

The “Welfareization” of Disability Incomes in Ontario

**METCALF
FOUNDATION**

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Presentation

- ▶ Context:
 - Social Assistance in Ontario – ‘the *mainstream* story’
 - Brighter Prospects Appendix ‘F’:
The Social Assistance Review
- ▶ The Paper:
 - Angelica and Bob
 - Disability Income Data
 - More of the Per Capita story (disability income type)
 - The story of ODSP growth
 - Closing Thoughts

Context

SOCIAL ASSISTANCE LONG TERM TRENDS: THE MAINSTREAM STORY OW DOWN AND ODSP UP

Fig 10: Ontario Works: Average Monthly Cases, Beneficiaries, and Children - Trends, 1995-96 to 2011-12

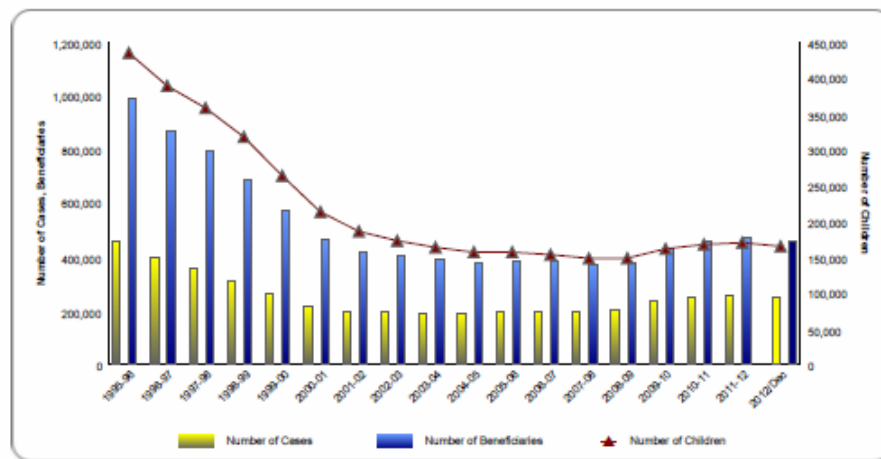
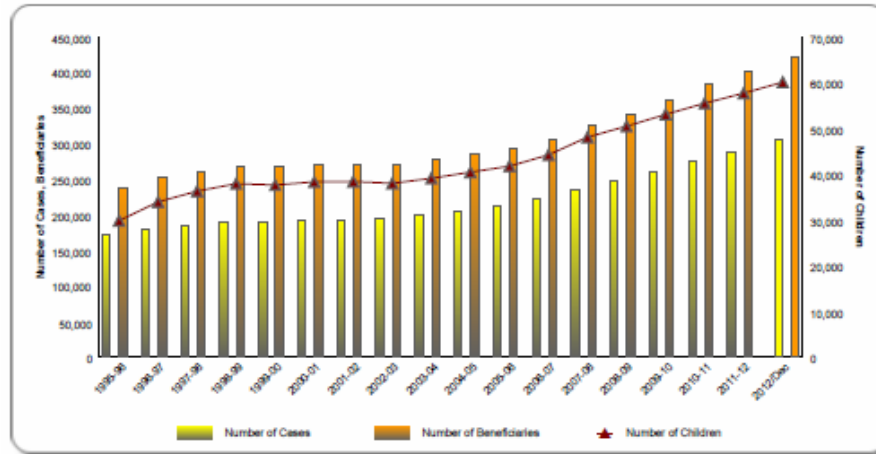


Fig 12: ODSP: Average Monthly Cases, Beneficiaries, and Children - Trends, 1995-96 to 2011-12



Context

APPENDIX F OF BRIGHTER PROSPECTS: ON DISABILITY GROWTH

Appendix F (157-168): The Mythology of Unsustainable ODSP Growth

- ▶ ODSP growing: in 1988, less than 1/3 of social assistance – now 66% and growing
- ▶ OW much smaller – esp. lone parents
- ▶ OECD: 5% to 10% of population and growing
- ▶ Disability income policy considered huge challenge:
 - More restrictions on unemployment benefits
 - Poorer education among pwd's
 - Barriers and recession spikes

