapées (POS PH) est un facteur important pour expliquer la récente augmentation du nombre de bénéficiaires. Entre 2003 et 2016, l’augmentation de la participation à ce programme a été 4,5 fois supérieure au taux de croissance démographique de la province et environ 4,7 fois supérieure à la croissance observée du nombre de personnes participant au programme Ontario au travail (OT). À la fin de 2014, le nombre de personnes inscrites au POS PH a augmenté pour dépasser celui des personnes inscrites au programme OT, une première fois dans l’histoire de la province. Cet article vise principalement à donner un bref aperçu de certains des facteurs contribuant à la croissance du POS PH, notamment une population vieillissante, des conditions difficiles du marché du travail, une meilleure acceptation et le diagnostic des maladies mentales, des taux moins élevés de contrats de travail standards (donc un accès réduit aux prestations d’incapacité liées au travail) et une légère augmentation du nombre de personnes qui passent de OT, qui est censé fournir une aide financière temporaire, au POS PH, qui est généralement à long terme.

**Mots clés**: Incapacité; assurance sociale; soutien du revenu; démographie
Introduction

The Ontario Ministry of Community and Social Services (MCSS) administers social assistance for the province. An important part of its mandate is “to help the province’s most vulnerable citizens” while simultaneously trying to “promote an ethic of self-reliance through employment” (MCSS, 2016). In so doing, it provides social assistance through either Ontario Works (OW), described by the Ministry as providing income assistance for individuals and families in “temporary” financial need, and the Ontario Disability Support Program (ODSP), described as providing “longer term income support for people with disabilities.” In addition, the provincial government administers two smaller programs that provide income support to children in lower-income households, the Temporary Care Assistance (TCA) program and the Assistance for Children with Severe Disabilities (ACSD) program.

The number of people accessing social assistance in Ontario is not of minor importance, with almost a million (964,182) beneficiaries province-wide in 2016 (Figure 1). As of September 2016, the province reported 475,437 ODSP beneficiaries, 451,491 OW beneficiaries, as well as an additional 37,254 children supported through either the TCA or ACSD programs. Combined, this amounts to roughly 6.7 per cent of the province’s total population, up from roughly 5.5 per cent a decade and a half earlier. This has important social and economic consequences as the level of income support associated with both OW and ODSP has been described as being punishingly low (Graefe, 2016). For example, the maximum monthly income obtained from OW (as set by the province) for a single adult is only $706 a month in 2017, or about $8,470 a year. In terms of ODSP, the monthly maximum is higher, but still inadequate: for a single person the monthly income is set at only $1,128, or $13,536 a year. By way of contrast, this latter figure is roughly 60% of what a full year, full-time Ontario employee (35 hours a week) working at minimum wage ($11.40 an hour in 2016/2017) earns, at about $20,750.

In terms of social assistance overall, the total number of participants has climbed by 27.6 per cent since 2003, although a large part of this growth has been among persons receiving ODSP. The economic downturn in 2008 was particularly important in impacting the OW caseload, as the number of beneficiaries increased from about 370,000 in mid-2007 up to a peak of almost 480,000 by 2011. Since this point in time, the number of OW beneficiaries has remained relatively stable, and actually declined slightly, whereas the number of Ontarians on ODSP has continued to increase. With ODSP, we have seen a larger and steadier increase in caseload throughout this entire period, both before and after the 2008 recession. The number of persons on ODSP province-wide has steadily increased, from about 280,000 in 2003 to over 475,000 in late 2016, for a rather dramatic increase of about 70 per cent. By way of contrast, this compares to a growth of 15.4 per cent if we consider exclusively persons on OW, which is actually roughly equivalent to the overall rate of population growth (15.7 per cent) for Ontario (Statistics Canada, 2016). It is far from certain whether recent trends will continue over the next decade.
Figure 1: Number of beneficiaries on social assistance (all programs), Ontario Works (OW) and the Ontario Disability Support Program (ODSP), Ontario 2003-2016.

