

The growing nutrition crisis in the COVID19 recession

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The
“**WELFARE
DIET**”
turns **25**

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Foreword

COVID19 is having a disruptive effect on everything and food prices are no exception. Almost every aspect of food production will bring higher prices to grocery shelves¹. The loss of food choices and cheaper items for low income people are already having a negative effect and food bank usage in Toronto among new users has tripled during the pandemic².

A food shop of the welfare diet in May 2020 will not reflect increases we are likely to see in the coming year but it is clear that a basket of typical foods is ready to surpass the highs that we saw in 2016 – the year of the \$8.00 cauliflower.

We last wrote about the Welfare diet in 2018³ and we explored the important issues surrounding food ‘externalities’ for the poor in 2019⁴. These externalities are even more important during the pandemic as buying and consuming healthy food at affordable prices while trying to self-isolate and stay safe is even more challenging than it was before the pandemic.

Regardless of large changes in price between food groups and the relentless rise in cost of healthy food and a balanced diet, two facts are clear: groceries continue to rise at a rate higher than inflation (97% vs 56% over 25 years) and social assistance continues to lag inflation following the major cuts to assistance in 1995 (56% vs 41%). With the increasing costs of rental housing, the food budget of social assistance recipients is constantly under pressure and that was true pre-COVID19.

Very high rates of food insecurity persist among people on welfare in Ontario and especially among racialized groups. Although our main concern is diet quality and compromises in the nutritional quality of what very low income people eat, there is considerable evidence to suggest that people with very little money at times experience quantitative compromises and attendant stresses of food deprivation (i.e. not getting enough to eat, or worrying about being able to get enough to eat). The Ontario Works basic needs rate continues to fall behind the cost of basic nutrition and managing on this diet almost impossible in practice for nutritional reasons but also for practical reasons such as transporting, storing and cooking.

It is more this latter problem that is being captured in the measurement of household food insecurity and that takes a high toll on people’s health and well-being. This is a very serious problem for people receiving social assistance in Ontario.

This report sets out in some detail what has changed with the ‘welfare diet’ since it was released on October 20, 1995 just 20 days following social assistance rate cuts to lone parents and other employable social assistance recipients on October 1, 1995. This report also traces the trajectory of costs of various food groups.

We hope that this report will cast some needed light on social assistance rates, food costs over the last 25 years and the policymaking process resulting in such severe erosion in the difference in food affordability.

¹ <https://www.ctvnews.ca/canada/no-food-category-is-immune-how-the-pandemic-is-causing-rising-grocery-prices-1.5076282>

² <https://www.dailybread.ca/covid19/toronto-food-banks-see-new-clients-triple-amid-pandemic-report-says/>

³ <https://policyoptions.irpp.org/magazines/august-2018/ontarios-welfare-diet-2018/>

⁴ <https://policyoptions.irpp.org/magazines/april-2019/whats-true-cost-food-youre-poor/>

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Bread but no butter

In 1995, the PC government under Mike Harris cut welfare rates by 21.6%. David Tsubouchi, then Minister of Community and Social Services, was in charge of implementing the cuts.

As “only one small part of this government’s commitment to helping people,”⁵ Tsubouchi’s Ministry constructed a sample shopping list for a single person on general welfare, which demonstrated how one could get by on a budget of \$90.21 for food each month.⁶

There were several problems with the shopping list, which was generally derided in the media. For one, the list seemed to assume that recipients were already in possession of many pantry staples. Bread was on the list, but no butter or margarine. Pasta was on the list, but no sauce. No coffee or tea. No salt or spices of any kind. And besides these obvious issues of palatability, journalists who tried the diet pointed out that it made them feel ill and provided only about half of the daily calories recommended by the World Health Organization.⁷

The so-called welfare diet of 1995 was neither a good diet nor a healthy one. However, it does provide a useful benchmark for comparing the food costs that social assistance recipients have encountered since 1995. Since coming across a copy of Tsubouchi’s shopping list in 2009, we have shopped it regularly, at a local supermarket and No Frills store in Scarborough. As subsequent governments have not offered an amended version, we use the 1995 list as a proxy for the bare minimum a welfare recipient is expected to live on.

We shop the list so that we can compare the changes in the cost of the welfare diet to both the rise in inflation and adjustments to the single social assistance, Ontario Works (OW) rate over time.