Appendix F (157-168): The Suggestion of Unsustainable ODSP Growth

- ▶ Other Reasons:
 - Work may not pay
 - Aging of population plays small part
 - Business cycle plays a small part
 - Brighter Prospects suggests:
 - New grants related to mental disorders 3X others
 - Developmental delay higher than expected
 - High (60% of new grants) rate of mental disorders
 - Separate disability programs paternalistic and stigmatizing

The Paper

ANGELICA AND BOB

Angelica

- | | |
|---------------------------------|-------------------------------------|
| ▶ Workplace infirmery | ▶ No workplace infirmery |
| ▶ Workplace replacement income | ▶ No workplace replacement income |
| ▶ All benefits | ▶ No benefits |
| ▶ EI sickness | ▶ No EI sickness |
| ▶ WSIB | ▶ No WSIB |
| ▶ EI regular | ▶ No EI regular |
| ▶ CPP potential | ▶ No CPP potential |
| ▶ Higher pay workplace security | ▶ Lower pay – no workplace security |

First Workplace Accident

Second Workplace Accident

Bob

- | | |
|---|--|
| ▶ Gets minimal help for abusive childhood | ▶ Better help for dealing with abusive childhood |
| ▶ No diagnosis | ▶ Diagnosis of bipolarity and PTSD |
| ▶ No ODSP | ▶ Gets ODSP |
| ▶ No employment supports | ▶ Receives employment supports |