![Graph showing the number of beneficiaries on social assistance programs in Ontario, 2003-2016.](image)

Note: Total social assistance (2003-2016) is available from the Ministry of Community and Social Services’ website (https://www.ontario.ca/data/social-assistance-caseloads); these numbers include not only OW and ODSP but also the small numbers associated with the TCA and ACSD programs. Estimates on OW and ODSP (2003-2013) are provided by the authors using the Ministry of Community and Social Services’ Administrative Data. Data on OW and ODSP (2013-2016) are available directly from the Ministry of Community and Social Services in its Monthly Statistical Reports.

Over the 2003-2016 period, growth in the number of persons on ODSP far outstripped population growth; growth in participation was almost five times the rate of population growth. As a result, for the first time in the province’s history, in September 2014, the number of persons on ODSP actually grew to outnumber the total on OW (MCSS, 2016a). In this context, the primary purpose of this paper is to provide a brief overview of the potential drivers behind the growth in the ODSP caseload, including an aging population, difficult labour market conditions, a greater acceptance and diagnosis of mental illness, lower rates of standard employment (and thus lower access to work-based disability benefits), and a slight upturn in the number of persons shifting from OW (meant to provide temporary financial assistance) to ODSP (which is typically longer term).

The age profile of social assistance in Ontario and population aging

Canada’s population is rapidly aging. This is well demonstrated by juxtaposing the 2003 and 2016 pyramids. Figure 2 shows the dynamism underlying Ontario’s age structure, and in particular, the rather pronounced impact of certain cohorts as they move through their life course.
In 2003, Ontario’s largest cohorts (born toward the end of the baby boom era) were just beginning to move into their 40s, whereas by 2016 these same cohorts were moving into their mid to later 50s. Overall, the relative weight of Ontario’s population over the age of 50 has shifted from about three in ten Ontarians in 2003 (29.1 per cent) to almost four in ten by 2016 (37.5 per cent). While this has had an upward pressure on many government programs and services, it has also logically had an impact on the number of Ontarians who may need income support due to a disability, sickness, or chronic disease. Even if the age/sex specific rates were to remain constant over time, this shift in the age structure in and of itself would logically contribute to an upturn in the number of persons reporting a disability and potentially turning to ODSP for income support.

The demand for social assistance can be impacted by shifts in the age structure, although aging in itself impacts OW and ODSP differently. This is primarily due to differences in the age structure of social assistance beneficiaries. As outlined briefly by Lankin and Sheikh (2012), ODSP beneficiaries are considerably older than OW beneficiaries, by more than a decade on average. While ODSP participants are more likely to be older and middle aged, OW beneficiaries are far more likely to be young adults and children. The demand for ODSP increases by age group, up to retirement age, due to the relationship between aging and disability for ODSP recipients (i.e., disability rates increase as we move into middle age). For example, Statistics Canada (2013) has estimated that while fewer than one in 20 Canadians at age 20 report a disability, this proportion rises to about one in five among Canadians in their latter 50s.

**Figure 2: Population Pyramids, Age/Sex for Ontario, 2003 and 2016.**

![Population Pyramids](image)

Note: The arrows in this diagram show the same birth cohort, in 2003 and 2016. Data is from CANSIM, Statistics Canada, Population Estimates, Annual.

Figure 3 summarizes, by five-year age groups, Ontario participation rates on OW and ODSP by age. In so doing, the distinctive age profile of each program type is provided; preschool age children and young adults are over represented among OW recipients, whereas with ODSP, participation rates rise steadily with age – particularly as we move into middle age. The OW rates are consistent with what is known of the difficulties that young adults face in efforts to establish themselves in the labour market; difficulties that are often compounded when young adults also have child care responsibilities. Similarly, the ODSP rates are completely consistent
with what is known of population health, aging, and disability; the participation rate climbs noticeably as we move from young adulthood into middle age, highest for persons in their upper 50s, and almost as high for persons aged 50-54 and 60-64 years. A very small proportion of Ontarians beyond the age of 65 rely upon social assistance, primarily newcomers who have not met the residency requirements for Old Age Security, the Guaranteed Income Supplement, or the Ontario GAINS program for seniors.

**Figure 3: Percentage on OW/ODSP in Ontario by age and sex, 2014.**

![Percentage on OW/ODSP in Ontario by age and sex, 2014.](chart)

Note: Authors’ estimates using the Ministry of Community and Social Services, Administrative Data.

