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Income-Related Policy Recommendations to Address Food Insecurity

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Executive Summary

Income-Related Policy Recommendations to Address Food Insecurity is provided for Ontario health units, community organizations, social service agencies, municipalities and others to use in their organization's initiatives to reduce food insecurity. These recommendations complement local Nutritious Food Basket (NFB) costing data; contact the health unit in your geographic area for more information about your local Nutritious Food Basket report.

Food security exists in a household when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. Household food insecurity is defined as inadequate or insecure access to food because of financial constraints.

Food insecurity is an issue of concern in Ontario. According to the 2013 Canadian Community Health Survey, 12.5% of households, or 624,200 Ontario households, experienced food insecurity. Poverty has been cited as the root cause of individual and household food insecurity. Given its direct and major impact, this paper focuses on income-related policies to address food insecurity.

Ontario Society of Nutrition Professionals in Public Health (OSNPPH) is the independent and official voice of over 200 Registered Dietitians working in Ontario's public health system. OSNPPH is in agreement with the current evidence, which indicates the need for targeted and sustainable approaches to address the root causes of food insecurity. This paper focuses on income-related policy recommendations to reduce poverty and therefore food insecurity.

Summary of Recommendations

OSNPPH proposes three areas of recommendations to address the root causes of food insecurity.

It is recommended that agencies urge the federal and provincial governments to:

- 1. Prioritize joint federal-provincial consideration and investigation into a basic income guarantee, as a policy option for reducing poverty and income insecurity and for providing opportunities for people with a low income.^{4,5}
- 2. a. Increase social assistance rates immediately to reflect the actual costs of nutritious food and adequate housing as informed by the current results of the Ministry of Health and Long-Term Care's Nutritious Food Basket survey and the Canada Mortgage and Housing Corporation Rental Income (Ontario) reports. b. Index social assistance rates to inflation to keep up with the cost of living.

- 3. a. Revise the current exemptions in the Employment Standards Act (ESA) in order to provide basic minimum employment standards to a broader sector of the working population.^{6,7}
 - b. Provide all low income Ontarians with access to health benefits including drug and dental benefits regardless of whether their income comes from social assistance or employment. ^{6,7,8}

Background

Each year health units across Ontario conduct the Nutritious Food Basket (NFB) survey, as mandated by the Ontario Public Health Standards 2008. NFB survey results are used as a benchmark measure of the local cost of basic healthy eating and to assess whether or not low-income households have sufficient income to pay for a healthy diet when the cost of housing and other necessities is also considered. Households with limited incomes often consider food budgets to be "flexible" and redirect these funds to pay for housing, utilities and other essential "fixed" costs.

Food security exists in a household when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. Household food insecurity is defined as inadequate or insecure access to food because of financial constraints. Poverty has been cited as the root cause of individual and household food insecurity. Given its direct and major impact, this paper focuses on income-related policies to food insecurity.

Food insecurity is an issue of concern in Ontario. According to the 2013 Canadian Community Health Survey, 12.5% of households, or 624,200 Ontario households, experienced food insecurity.²

Food insecurity is associated with inadequate nutrient intakes. Adults and adolescents living in food insecure households have a higher estimated prevalence of nutrient inadequacy. Inadequacies have been shown to be most pronounced for protein, vitamin A, thiamin, riboflavin, folate, vitamin B-12, phosphorus and zinc.⁹

These nutrients are an important part of a healthy diet, as identified in Eating Well with Canada's Food Guide. Eating a variety of foods from Canada's Food Guide can reduce the risk of certain chronic diseases, including obesity, type 2 diabetes, heart disease, certain types of cancer and osteoporosis. 10

Food insecurity leads to an increased risk of infectious and chronic diseases. It is also more difficult to manage these diseases and conditions for people who are food insecure.¹¹ Individuals in food insecure households have significantly higher odds of rating their health as poor or fair and are more likely to report having heart disease, diabetes and high blood pressure.¹¹ Through a healthy diet, the risk of developing these diseases can be reduced.