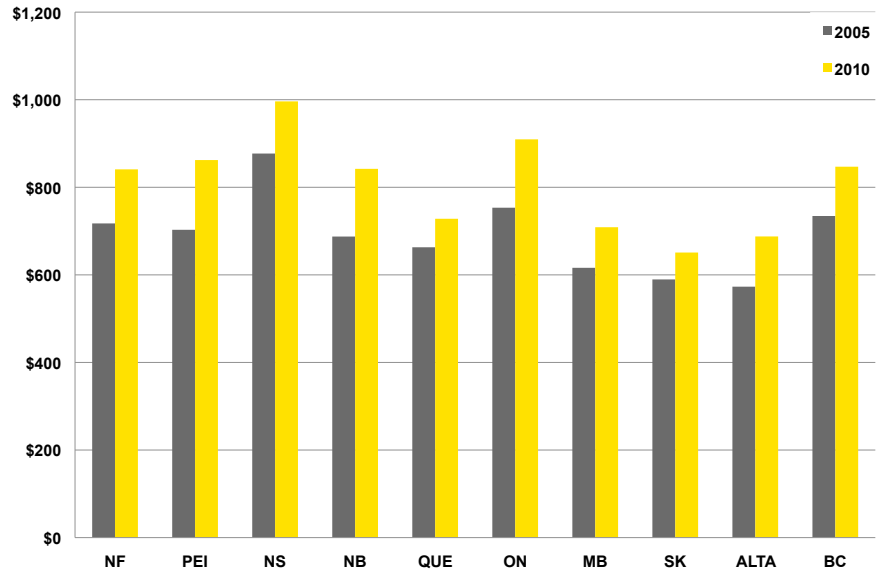
Bob 25 years ago

Bob today

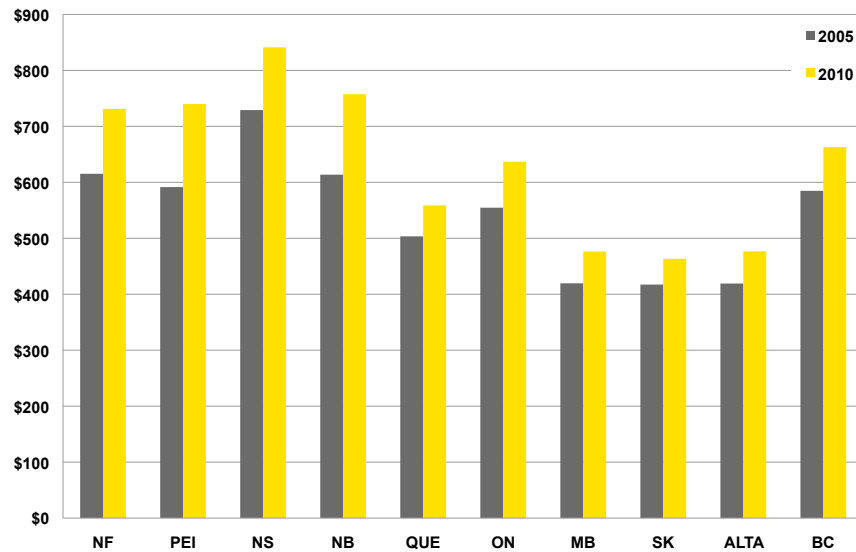
The Paper

DISABILITY INCOME DATA

Total Assistance for the Disabled, per capita, 2005 and 2010

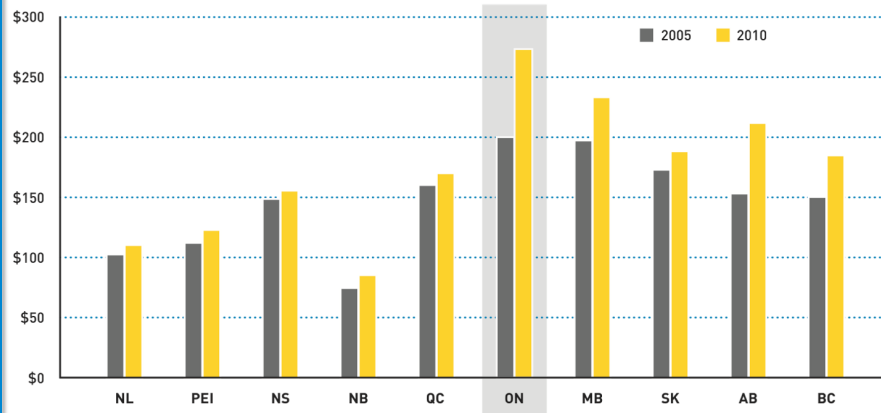


Total Assistance for Persons with Disabilities, excluding Social Assistance, per capita, 2005 and 2010