Standardization and decomposition techniques have been used in demography and related social sciences in efforts to isolate the impact of changing age, sex structure, or population aging on specific events or processes (Das Gupta, 1993; Seigel, 2002). With this in mind, several studies in other jurisdictions have found that population aging explains an important portion of the observed growth in disability beneficiary rates (OECD, 2010a; Autor & Duggan, 2006). In Canada, Statistics Canada (2007) estimated during the early 2000s that shifts in Canada’s age structure may explain roughly one-third of the growth in self-reported disability in the general population. Following from this, the authors Kerr, Smith-Carrier, Wang, Tam, and Kwok (2017) estimated that slightly more than a quarter of the growth in ODSP over the 2003-2014 period (or about 28 per cent) can be linked back to demography alone (i.e., population growth and population aging).

**Ontario’s declining employment rate**

The economic downturn in 2008 had an important impact on the social assistance caseload in Ontario. Due to a wide range of factors, from automation to globalization, the last decade has left for rather difficult labour market prospects for many Ontarians. The Mowat Centre has estimated that since the turn of the century and leading up to 2012, Ontario actually lost about 300,000 manufacturing jobs, with many of these losses occurring after 2008 (Dragicevic, 2014). This economic downturn in terms of manufacturing had a spillover effect on
many other sectors of the Ontario economy, which in turn, had an adverse impact on many of the people and communities involved. This left for a more challenging labour market for job seekers, particularly those who do not have easily transferable job skills.

This economic downturn is well reflected in data readily available from the Canadian Labour Force Survey. More specifically, Ontario’s employment rate (the percentage of the province’s adult population that have a job, employed either full or part-time) fell dramatically in 2008-2009. Figure 4 juxtaposes Ontario’s time series on social assistance use over the 2003-2014 period with the province’s employment rate; in this context, we focus exclusively on persons of prime working age (25-54 years). As this rate excludes persons who might be retired, approaching retirement, or still pursuing education, it directly demonstrates the difficult labour market that hit persons of prime working age immediately following the economic downturn in 2008. Whereas prior to the recession Ontario’s employment rate was over 82 per cent, within a year it had dropped to about 79.5 per cent. Since roughly 5.7 million Ontarians were aged 25-54 in 2008, this translated into a net loss of about 150,000 jobs in that year alone. This reduction in employment was immediately followed by a substantial upturn in the number of persons on social assistance. For example, the MCSS reported an upturn in the order of about 100,000 persons (total beneficiaries: primary applicants and their dependents) in 2009.

Beyond considering this time series, the importance of structural factors can also be demonstrated by examining the relationship between a region’s employment rate and its corresponding demand for social assistance. While the state of the local economy most obviously has a direct impact on the demand for Employment Insurance (EI) and/or OW (both meant primarily to serve persons temporarily jobless), Figure 5 demonstrates how this relationship also tends to exist for persons needing to access ODSP. More specifically, an inverse relationship characterizes the relationship between a Census Metropolitan Area’s (CMA) employment rate and its ODSP participation rate. The data presented here shows how this relationship tends to characterize Ontario’s 15 CMAs; CMAs that were hit particularly hard by Ontario’s downturn continue to see higher than average participation rates, whereas CMAs less impacted by the province’s economic downturn, with steady employment growth over the 2003-2014 period, tend to show lower participation rates in general.
To demonstrate the importance of local economic conditions across the four CMAs with the lowest percentage working (Windsor, St. Catherine’s-Niagara, London, and Peterborough), the average on ODSP is about 4.5 per cent of their respective populations. Conversely, across the four CMAs with the highest percent employed (Guelph, Kitchener-Cambridge-Waterloo, Ottawa, and Oshawa), this same average is about one half as high, at only about 2.8 per cent. With regard to OW, the corresponding figures are 4.5 and 2.7 per cent, respectively (data not presented here). Participation in both programs tend to be highest in regions that have experienced the greatest economic hardship whereas the opposite tends to be true of more prosperous parts of the province. In a context of higher rates of joblessness and slower overall employment growth, it is completely logical that some Ontarians will have given up on the job search and subsequently shift to OW and/or ODSP. Others may have no need for income support given personal resources, the availability of other forms of income support such as EI or private insurance, and potentially income from other family/household members. Persons who are disabled in turn face even greater competition for employment.