The primary local response to food insecurity has been food banks and meal programs. There are now food banks in every province and territory, with a network of almost 5,000 emergency food programs including food banks, soup kitchens and various meal and snack programs offered by schools, shelters, drop-in centres, prenatal programs and other such community organizations. While these programs can help fill the most urgent needs to a limited degree, there is a legitimate concern that community-based

charitable food programs may quite unintentionally be enabling the retraction of social programs. "As long as the illusion that immediate food assistance is available for people unable to feed themselves persists, there is little impetus for governments to review the adequacy of their welfare programs or for the public to pressure them to do so." These programs do not address the root cause of food insecurity, which is lack of sufficient income, and they do not provide an adequate or dignified solution to individuals and families facing food insecurity. 3,14,15

The Ontario Society of Nutrition Professionals in Public Health (OSNPPH) is the independent and official voice of over 200 Registered Dietitians working in Ontario's public health system. OSNPPH is in agreement with the current evidence, which indicates the need for targeted and sustainable approaches to address the root causes of food insecurity. This paper focuses on income-related policy recommendations to reduce poverty and by so doing address the root cause of household food insecurity.

Based on research into effective approaches to address food insecurity, including evidence from the Canadian Institutes of Health Research-funded PROOF project to identify policy options to reduce food insecurity, OSNPPH proposes three recommendation areas to address the root cause of food insecurity:

- 1. Prioritize and investigate a basic income guarantee;
- 2. Increase social assistance rates and;
- 3. Provide basic minimum employment standards to reduce precarious employment.

Guaranteed Annual Income

What is a Guaranteed Annual Income?

A guaranteed annual income (GAI), or basic income guarantee (BIG), is an income support program that provides a basic minimum income and sets an income floor for every citizen. It protects low income people against volatility in income until stability returns. A guaranteed income provides a kind of "disaster insurance" that protects people from going without necessities such as food or shelter, and certain approaches to it can be integrated into the current tax system.⁵

The current federal pension system, the Old Age Security Pension (OAS)ⁱ and the additional Guaranteed Income Supplement (GIS)ⁱⁱ for low income seniors, is a

ⁱ The Old Age Security program (OAS) is the Government of Canada's largest pension program. It is funded out of general government revenues, which means that no one pays into it directly. Monthly OAS payments are available to most Canadians 65 years of age who meet the Canadian legal status and residence requirements.

The Guaranteed Income Supplement (GIS) provides a monthly non-taxable benefit to Old Age Security (OAS) recipients who have a low income and are living in Canada.

guaranteed annual income program for people 65 years and older that has resulted in a substantial decline in older Canadians living below the poverty line. With this guaranteed annual income, Canada has one of the lowest rates of elder poverty (5.9%) in the world.⁵ Statistics show that the rate of Canadians experiencing food insecurity is fifty percent less among low income people aged 65 to 69 than it is among those aged 60 to 64.^{4,5,15}

Most households in Canada that are considered poor regularly spend their entire income and are vulnerable to unexpected budget shocks, which could easily push them over the threshold for food insecurity. They do not have a budget surplus, or access to the assets or credit needed to manage unexpected expenses. Supports available to help people cope with transitory budget shocks, such as food banks, homeless shelters and occasional relief through government and charity, do not prevent problems from recurring. Health is adversely affected by homelessness and household food insecurity, which in turn may make an individual more vulnerable to further negative events and even poorer health.⁵

Impact of a Guaranteed Annual Income

Potential impacts of a GAI include:

- Protect against budget shocks a sudden drop in income or increase in expenses without access to savings or credit to cover expenses until stability returns.⁵
- Increase physical and mental health. Self-reported rates of physical and mental health improve markedly as low income Canadians move from low-wage, insecure employment to a guaranteed income at the age of 65.⁵
- Reduce burden on the public health-care system and provide potential savings as poorer Canadians, given a guaranteed income, become healthier.⁵
- Reduce income insufficiency, a root cause of poverty and household food insecurity.⁵
- Reduce long-term social consequences of poverty such as higher crime rates and fewer students achieving success in the education system.¹⁶

Where experiments such as MINCOMEⁱⁱⁱ have been tried, there was no evidence that a guaranteed income program discouraged people from working. Dr. E. Forget at the University of Manitoba used health administration data routinely collected during the MINCOME experiment (1974 to 1979) and a quasi-experimental design to document an 8.5% reduction in hospitalization rates for participants relative to controls, particularly for accidents, injuries and mental health. Participants also had fewer physician contacts, especially for mental health, and more adolescents continued through Grade 12. There were no increases in fertility, no increases in family dissolution rates and no changes in birth outcomes. They concluded that a relatively modest GAI can improve population health, suggesting significant health system savings.¹⁷

iii A Canadian guaranteed annual income experiment (1974 to 1979) in Dauphin and Winnipeg, Manitoba.

GAI Recommendation

OSNPPH recognizes that low incomes have well-established, strong relationships with a range of adverse health and other outcomes. A guaranteed annual income ensures everyone sufficient funds to meet basic needs and live with dignity, regardless of work status.