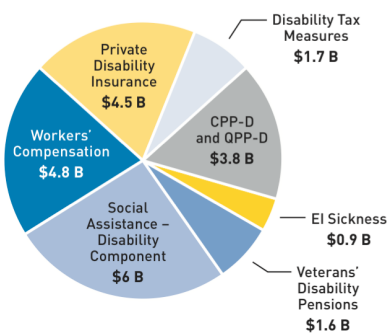
SOCIAL ASSISTANCE - DISABILITY COMPONENT, PER CAPITA EXPENDITURES

2005 and 2010



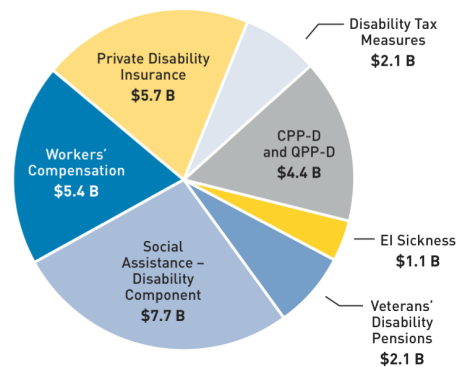
CANADA'S ESTIMATED DISABILITY BENEFIT EXPENDITURES

2005, \$23.2 B total

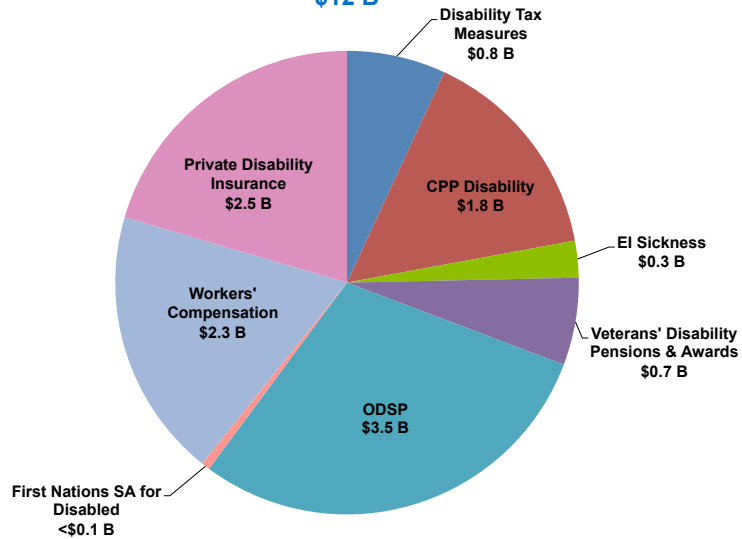


CANADA'S ESTIMATED DISABILITY BENEFIT EXPENDITURES

2010, \$28.6 B total

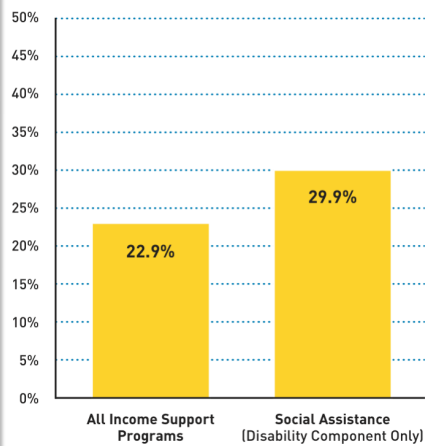


ESTIMATED DISABILITY BENEFIT EXPENDITURES ONTARIO 2010-11 \$12 B



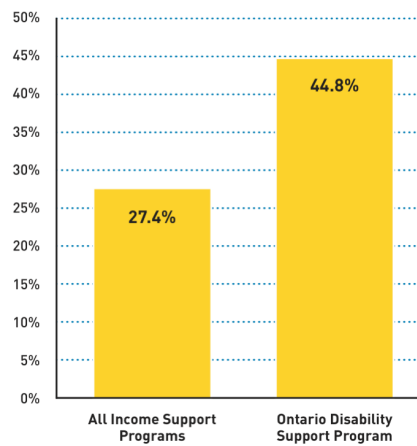
