



[Back to The case for a new housing benefit](#)

The case for a new housing benefit

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Gail Nyberg, Vince Brescia and Sharad Kerur

While Ontario continues to dig out from the severe recession of 2008, too many Ontarians are at risk of being left behind. In an uncertain recovery, the time has come to address the hard reality that many households are grappling with one of life's basic needs: the ability to keep a roof over their heads.

One in five renters in Ontario spends more than half their income on housing. Among food bank clients, the share of rent is even higher, consuming an average of 72 per cent of household income.

Declining tenant incomes have been a major underlying reason behind the growth of the affordability problem. In the City of Toronto alone, the median income of renter households fell by an average of \$6,396 between 1981 and 2006. The bad news is that housing affordability is taking an increasing toll on households. More than 152,000 households are now waiting up to 15 years for subsidized housing — a rise of 18 per cent in just two years.

The good news is that a solution is within our grasp.

Along with a growing number of Ontarians, we propose a new Ontario Housing Benefit — a strategic and practical idea that would effectively help low-income

Ontarians pay the rent and move out of poverty.

This measure would draw on lessons learned from housing benefits in other jurisdictions and would build on the best features of the [Ontario Child Benefit](#) — an initiative that is credited with helping to reduce child poverty in this province.

An Ontario Housing Benefit can provide assistance to low-income tenants to help them meet their rent payment.

Similar to the Ontario Child Benefit, an Ontario Housing Benefit can reduce financial barriers that exist for people when they try to move from social assistance to employment. The benefit can vary according to city size, family size, a tenant's income and rent paid. There should be no clawbacks for social assistance recipients.

Housing benefits have been shown to be effective anti-poverty tools in other jurisdictions, including Quebec, Manitoba and British Columbia. It's time for Ontario to catch up.

Unlike other provinces, the only permanent housing benefit — known as a shelter allowance — in Ontario is paid exclusively to social assistance recipients. The working poor do not get help to cover the cost of their housing.

A new Ontario housing benefit would extend shelter benefits to the working poor, who also have high shelter costs, while also supporting those on social assistance.

On May 6, 2009, all three parties in the Ontario Legislature voted for the Poverty Reduction Act, building on the significant achievement of a commitment to reduce child and family poverty by 25 per cent in five years. A housing benefit could be a crucial part of the plan to meet this goal.

The provincial government, through its [Long-Term Affordable Housing Strategy](#), has committed to exploring the idea of a new Ontario Housing Benefit. So, too, has the [Social Assistance Review Commission](#).

Much as the Ontario Housing Benefit has bridged the interests of renters, anti-poverty advocates, social policy experts and landlords, all three Ontario parties have also expressed openness to the idea.

Although no party in Ontario has yet made a public commitment to pursue a housing benefit, we hope the coming election opens up space for all parties to show their support for this innovative measure.

A carefully designed, fiscally prudent benefit is smart policy to help low-income renters make ends meet and take pressure off subsidized housing waiting lists. The design we have proposed would cost the provincial treasury \$240 million annually and provide an average monthly benefit of about \$100 to nearly 200,000 low-income tenants.

The cost of not acting is much higher. Poverty costs Ontario an estimated \$38 billion a year in increased expenditures in health care, social assistance and foregone tax revenues.

An Ontario Housing Benefit, while not a magic bullet, would be a cost-effective tool to advance social assistance reform, help the homeless and help working poor people with low incomes to live closer to where they work.

Landlords like it, renters like it — it's a win-win situation. So let's make it an election issue and, after the election, work toward building a new Ontario Housing Benefit in 2012.

Gail Nyberg is executive director of Daily Bread Food Bank. ***Vince Brescia*** is

president and CEO of the Federation of Rental-Housing Providers of Ontario.

Sharad Kerur *is executive director of the Ontario Association of Non-Profit Housing.*