While Ontario’s economic downturn had its greatest impact on the demand for OW, the number of persons on ODSP also steadily increased throughout this period – in fact, while OW rates have more recently stabilized and declined slightly, ODSP rates have continued to climb through to 2016. In a tightening labour force, the reality is that when the competition for jobs rises, Ontarians that are precariously employed are most susceptible to job loss. This logically
includes persons with disabilities, as it has been asserted that disabled Ontarians tend to face greater barriers to obtaining secure employment, and as a result are over-represented in jobs that are most vulnerable to economic downturn (Law Commission of Ontario, 2012).

**Figure 5: ODSP participation rate and employment rate (25-54 years) for Ontario CMAs, 2014.**

![ODSP participation rate and employment rate](image)

**ODSP participation rate (%)**

**Employment Rate (persons aged 25-54)**

Note: Data is based on Administrative Data, Ontario Ministry of Community and Social Services, Population Estimates, Statistics Canada CANSIM, authors’ calculations.

**Greater diagnosis of mental disorders**

In documenting the social determinants of health, it is well understood that poverty is a key determinant of physical and mental well-being (Mikkonen & Raphael, 2010). According to epidemiological research, a wide variety of health problems are far more prevalent among Canadians experiencing low income – including mental illness, cancer, hypertension, diabetes, cardiovascular diseases, arthritis, to name but a few (Pinto et al., 2011). While it is difficult to tease out cause and effect, Smith et al. (2007) have estimated that the likelihood of depression is at least 60 per cent higher for persons living in income poverty, whereas Lightman et al. (2009) have estimated that the likelihood of considering suicide (a useful proxy for serious mental illness) is about ten times higher among social assistance beneficiaries than among Ontarians not living in poverty.

Whether our emphasis is upon those temporarily jobless, the working poor, or Ontarians on social assistance, the health consequences associated with severe poverty are real and well documented (Saraceno & Barbui, 1997; Shore, 1997). With this in mind, and in light of the punishingly low levels of benefits associated with the OW program, it is not surprising that many who apply to ODSP have either directly transferred from OW to ODSP or have at least had
some experience on OW in the past (Lankin & Sheikh, 2012). While medical eligibility for ODSP follows a rather complex process with disability status adjudicated by medical personnel, there continues to be an ongoing movement of persons from OW to ODSP, from a program meant to target those deemed “temporarily jobless” to a program set up to help those adjudicated as being “disabled”. While there are a few that maintain an attachment to the labour market while on ODSP, this movement of persons from OW to ODSP has been said to only further blur the somewhat arbitrary line distinguishing those who are “temporarily or permanently disabled” from those identified as having “considerable capacity for work” (August, 2009, p. 22).

Of the total growth in ODSP beneficiaries over the 2003-2014 period, Figure 6 provides direct data on the type of disability as outlined by the MCSS. As a climbing proportion of the social assistance caseload in Ontario involves persons with disabilities, the greatest part of this growth (63.9 per cent) has been Ontarians designated as having some form of mental disorder. This category is very broad and contains a wide assortment of mental illnesses, including depression, bipolar disorder, anxiety and panic disorders, schizophrenia, among other difficulties. As of 2009, the number of persons qualifying with mental disorders was also impacted by reform in the adjudication process; persons with addictions to drugs and/or alcohol could also be eligible for benefits (although typically in combination with other disabling conditions). Increasingly, other disorders that have historically been overlooked or misdiagnosed are being correctly identified; for example, there has been an upturn in the number of Ontarians with some form of developmental delay, and in particular, growth in the number of adults on the autism spectrum.