% INCREASE IN INCOME SUPPORT FOR PEOPLE WITH DISABILITIES

Canada, 2005 to 2010

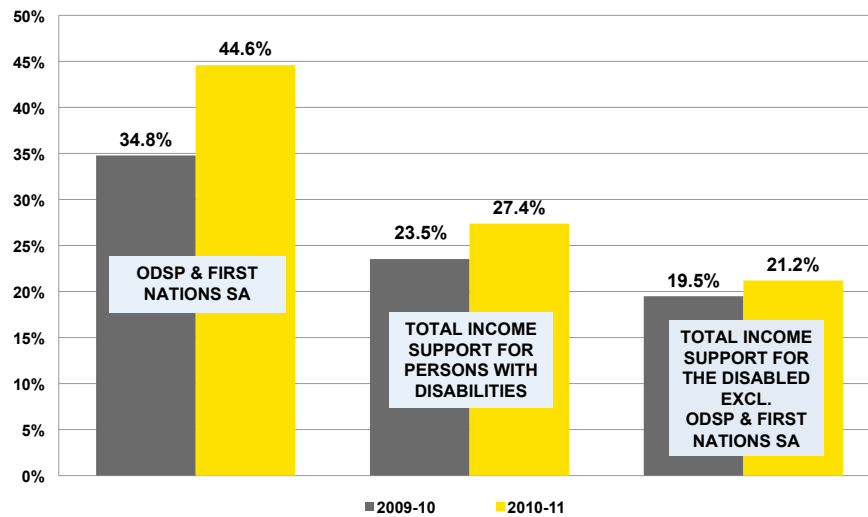


% INCREASE IN INCOME SUPPORT FOR PEOPLE WITH DISABILITIES

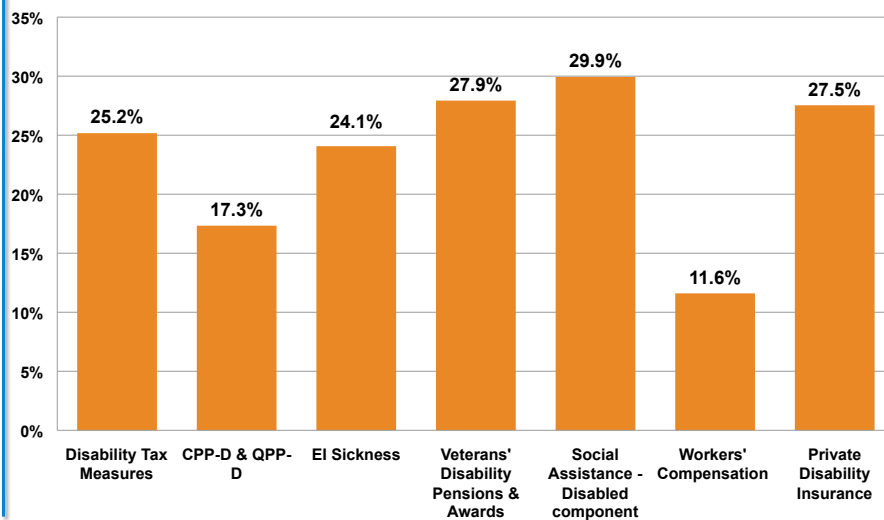
Ontario, 2005 to 2010



**INCOME SUPPORT FOR PERSONS WITH DISABILITIES:
PERCENTAGE INCREASE FROM 2005-06 TO
2009-10 AND 2010-11
ONTARIO**

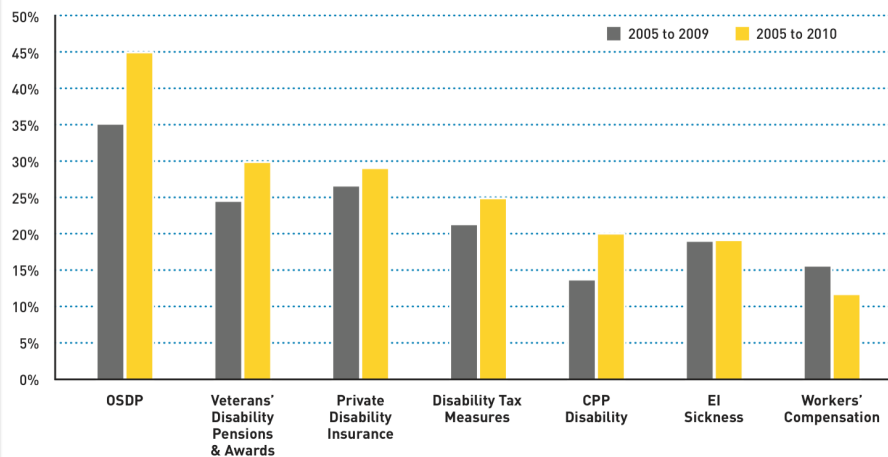


**Income Support for Persons with Disabilities by Program:
Percentage Change in Estimated Expenditures from
2005-06 to 2010-11
CANADA**