The cost of the welfare diet (in May 2020) is \$178.30, the OW single welfare rate in 2020 remains at \$733 per month. Inflation as measured by the Consumer Price Index (CPI) has risen 56.44% since 1995. During the same 25-years-period, the OW single rate has risen by 40.96% while the total cost of the welfare diet has increased by 97.65%.

⁵ David Tsubouchi, in a letter to Opposition Leader Bob Rae, October 20, 1995

⁶ A copy of Tsubouchi’s shopping list is attached as Appendix A.

⁷ http://archives.cbc.ca/politics/provincial_territorial_politics/clips/12459/

Comparing the OW single rate before the 1995 rate cut of 21.6%

Meanwhile, had the Ontario Works single rate of \$663 per month in 1993 not been cut in 1995, this rate would now be \$1053.93 a month had it been adjusted for inflation. But the \$663 amount in place in early 1995 was cut by 21.6% to \$520 in October 1995. From that low point, the Ontario Works single rate has gone up by just 41% to \$733 a month. (Figure 3)

Comparing the OW single rate after the 1995 rate cut of 21.6%

But even if the 21.6% lower single welfare rate of \$520 per month in 1995 had been adjusted for inflation, it would now stand at \$812 per month. Even after the last 1.5% increase in October 2018, the rate is now \$79 lower per month in real terms compared to what Mike Harris cut it to in 1995.

Over the past few years, food price inflation has been moderating but the specter of an ongoing pandemic may mean a new round of rapid acceleration.

Brenda's Story

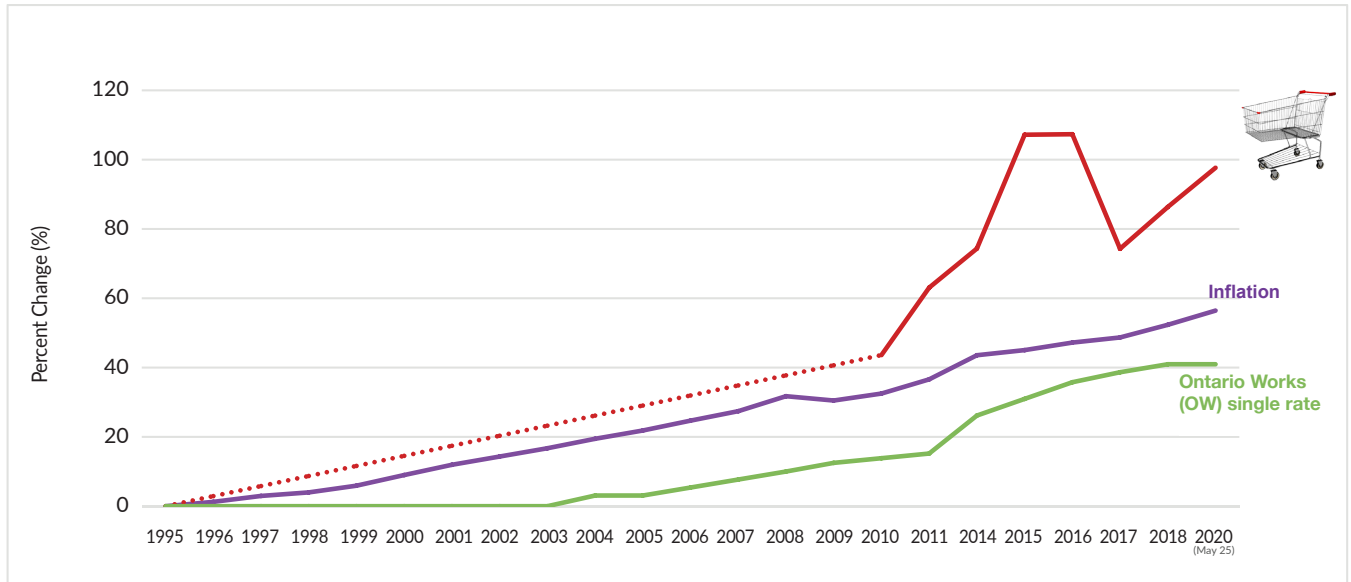
Brenda is a single social assistance recipient who is taking courses to upgrade her skills. She lives in a low income rooming house with 3 other tenants in a basement. They share one kitchen and one refrigerator. Each has an individual schedule and do not eat together. Brenda does not have access to an automobile, therefore, cycling, walking and public transit are her means of transportation.

Brenda has little time or resources to consume an adequate diet. Under the pressure of studying, she tends to cook prepared food or eat fast food to save time.