It is recommended that agencies urge the federal and provincial governments to:

1. Prioritize joint federal-provincial consideration and investigation into a basic income guarantee, as a policy option for reducing poverty and income insecurity and for providing opportunities for people with a low income.^{4,5}

Social Assistance

What is Social Assistance?

Ontario has two social assistance programs to help eligible residents who are in financial need: the Ontario Disability Support Program (ODSP) and Ontario Works (OW). ODSP helps people with disabilities by offering financial help with living expenses, such as food and housing, and help in finding employment. OW is meant to provide financial and employment assistance to those in temporary need. The amount of income support received depends on factors such as family size, income, assets and housing costs. When low-wage workers become unemployed, they may turn to social assistance in order to make ends meet. In Ontario, the unemployment rate averages around 7.5%. In September 2014, 147,324 single individuals, 74,771 sole support parents, and 24,785 couples were receiving OW in Ontario.

Recipients of social assistance are very vulnerable to food insecurity. Some of the reasons for this include:

- Social assistance rates fall below basic living costs in most jurisdictions;
- Most provinces do not index benefits to inflation; and,
- "Limits on allowable assets means recipients typically have no savings and therefore no capacity to buffer sudden increases in expenses or interruptions in income."

Impact of Social Assistance

Food insecurity is more common in households with lower incomes, those on social assistance, those headed by a female lone parent⁹ and households with children under the age of 18.² In 2012, 64.5% of households reliant on social assistance were food insecure in Ontario² and 16.1% of food insecure households in Canada relied on social assistance as their main source of income.² Clearly social assistance rates are set too

low to assure that vulnerable individuals and families have consistent access to food. Perhaps that is why OW and ODSP are most often mentioned as the primary source of income by food bank clients in this province.²⁴ Social assistance incomes fall below the Statistics Canada low-income cut off, which has been referred to as the unofficial poverty line.¹³

Social Assistance Recommendations

OSNPPH recognizes that social assistance rates are fundamentally inadequate, as shown when the cost of a Nutritious Food Basket is added to average rental rates and the total is then compared with the income of households living on social assistance. While the guaranteed annual income is being investigated as a policy option for reducing poverty and income insecurity, it is recommended that agencies urge the Ontario government to:

- 1. Increase social assistance rates immediately to reflect the actual costs of nutritious food and adequate housing as informed by the current results of the Ministry of Health and Long-Term Care's Nutritious Food Basket survey and the Canada Mortgage and Housing Corporation Rental Income (Ontario) reports.
- 2. Index social assistance rates to inflation to keep up with the cost of living.

Precarious Employment

What is Precarious Employment?

Precarious employment includes contract, temporary and casual work, part-time work and self-employment. Precarious employment is typically characterized by irregular hours, lack of continuity, low wages, absence of benefits such as extended medical benefits, limited job mobility and greater risk of injury and ill health.⁷

Measures of precariousness include level of earnings, level of employer-provided benefits, degree of regulatory protection and degree of control or influence within the labour process, such as the control workers have when they collectively negotiate a contract within a unionized environment. Workers who are more likely to hold "precarious work" are women, single parents, racialized persons, new immigrants, temporary migrant workers, people with disabilities, youth, aboriginal persons and non-status workers who do not have Canadian immigration status. Approximately one-third of people working part-time in Ontario would rather be working full-time.

The nature of employment is evolving in Canada. The "standard employment" relationship based on full-time, continuous work, with good wages and benefits is no longer the most common employment relationship.⁶ Other less stable and less secure forms of work have increasingly taken its place. In the Greater Toronto Area, precarious employment has increased almost 50% in the last 20 years with at least 20% of employed workers in precarious forms of employment.⁷

The Employment Standards Act (ESA) outlines basic minimum protections for many workers and regulates work-related issues, such as minimum wage, employment records, hours of work, vacation, leaves of absences and termination. Approximately 75% of workers lack union coverage and therefore rely solely on the ESA for employment standards and protection. However, the scope of and current exemptions within the ESA legislation leave many people working in precarious jobs unprotected or with limited protection.

In February 2015, Ontario announced the Changing Workplaces Review.²⁶ This 18 month review includes public consultation on how the ESA could be amended to protect more workers given the increase in non-standard working situations such as temporary jobs, part-time work, contract work and self-employment. Current exemptions in the ESA can have a negative impact on workers in non-standard employment. For example, casual, temporary or part-time workers may not qualify for certain protections if they are working insufficient hours or have successive temporary positions.⁶ The special advisors conducting the review will provide the Ontario government with written recommendations for policy change.