INCOME SUPPORT FOR PEOPLE WITH DISABILITIES, BY PROGRAM IN ONTARIO

% change in estimated expenditures, 2005 to 2009 and 2005 to 2010

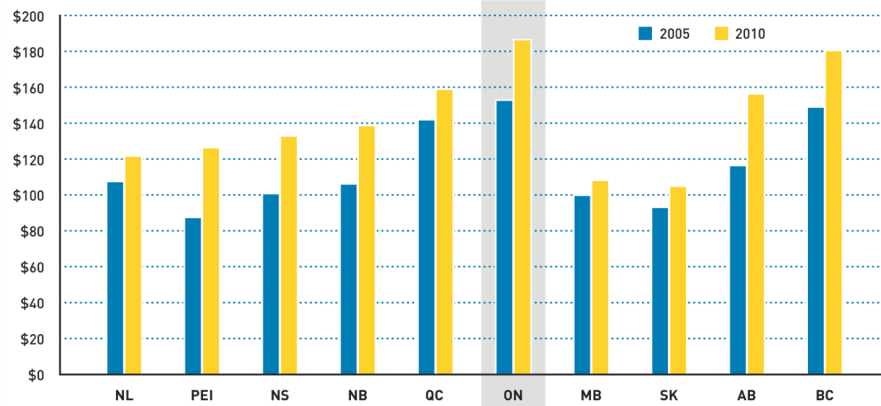


The Paper

THE PER CAPITA STORY..... BY PROGRAM

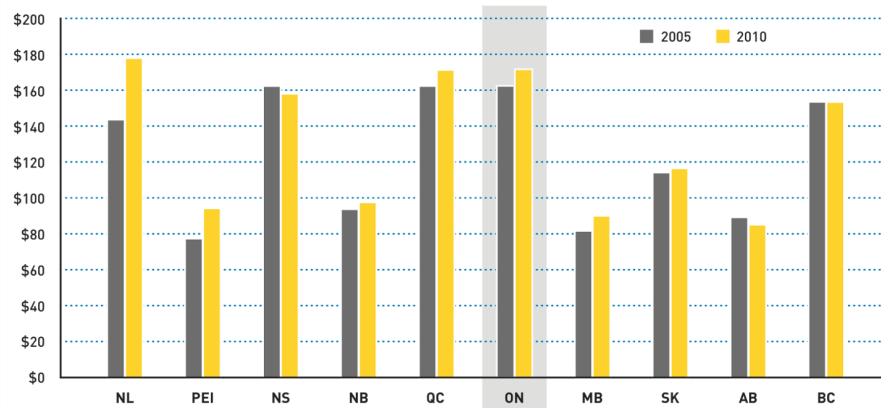
PRIVATE DISABILITY INSURANCE, PER CAPITA EXPENDITURES

2005 and 2010



WORKERS' COMPENSATION, PER CAPITA EXPENDITURES

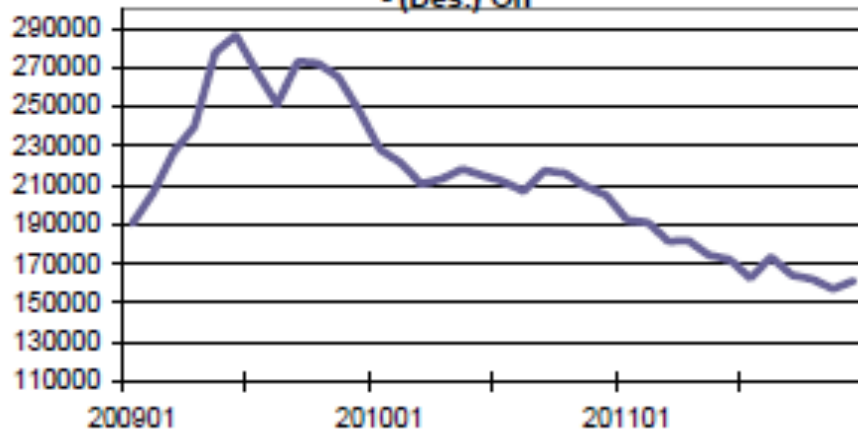
2005 and 2010

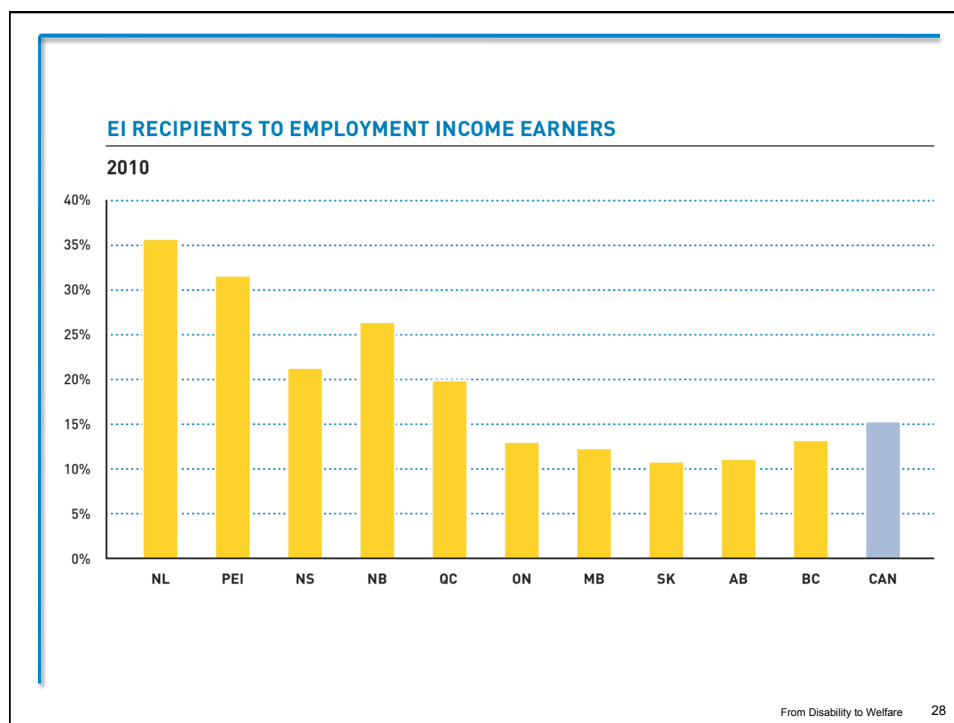
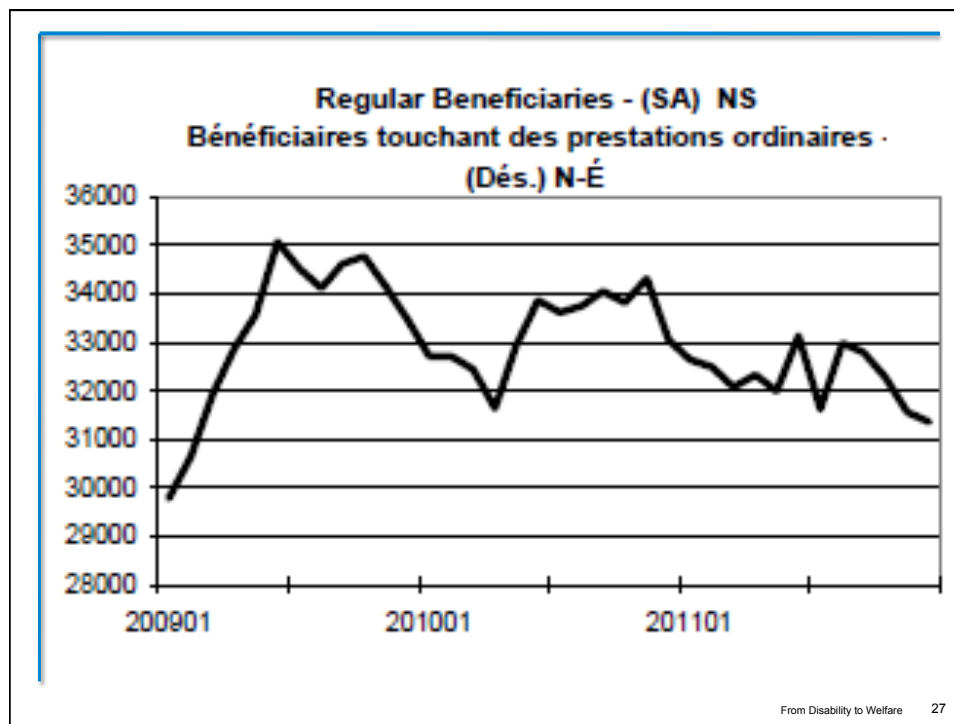