**Figure 6: Percentage of total growth in the number of primary applicants (ODSP) by type of disability, 2003-2014.**

![Pie chart showing the distribution of disabilities among ODSP beneficiaries]

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As a result of growth in the number of disabilities, the broad category of mental disorders now encompasses the majority of primary applicants for ODSP (estimated to be at about 56 per cent in 2014). As of 2014, this amounts to roughly four out of every ten ODSP beneficiaries, including their dependents (Ontario Ministry of Community and Social Services Administrative data; authors’ estimation). The result is that, as a population, people with mental disorders continue to be profoundly concentrated in Ontario’s lowest income rung. On a day-to-day basis, many Ontarians with mental disorders are not only challenged by social stigma, social isolation, negative stereotypes, and discrimination directed toward them, but also by various types of structural barriers including limited employment opportunities, precarious work, and a very low level of income relative to other Canadians (Boydell, Gladstone, Crawford, & Trainor, 1999; Wilton, 2004).

Many factors explain the growth in ODSP caseload, including changing public perceptions resulting in the acceptance that mental illness can be debilitating, improvements in the recognition of undiagnosed mental health disorders, and limited gains in assuring that persons with intellectual or mental disabilities have the appropriate assistance in the ODSP application process (Larkin & Sheikh, 2012). Yet without a job, many disabled Ontarians have no choice but to turn to social assistance. It is well known that poverty leads to additional stressors that compound the physical and/or mental health difficulties of disabled people. People access social assistance for a wide variety of reasons, including poor health and disability, as well as interrelated factors such as a lack of affordable child care, insufficient education or skills, limited human and social capital, temporary and/or long-term unemployment (e.g., discouraged workers), and a variety of other factors. Yet as pointed out in the 2012 report by the Commission for the Review of Social Assistance in Ontario, there seems to be people that are “lost in the grey area where they don’t qualify for disability but for unclear reasons are not successful in establishing themselves the workplace and/or maintaining their job once they obtain one” (Larkin & Sheikh, 2012, p. 40).

It has been suggested that some people receiving OW (sometimes for an extended period) have undiagnosed mental health issues but for a number of reasons (such as costs imposed by health providers to fill in the paperwork and illiteracy) are unable to complete the onerous application process for ODSP. Whereas there are people on ODSP with easily identifiable physical disabilities (e.g. vision or hearing issues) but who have considerable capacity for work yet remain jobless due to discrimination or other barriers (Matthews, 2004). August (2009) argues that social assistance in Ontario continues to be inherently stigmatizing and paternalistic to the extent that the adjudication of beneficiaries into OW or ODSP inevitably fails to properly differentiate between those who have no capacity for work from those who do.

The “Welfareization” of Disability

Note: Data is based on Administrative Data, Ontario Ministry of Community and Social Services, authors’ calculations.
As highlighted by Stapleton (2013), ODSP provides the lion’s share of income support for disabled Ontarians. While the federal government is responsible for the management and delivery of several different disability programs, provincial/territorial governments in Canada administer social assistance programs as well as provide oversight of workers’ compensation programs, including the Workplace Safety and Insurance Board (WSIB) in Ontario. In addition, there are various types of private disability plans; some employees and employers pay into employment-based insurance for if employees become ill or disabled and unable to work. For Ontario residents who do not qualify for any of the federal programs or WSIB, and are without access to private disability insurance or other forms of income support, provincial social assistance remains the only option (OW or ODSP).

In reference to social assistance use in Canada, Stapleton (2013b) makes the case that we have seen a “welfareization of disability incomes” across the country (p. 1). As argued, more people require social assistance today than in years previous, at least partially due to a decline in the relative importance of other disability programs. While there are several programs that provide income support for persons with disabilities in Ontario, ODSP is the most important, followed by the federal government’s Canada Pension Plan (CPP)-Disability program, and the WSIB. The remaining programs (EI sickness, Veterans’ Disability insurance, the Registered Disability Savings Plan (RDSP), the Working Income Tax Benefit (WITB), the federal government’s disability tax credit program, and income assistance programs for First Nations) are all much smaller (in combination they comprise less than one-fifth of all the government expenditures in this area).

