

ECONOMIC DEVELOPMENT AND SOCIAL ASSISTANCE IN ONTARIO

In Ontario there are a number of policy issues that make it extremely difficult to support business development with women on social assistance.

1. One of the most difficult issues is the time line within which women are expected to become self-sufficient and off Social Assistance. As we recall, it is 60 weeks with a possible extension to 72 weeks.
2. Up to \$10K is allowed for "the tools of the trade" although this is subject to the interpretation of the government worker and may be narrowly interpreted. The clients have to develop a reinvestment plan early on so that they can purchase the tools before deductions are made. The reinvestment plan has to be approved by the worker, which, by definition means that they have to have a clear sense of where their business is going and what they need tool-wise early on. This means that they need a solid business plan as soon as possible.
3. During the first 60 weeks "surplus" income is deducted from their Social Assistance (SA) cheque making it impossible for them to accumulate money to support them through the transition to independence. Obviously, the "tools of the trade" proviso can be used to maximize the participant's investment in her business, but it does not allow for cash savings and investments to ensure the sustainability of the business in the long-term.
4. In addition, the provincial government has a different financial reporting format and reporting time lines. They require mid-month statements from participants, which means that they have to keep two sets of books in order to be able to report to social assistance workers. A separate set of books is required to meet the federal income-tax reporting requirements (which are often used as a norm for business book keeping).

In short, the whole set of expectations is based on an employment-focused model that takes no steps to recognize the needs of businesses. We believe that it is very short-sighted and many savings to the system that could result from three years of support for businesses are lost in order to guard against welfare fraud. There is a high level of fear amongst social assistance recipients that they will lose their benefits.

There are many more challenges (including snitch lines, narrow interpretations of regulations, scrutiny of women's relationships, leans being put on the private property of SA recipients, and a proposed new policy to test for drugs), but suffice it to say that these ones have been strong enough to discourage most people from even beginning to do self-employment programs.

Add this context to the fact that the province has not funded any community economic development work for 7 years and the result is that very few programs offer economic development programs to social assistance recipients.

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Eko Nomos promotes innovation and excellence in community-based economic development programs.