Employment Insurance

- ▶ EI ratio to employed by province
- ▶ EI payments per capita by province
- ▶ EI sickness by province

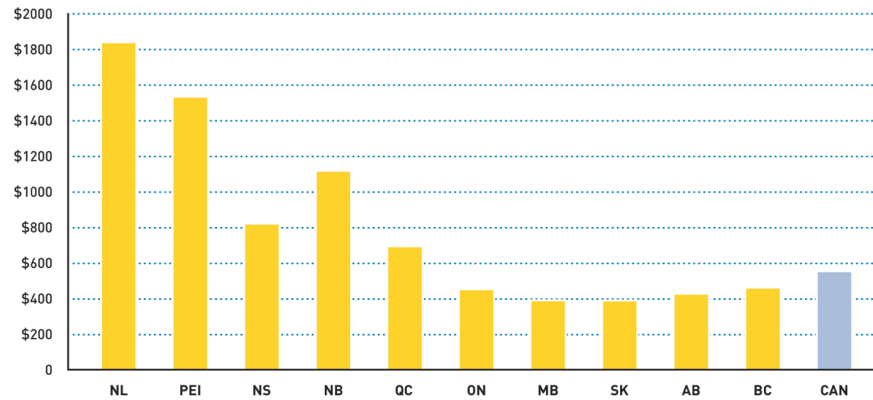
Regular Beneficiaries - (SA) ON
Bénéficiaires touchant des prestations ordinaires
-(Dés.) On