For comparative purposes, Figure 7 presents data on the demand for the three largest programs in Ontario. Consistent with the idea that the WSIB is serving a declining share of Ontarians, we document here that a declining number of Ontarians report some form of workers’ compensation over the 2003-2014 period (-21.8 per cent). In terms of CPP-Disability, our estimates indicate relative stability in the number of beneficiaries, with evidence of a modest increase in total demand over recent years (+12.6 per cent). While the increase in CPP-Disability is slightly less than the population growth over this period, the decline in the number of Ontarians receiving workers’ compensation is in direct contrast to the dramatic growth in ODSP (+65.6 per cent). The proportion of Ontarians drawing from either CPP-Disability and/or workers’ compensation have both declined, consistent with concerns that both the WSIB and CPP-Disability are failing in their role of supporting injured and disabled workers, particularly those left with longer term difficulties finding employment (Graefe, 2016; Prince, 2014).
Figure 7: Number of tax filers reporting workers’ compensation, beneficiaries on CPP-Disability, and primary applicants on the ODSP. Ontario 2003-2014.

Note: Estimates on primary applicants to ODSP (2003-2014) are provided by the authors using Ministry of Community and Social Services’ Administrative Data. Data on workers’ compensation come from tax filer data compiled by Revenue Canada and Statistics Canada (CANSIM 111-0025 - Economic dependency profile, by sex, tax filers and income, and source of income, annual). Data on CPP-Disability beneficiaries were obtained as a special tabulation from Statistics Canada, again using the tax filer data compiled by Revenue Canada. It is acknowledged here that the total estimate on workers’ compensation may not be strictly equivalent to the total number of beneficiaries that may be on at any specific point in time, as it only indicates how many persons have obtained some form of payment from workers’ compensation over a given calendar year. Many of these persons would have been on workers’ compensation for a relatively short period.

Labour unions and activists have been vocal in criticizing the WSIB, suggesting that it has been particularly aggressive in deeming workers fit for employment, despite evidence to the contrary (Ponting, 2014). Similarly, several work-triggered programs (WSIB, CPP-Disability, private insurance, and EI-Disability) have all been criticized for a tendency to assert that ongoing impairment or disability is the result of some pre-existing condition, and not directly linked to the workplace (Battle et al., 2006). For disabled and/or injured Ontarians who do not qualify for work-based disability plans, there is often little alternative but ODSP. CPP-Disability has been criticized for having a stricter definition of disability than ODSP, making it difficult for applicants to qualify even if they have a long history of paying directly into the program. A variety of factors are responsible for this, including cumbersome paperwork, unclear rules, and a common failure to recognize and acquire the appropriate medical documentation (Prince, 2009). As this period has seen a concurrent growth in the number of Ontarians declaring a mental disorder as their primary disability, an issue worthy of additional research is how these various work-triggered programs (both private and public) are adjudicating mental health claims.
As estimated by Stapleton et al. (2013b), the rapid growth in ODSP can be demonstrated through total expenditures. For example, for the 2005-2010 period, growth in expenditures on ODSP was about twice as high as the corresponding growth in all other programs for the province, combined, at 35.4 and 18.1 per cent respectively. While such an estimation has not been updated through to the present, this is consistent with the idea that social assistance programs like ODSP are increasingly doing the heavy lifting in the disability income area. There are a wide variety of factors to explain this, including a decline in traditional employment that has characterized Ontario’s workplace, with more employees engaged in irregular, contractual, and/or part-time work (Johal & Thirgood, 2016; Lewchuk et al., 2015). This in turn leaves a growing segment of the labour force in jobs that are less covered by programs like EI-Disability, CPP-Disability, WSIB, not to mention private plans. Even though the overall provincial employment rate for working age adults has remained relatively stable, the per cent of Ontarians working yet paying directly into one of these types of programs has declined (Lewchuk et al. 2015).

When Ontarians who injure themselves outside of employment or have pre-existing conditions that make continual full-time employment impossible, many have little recourse but to apply for ODSP. Many employees lack information about their basic rights and options if injured or ill, and lack familiarity with the time limits available for the programs they pay into. Whereas most Ontarians are technically covered by programs like WSIB, the overwhelming majority of persons receiving benefits do so on a temporary basis, with the expectation that employees eventually return to work. That being said, fewer people are able to access WSIB benefits, a finding documented by Mojtehedzadeh (2016), who notes that the number of people who received WSIB support as a result of a catastrophic workplace injury declined 57 per cent from 2010 to 2016. Thus, due to a host of factors, it would seem that many people with serious injuries or longer-term disabilities ultimately end up on ODSP if they are unable to return to work and/or retrain for another occupation. Such recent developments – the nature of work and the availability of disability insurance – appear to signal continued pressure on ODSP into the future.