Brenda has limited storage space, limited time to cook from scratch, a small share of a communal refrigerator, and only has access to a tiny section of a small overworked freezer. She breaks down her grocery list according to what she can reasonably carry in a buggy or in her bike carrier four times per month.

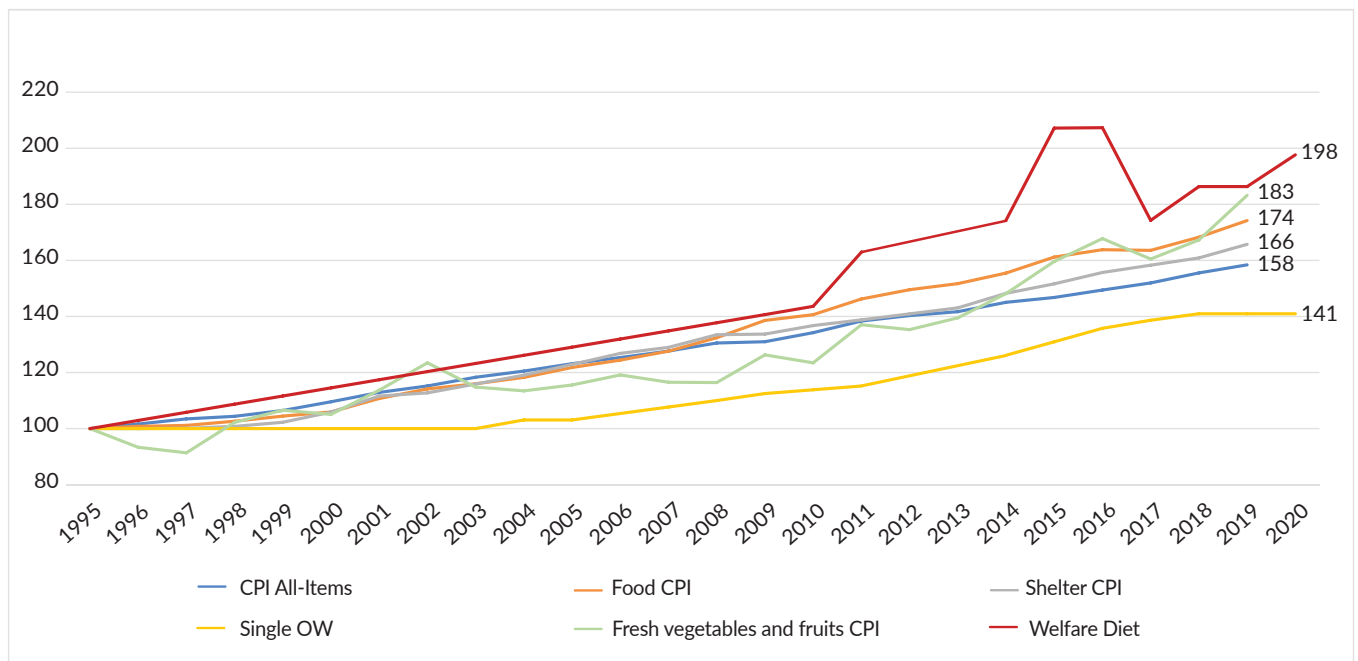
Brenda does not tend to buy dairy products and vegetables because of their weight and the realities of what she can reasonably store, freeze and chill. This forces her to eat an unbalanced diet and she is unable to economize on her purchases.

Figure 1: The story at a glance: inflation in Canada compared to welfare and the cost of the 1995 welfare diet⁸



Note: We began shopping the 'Welfare Diet' in 2010 which is reflected in the dotted portion of the red line. Data collected by authors.

Figure 2: Ontario rate of inflation comparing the single OW rate and food groups



Data Sources: StatisticsCanada Table 18-10-0005-01 for CPI, John Stapleton and Yvonne Yuan for Welfare Diet.

⁸ Consumer Price Index Statistics and our welfare diet measure obviously differ as they measure different baskets of goods and are shopped in different ways.

When we first made the welfare diet data available to the *Toronto Star* in March, 2011,⁹ it raised a large amount of commentary. Readers noted that the welfare diet could be shopped less expensively. The original diet had specified brand names, such as “Primo Pasta” and “Quaker Oats”. Generic shopping would be one way to knock about a dollar off the monthly bill. So critics do have a point. But the same critics assumed that access to transportation was a given allowing for one monthly shopping trip.