<u>Impact of Precarious Employment</u>

The World Health Organization has identified precarious employment as a significant contributor to poor health and health inequalities. Health risks related to precarious employment are due to increased risk of injury and illness, low income, job insecurity and barriers to accessing medical treatment and medicine. Precarious employment also makes it hard to arrange stable childcare and can negatively impact personal, family and community relationships. In addition to impacting health, precarious employment contributes to increased risk for food insecurity at least in part because of its links to low and uncertain income.

Precarious employment contributes to the following:

Food insecurity: Having a job is no guarantee that household food needs and other basic needs will be met. In 2013, 57.5% of food insecure households in Ontario were households whose main income source was wages and salaries.² "People who have insecure employment and live in low-income households are twice as likely to find it difficult to make ends meet or to run out of money to buy food, compared to workers with secure employment who live in low-income households."^{7(p55)}

"Among individuals in insecure employment and low-income households, almost one in 10 report often running out of money to buy food. Nearly one in three report running out of money for food at least some of the time. Employment insecurity moderately increases the frequency and severity of food deprivation in low-income households. It has less effect in middle-income households and is rare in high-income households." "(p67)

Low income: Precarious employment often leads to fewer weeks worked and/or income volatility leading to overall lower earnings.²⁷ In a study in Southern Ontario, people who were precariously employed earned 46% less than people in secure employment and reported a household income that was 34% lower.⁷ Lower earnings impacted their ability to meet basic needs, access safe transportation and afford a healthy diet.⁶

Job insecurity: Precarious work is characterized by job insecurity, including lack of union protection from lay-offs during cyclical slowdowns, and limited job mobility. Not knowing if you will earn enough to cover basic needs, working irregular or long hours in multiple jobs, lacking legal protection on the job and experiencing limited job satisfaction all increase stress and have a negative impact on physical and mental health.⁶

Increased work stress is associated with poor health, cardiovascular disease, migraines, mental health issues, smoking and sleep disruption.²⁷ Poor health affects capacity to work, labour force participation, wages, job security and job choice.²⁸

Risk of injury and illness: Precarious work is more likely to be physically demanding and involves health and safety risks due to unhealthy working conditions. Many people working in precarious jobs have multiple jobs to compensate for inadequate income. Working more than one job means longer hours, which increases the risk of illness and injury.²⁷

Barriers to accessing medical treatment and medicine: Precarious work is more likely to be physically demanding and involve health and safety risks. However, more than 80% of precariously employed workers report that they do not receive any employment benefits including health benefits.⁷

It is difficult for those in part-time and low-wage work to obtain sufficient earnings and health benefits through employment to replace social assistance benefits.⁶

Precarious Employment Recommendations

OSNPPH recognizes that precarious employment increases the risk of food insecurity and has a negative impact on health.⁶

It is recommended that agencies urge the Ontario government to:

- 1. Revise the current exemptions in the Employment Standards Act (ESA) in order to provide basic minimum employment standards to a broader sector of the working population.^{6,7}
- Provide all low income Ontarians with access to health benefits including drug and dental benefits – regardless of whether their income comes from social assistance or employment.^{6,7,8}

In addition to the proposed recommendations, increasing the minimum wage can help mitigate the negative impact of precarious employment. Bill 18, An Act to amend various statues with respect to employment and labour, was passed as a law November 20, 2014. There are many positive changes as part of the Act, including scheduled minimum wage increases and indexing rate increases to the Consumer Price Index.

Conclusion

OSNPPH recognizes that poverty is the root cause of food insecurity, and that targeted and sustainable approaches are needed to address this issue effectively. The Nutritious Food Basket survey results, when combined with the cost of other basic needs, consistently demonstrate that many households do not have adequate income to afford basic needs, including food.²⁴

OSNPPH supports advocacy and policy change to prioritize investigation into a guaranteed annual income (GAI), increased social assistance rates and basic minimum employment standards to reduce precarious employment. A GAI, or basic income guarantee (BIG) would replace social assistance when implemented; however, a universal GAI may take a number of years to implement if it were phased in gradually. In the meantime, social assistance rates that provide recipients adequate income to afford basic needs are essential to address food insecurity. A GAI is also protective against precarious employment, as it provides a secure and stable income floor, regardless of fluctuations in employment. Providing basic minimum employment standards and health benefits to all additionally increases ability to afford basic needs by decreasing risk of injury, increasing access to health care and decreasing household health care costs.

OSNPPH supports income-related policy recommendations to help reduce the root cause of food insecurity: poverty.

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