

***A National Consultation to be Undertaken by
Social and Enterprise Development Innovations (SEDI)
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Prepared by Barbara Gosse, Social and Enterprise Development Innovations (SEDI)

For many years experts in the Canadian housing field have suggested that access to adequate affordable housing is a supply problem resulting from rising numbers of low-income households and a large shortfall of low-income or assisted housing. The increase in renter core need (core need being defined as being households within shelter that falls below one of the standards for adequacy, suitability, affordability and spending more than 30% of their income on alternative forms of market housing) has occurred largely as a result of the changing income conditions of poor households, most of whom are renters. Those in core need consistently spend high proportions of their income on shelter - ranging from just over 40% to approximately 55%. In 1996, this figure represented 3.1 million households⁽¹⁾. In addition, The Vanier Institute of the Family has reported that the poorest 20% of households now allocate almost one-third of all expenditures directly to obtaining shelter and this has increased by 8.5 percentage points since 1969⁽²⁾.

Based on these numbers, there is no denying that the lack of available affordable housing units is a key issue for low-income Canadians. However, strategies for income stability and increased self-sufficiency must be implemented in conjunction with programs for affordable housing construction so that those who are outside of the economic mainstream can escape the cycle of poverty and achieve the benefits of upward economic mobility. The related benefits of this mobility will not only complement the country's existing physical infrastructure, it will also result in economic benefits on a national scale.

An inclusive asset-based policy approach is perhaps one viable way of addressing these issues, thereby allowing more low-income Canadians access to affordable housing. Individual Development Accounts (IDAs) are the means by which this policy could be translated and delivered nationally.

We know that the market-based investment approach inherent in IDAs can lead to the improved economic circumstances of poor individuals and families. In an IDA program, low-income individuals have their savings matched up to pre-established limits and within a specified time frame. The matched savings can be withdrawn on the condition that they are used for approved purposes such as purchasing a home, repairs to housing, etc. Anecdotal evidence from previous and existing programs has indicated that these unique savings accounts lead to improved long-term self-sufficiency.

As of February of this year SEDI initiated comprehensive research as well as consultations and collaborations with informed multi-sectoral stakeholders and members of Canada's low-income population. This consultation is being undertaken on a national scale and will identify the realistic implications, and possible applications, of designing and delivering a national asset-based IDA pilot project for housing. The related research will identify the historical aspects of the lack of access to adequate, affordable housing for low-income Canadians and why an asset-based approach could prove to be a viable solution. References will be made to previous and existing asset building initiatives and programs in Canada and around the world. In addition, information gathered from stakeholder and consumer focus groups will provide the foundation for analysis and possibly a proposal for a national demonstration of IDAs for housing.

For additional information please contact Barbara A. Gosse, Program Coordinator, Social and Enterprise Development Innovations bgosse@sedi.org or by phone at 416.665.2828 ext. 236.

¹ CMHC Research and Development Highlights, July 1998.

² Sauve, Roger, Trends in Canadian Family Incomes, Expenditures, Savings and Debt. Published by the Vanier Institute of the Family, 1999.