**From Temporary Financial Assistance to Longer Term Income Support**

Relatively little descriptive research is published on the duration of social assistance use in Ontario. A noticeable exception is the annual “Social Assistance Statistical Report” published by the Federal-Provincial-Territorial Directors of Income Support. In this report, the Ontario Ministry provides a summary table on the duration of assistance (in months) of participants in OW and ODSP respectively (current spell). For example, in the 2015 report, the Ontario government indicates that roughly one-third of all primary applicants on OW had been on the program for less than six months, roughly half for less than one year, and at the opposite extreme only about eight per cent were reported to be on OW for more than five years. With regard to ODSP, a very different picture emerges, with less than one in ten beneficiaries on this program
for under a year, about six in ten for more than five years, and almost one-third for a decade or longer.

The numbers described above leave the impression that while ODSP typically provides longer term support, those on OW tend to be in the program for short, but frequent, spells. Yet upon taking a closer look at the experience of Ontarians living on low incomes both on and off social assistance leaves a different impression, consistent with broader literature describing the nature of welfare cycling (Cooke, 2009; Duclos et al., 1999; Smith-Carrier, 2017). Lightman et al. (2010) highlight how many social assistance recipients remain marginalized on the periphery of the labour market, as “leavers” typically earn lower wages, work fewer hours, have greater difficulty maintaining employment, and subsequently have a far higher likelihood of returning to social assistance. Lankin and Sheikh (2012) report that while roughly half leave OW within a year, among first time participants, only about one third seem to do so permanently (many cycle on and off assistance, or remain in the program for more protracted periods). In following persons who exited welfare during the 1990s, Stewart and Dooley (1999) estimated that more than a quarter of OW participants who left the program returned to the program after a period of about ten months.

Rarely reported is the proportion of OW participants who, rather than exiting OW to employment, exited OW to move onto ODSP. This transition is problematic to the extent that it adds to the growth of the ODSP caseload. Moreover, to the extent that OW durations and caseloads increase, this indirectly contributes to ODSP growth as there are clear health consequences of cycling on and off welfare. Prolonged periods on OW, with its dangerously inadequate benefits levels, leads to serious health issues, which left unaddressed, can lead to disabilities that make holding down a full-time job exceedingly difficult. Figure 8 provides evidence to support this, through documenting the experience of two separate subsamples of OW participants over time (those that were reported to be on OW in January 2003 and those reported to be on OW in January 2009).

For the two subsamples, Figure 8 shows both the percentage of OW participants over time (regardless of whether or not they exit OW temporarily), and secondly, the percentage that move to ODSP (regardless of whether or not they directly transition from OW to ODSP). In addition, Figure 8 shows the total per cent on social assistance, without distinguishing between the two programs. With the two distinct subsamples, we follow OW participants both in the years leading up to the last recession (2003-2008), as well as participants during the height and years following the last recession (2009-2014). While persons may exit and return several times over an extended period, Figure 8 shows the high percentage of OW participants who are still on social assistance after an extended period. With the 2003 subsample, roughly four in ten participants were still on social assistance after a period of six years (39.5 per cent), whereas this rose to about half of all participants (48.7 per cent) in the 2009 subsample following the most recent recession.
Figure 8: Per cent participating in OW and/or ODSP over time, for two separate subsamples of OW beneficiaries, January 2003 and January 2009.

Note: Data is based on Administrative Data, Ontario Ministry of Community and Social Services, authors’ calculations.

In other words, regardless of how often persons might have cycled on and off social assistance, with persons identified as being on OW in 2009, the odds were roughly even that they would still be on social assistance six years later, in late 2014. In comparing the two subsamples, Figure 8 is consistent with the last recession being particularly difficult for many social assistance recipients, as they were more likely to remain on OW over time while also being slightly more likely to transition to ODSP. For example, while only about one-quarter (24.6 per cent) of OW participants in 2003 were still reported to be on OW after an interval of six years, this rose to almost a third (31.6 per cent) in the 2009 subsample. Similarly, with regard to ODSP, 14.6 per cent of beneficiaries transitioned from OW in the 2003 subsample, compared to 17.2 per cent of the 2009 subsample.