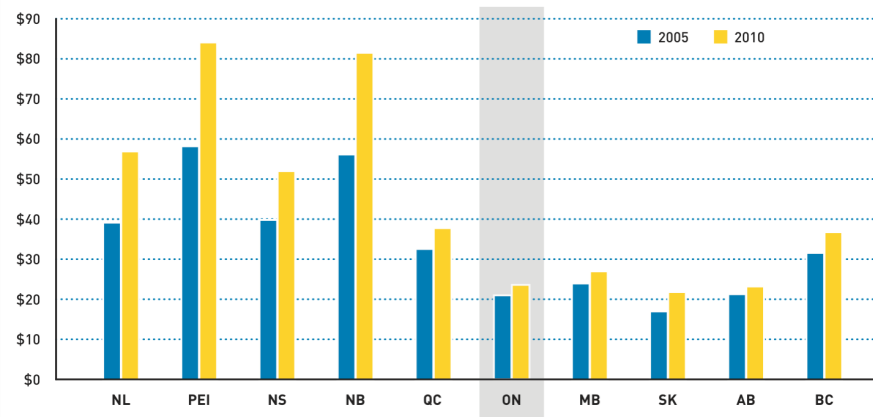
EI PAYMENTS PER CAPITA

2010



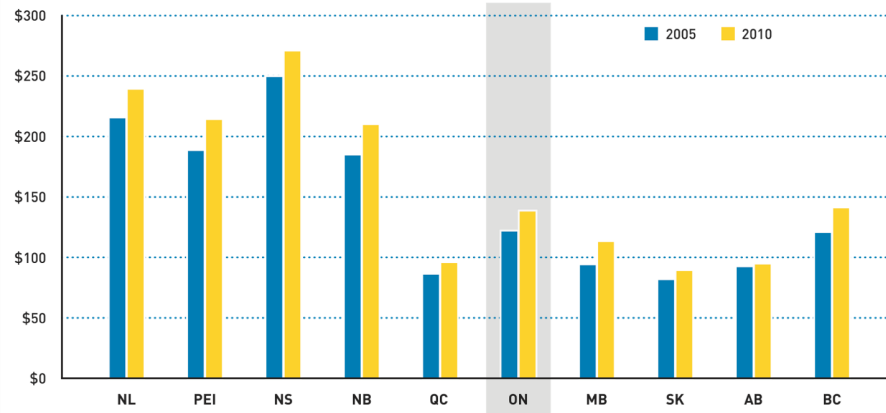
EI SICKNESS, PER CAPITA EXPENDITURES

2005 and 2010



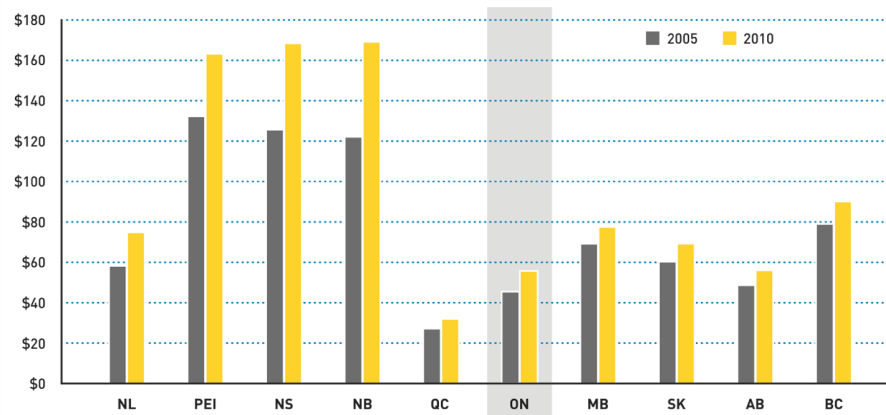
CPP/QPP DISABILITY, PER CAPITA EXPENDITURES

2005 and 2010



VETERANS' PENSION AND AWARDS, PER CAPITA EXPENDITURES

2005 and 2010



The Paper

THE STORY OF ODSP GROWTH

The Story of ODSP Growth

- ▶ ODSP one of eight disability income systems:
 - CPP-D
 - EI Sickness
 - Veterans
 - Private Plans
 - WSIB
 - RDSP
 - Disability Tax Credits
 - ODSP

The Story of ODSP Growth

- ▶ Work triggered income supports growing more slowly
- ▶ Persons with disabilities unemployed, underemployed and in precarious employment
- ▶ Immigrant senior disability
- ▶ Demographics
- ▶ Diagnosis improvements
- ▶ *All outside of ODSP eligibility rules*

Conclusions

- ▶ Shift of coverage and responsibility from employee-based disability income programs to the public purse in the form of social assistance
- ▶ Given the complexity of disability income systems it is clear that they cannot be understood in isolation to each other
- ▶ Programs have widely varying purposes

Conclusions

- ▶ Disability income programs vary widely on the issue of workforce participation
- ▶ Social assistance, as a system that encourages work, is often stymied by other disability income systems
- ▶ ODSP growth based on many factors but labour market change very important
- ▶ Changing ODSP criteria won't reduce costs or numbers as reasons for growth largely extraneous to ODSP