One could simply shop the same articles in bulk for the month, buying them all in one place at one time. However, the weight of the welfare diet is 56.36 kilograms (approximately 124.25 pounds) (Fig 5)¹⁰. Consider the weight of 16 litres of milk, 12 cans of beans and ten pounds of potatoes alone. We have watched lone parents with children pulling their buggies just up from our local Superstore – across a bridge over the 401 with the wind howling and the snow blowing straight sideways.

The debate: Why don't the very poor eat a healthier diet?

It is sometimes said that the *'poor eat calories, the middle class eats nutrition and the rich eat presentation'*. These differences in eating habits are largely responsible for the less nutritious, overly calorie-rich diet consumed by the very poor and the diseases this diet contributes to in disproportionate numbers – obesity and related problems, such as diabetes, heart disease, and respiratory problems.

There are many theories about why the poor do not observe better dietary habits. Likely, there is some truth in all of them, but none provides a single defining answer. Let's examine three such theories. We would also like to add a fourth of our own.

Theory 1: They can't afford it.

We can take it as a given that the very poor have difficulty paying for food of any kind – never mind nutritious food.

That said, based on our comparison of prices between 1995 and 2020, the cost of fresh fruit and vegetables is accelerating more quickly than food with higher caloric content while the price of protein (meat and alternatives) is increasing the most. This is illustrated in both Figure 2 and Figure 4.

In addition, those on very low fixed incomes can only afford fresh food in the week following the issuance of their income security payments. This means that the food consumed in last three weeks of every month is the food that is often provided through food programs of various sorts.

⁹ Liberals urged to 'put food in budget': Activists push province for \$100 supplement to welfare cheques hit hard by inflation. *Toronto Star*. Author: Laurie Monsebraaten. Date: Mar 10, 2011. Page: A.8

¹⁰ The weight of each product is available on the package or can be found at <https://www.realcanadiansuperstore.ca/>

Figure 3: Percentage change in the OW single rate and the cost of the welfare diet