For many, OW is far from a temporary stop-gap measure, despite the Ministry’s insistence that the program prioritizes “employment assistance” and the financial aid is meant to be “temporary.” Indeed, some people are lost in a grey area between qualifying for disability and those who for unclear reasons are not able to obtain employment, and in finding a job, keep it. The by-product is prolonged economic hardship for about a million Ontarian residents. This situation is likely to adversely affect the physical and mental health of some OW participants who access the program for more protracted periods. The obvious inference here is that growth of the OW program would have been greater over the 2003-2014 period, without this ongoing movement of persons from OW to ODSP.

Discussion and Summary
The number of people on social assistance in Ontario has grown over the last decade and a half, up to almost a million beneficiaries province-wide. A particularly important factor in explaining this growth is the recent upturn in the number of persons on ODSP. The primary purpose of this paper was to provide a brief overview of some of the factors most likely responsible for this growth, including an aging population, a greater acceptance and diagnosis of mental disorders, a decline in the number of workers who qualify for work-based disability, as well as important changes in the Ontario economy. More specifically, the 2008 recession had a pronounced impact on Ontarians living with low income, with a reduced employment rate, a tightening labour force, and increased competition for jobs, all of which had a direct impact on the number of persons on OW, as well as to a certain extent on the number of persons on ODSP.

With a growing proportion of persons on ODSP, we have seen a shift from social assistance for those deemed “temporarily jobless” to those deemed “disabled” and in need of longer-term assistance. Yet, as emphasized here, there are some who receive OW (sometimes for an extended period) who have undiagnosed mental health issues and for a number of reasons are unable to gain access to ODSP. On the other hand, there are those on ODSP with identifiable disabilities (e.g. vision or hearing issues) who have considerable capacity for work yet remain jobless due to discrimination and/or other barriers. As argued by Smith-Carrier, Kerr, Wang, and Kwok (2017), having the state and medical authorities determine access to income support can be problematic, particularly given the inherent stigmatization and paternalistic nature of social assistance provision (see Herd, 2002).

The impact of the most recent recession had its most pronounced impact on Ontarians who were already marginalized in the labour market. In a contracted labour market, those most challenged by structural barriers face the greatest obstacles to obtaining and retaining employment. In this context we have presented evidence to suggest that welfare cycling (on and off OW) intensified somewhat after the last recession. In other words, we have documented a climb in the number of OW participants who remain on OW for an extended period as well as an increase in the number shifting from OW to ODSP. This is consistent with well-established literature on the social determinants of health, that is, severe income poverty has profound impacts on both physical and mental well-being. In light of the significant inadequacy of benefits it is not surprising that many who apply to ODSP do so to transfer from OW, or at least have some experience on OW in the past.

Part of the explanation in that ODSP caseload growth relates to what Stapleton (2012) refers to as a “welfareization of disability” in the province, as disabled and/or injured Ontarians who do not qualify for work-based disability plans often have little alternative but to access ODSP. In light of the substantial number of persons reporting a mental disorder, an issue worthy of additional research is how these various work-triggered programs (both private and public) are managing mental health claims. The status quo appears to be one in which a growing proportion of the province’s population are diagnosed as disabled, often with a mental disorder, and in need of income support. In turn, Ontarians with disabilities continue to be profoundly overrepresented...
in the province’s population living in deep poverty. Further research is needed to illuminate how the employment prospects of disabled Ontarians have been evolving, and how to best introduce policy reform in light of this situation.

The irony here is that while Ontario’s employment rate has fallen over recent years, many economists and demographers argue that this trend will be relatively short lived. This relates to a fundamental demographic reality in Canada: growth in the size of the population of labour force age has been noticeably slowing, with many forecasts suggesting that we could face substantial labour shortages in the near future (McQuillan, 2015). In this context, we note that disabled Canadians continue to experience employment rates that are far below the national average. The challenge for the Ministry in this context is to determine how best to reform social assistance to better integrate under-represented groups into meaningful and stable employment, including disabled Ontarians. This is particularly significant in a labour market that is increasingly precarious (Smith-Carrier, 2017).
References


