

Zero Dollar Linda

**METCALF
FOUNDATION**

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'Zero Dollar Linda' vs. 'Million Dollar Murray'

- ▶ We explore the weaknesses in the design of North American social welfare institutions through the stories of two individuals.
 - Malcolm Gladwell's Million Dollar Murray
 - Linda Chamberlain



Part 1

Million Dollar Murray vs. Linda Chamberlain

Murray

- ▶ Murray Barr was a homeless and severely alcoholic man whose story was told by Malcolm Gladwell in *The New Yorker*.
- ▶ If Murray had had access to supportive housing and a supervised work environment, he could have lived out his life productively.
- ▶ Instead, he cost the medical, corrections, social service and shelter systems a **million dollars** over his lifetime, and died in the street of internal bleeding.

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Linda

- ▶ Linda Chamberlain is a Toronto woman with serious disabilities living in subsidized housing.
- ▶ She found part-time work to supplement her disability income.
- ▶ But her public housing landlord immediately made her rent unaffordable, while her disability support program cut her benefits.
- ▶ Like Murray, she too could have done better had she received the help and advice she needed.
- ▶ But she came to the conclusion she had to leave the work she loved.

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Million \$ Murray; \$0 Linda

- ▶ Murray Barr represents a **small fraction** of the shelter population -- a minority that accounts for most of its costs. Without structured support and firm guidance, the man was an **outlier**.
- ▶ Linda Chamberlain is Murray Barr's polar opposite. She represents the **great majority** of social assistance recipients, who want to get ahead and be as self-reliant as they can under their individual circumstances.

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Linda

- ▶ The *Toronto Star* showcased the dilemma Linda faced when the combination of higher rent and reduced benefits resulted in her being not much better off than before she started to work.
- ▶ Linda's story was written up three times in the space of a month in the winter of 2009-10 by two different *Toronto Star* columnists, Catherine Porter and Carol Goar.

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Linda

- ▶ Here is how Catherine Porter described her situation in the *Toronto Star*:

She paid \$109 in rent every month. This summer, working 2 and 1/2 days a week, her ODSP cheque plummeted to \$183 and her rent – pegged to her income – soared to \$623. The bills are mounting. She received a letter from Canadian Tire threatening "legal action." She owes \$500 to Toronto Hydro. Now, her landlord is threatening eviction. "I've hit rock bottom," Chamberlain says. "I'm worse off now than I was when I wasn't working..." - December 22, 2009

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Linda's Dilemma

- ▶ The newspaper stories did not explain the bad policies that underlie Linda's dilemma.
- ▶ Nor did they discuss the complex financial advice that Linda badly needed to balance work, rent and benefits.
- ▶ The explanation follows:

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Linda's Dilemma: Policy Artefacts

- ▶ Artefact #1: ODSP clawback of 50%
- ▶ Artefact #2: Rent calculations for ODSP recipients in public housing – out of line with reality but in line with provincial/ municipal politics.
- ▶ Artefact #3: Moving from ODSP shelter allowance to rent geared-to-income – a huge shock to Linda's budget.
- ▶ Artefact #4: The \$440 rule – obscure in its origins, buried in the policy handbooks, this rule amounts to zero tolerance for disabled people who try to become self-reliant.
- ▶ Artefact #5: Double-dipping into Linda's earned income – how two government silos managed to penalize Linda twice for earning the same money.

Part 2

Social Assistance & Parking Lots

McHUMOR.com by T. McCracken



"There's really no need for confusion.
The rules here in part 95b, section 33 quite clearly state
that on even Tuesdays when visiting a patient in wing B
who's in a private room and has type A blood ..."

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Social Assistance & Parking Lots

- ▶ Losing your ticket means you pay the full cost even if you parked for 20 minutes.
- ▶ ODSP letters sent to the wrong house may mean you lose benefits.
- ▶ Parking lots say: *"Not responsible for damage however caused."*
- ▶ Social assistance says: *"pay the overpayment however caused."*

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Social Assistance & Parking Lots

- ▶ In Linda's case, the policy objective is to help her become self-reliant.
- ▶ Keeping rents low for people on disability is a fair policy.
- ▶ It is also fair to charge higher rent when someone on disability starts to realize more earnings.
- ▶ And it's certainly fair that a person on disability should receive less from the state as they start to make their own way in life.
- ▶ Taken singly, each one of these policies seems fair.

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Social Assistance & Parking Lots

- ▶ It feels good to:
 - be tough and allow no nonsense.
 - create rules that are crystal clear and unambiguous.
- ▶ If the same rules apply to everyone, then the result should be greater fairness and equity among citizens.
- ▶ It's not hard to understand why we have voted in governments that create zero-tolerance policies.

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Social Assistance & Parking Lots

- ▶ The problem is that zero tolerance rules remove the possibility of discretion.
- ▶ Unlike parking lot attendants, public servants go to school and obtain advanced degrees in order to exercise discretion.
- ▶ We pay administrators, auditors, and whole departments large salaries to find better ways.

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Part 3

The Auditor General

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The Auditor General

- ▶ Criticized overpayments
- ▶ In other business systems, what social assistance calls “overpayments” are called “adjustments” or “debits.”
- ▶ Heating and hydro bills are typically adjusted at the end of the year. When families use more heat or water than expected, they owe money to the utility company.
- ▶ We don't think of these end-of-year adjustments as “abuse” or “fraud.”

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The Auditor General

- ▶ The Auditor General's preoccupation with overpayments indicates that he accepts the distrustful manner in which OW and ODSP work.
- ▶ From a fiscal point of view, overpayments are a good thing. They mean that more money is being paid to recipients from “other sources.”
- ▶ More people have found part-time work, increased their hours, or succeeded in getting spousal support. That reduces the cost of social assistance to government.

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The Auditor General

- ▶ The welcome page of the Auditor General's website states that his office is "*serving the public interest.*"
- ▶ His basic role is to examine government programs and hold the government to the rules it has set for itself.
- ▶ But he failed to ask the most fundamental question an auditor should ask:
 - Does the money we spend on Ontario Works and Ontario Disability Support help people to realize the overarching goals of these programs?
 - Does it support them toward greater self-reliance?
 - Do its rules treat recipients fairly when they strive for greater self-reliance?

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Part 4

Postscript: Linda

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