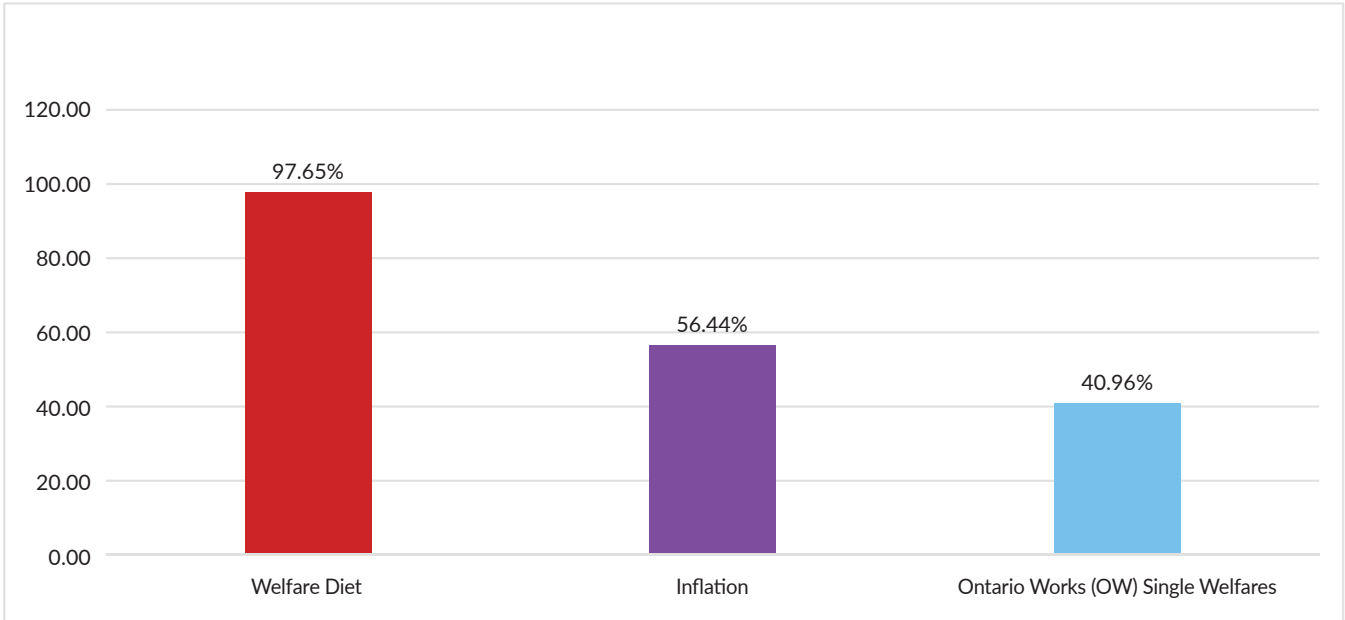
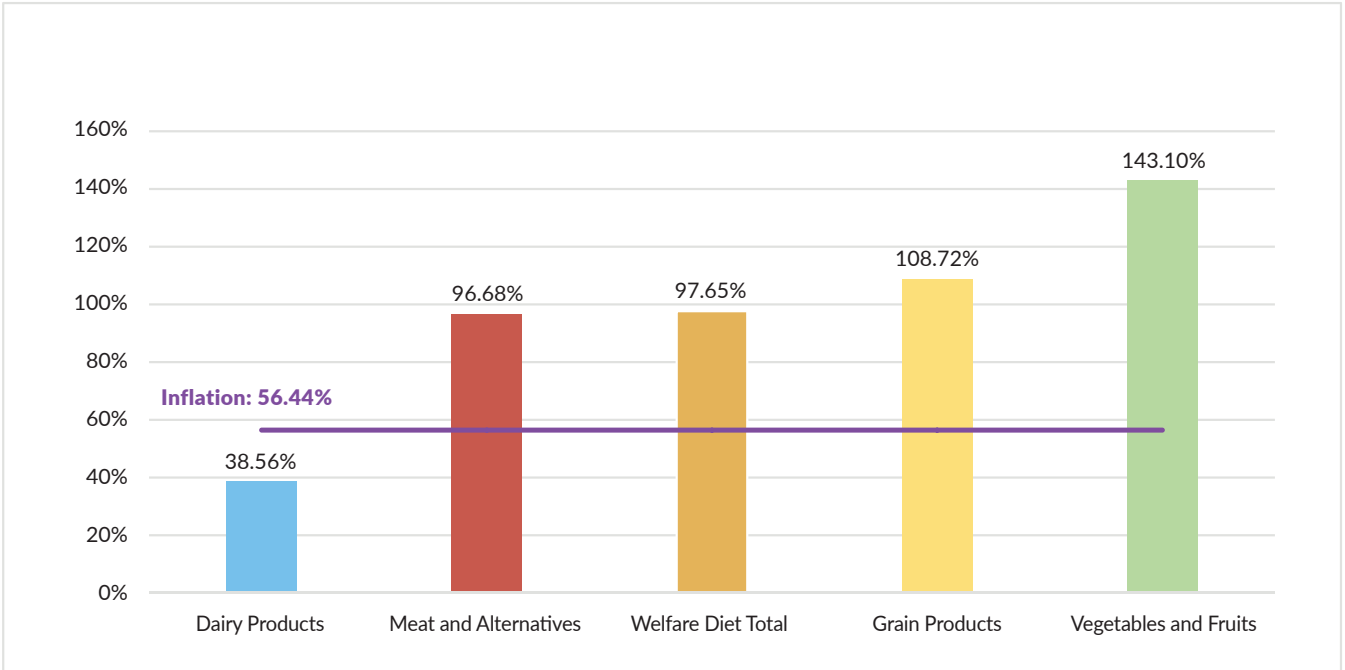


Figure 4: Inflation in food costs by food groups compared to the CPI



Theory 2: They don't have independent transport and access to retail credit.

Some attribute poor diet to the unavailability of good food in local convenience stores. Fresh produce, fruit and meats are only available at larger grocery stores that are often more easily accessible by automobile.

Power shoppers routinely drive cars and vans to different stores to pick up bargains. But they don't consider what economists call 'externalities' such as the cost of gas and maintenance that necessarily offset the savings realized on their hard-won bargains. Bargains cost money to access through transportation that the poor, especially those receiving social assistance, either do not have or cannot afford.

Bargains also often mean buying in bulk and large purchases are difficult for people who do not have access to credit. Buying in bulk is also not an option for the many poor people who live alone and cannot benefit from economies of scale. The welfare diet requires approximately four buggy trips with 30 pounds of food per haul.

Theory 3: They do not cook from scratch.

This theory holds that the poor are less able to 'cook from scratch' (as our mothers called it) because convenience stores seldom sell basic ingredients. Insofar as cooking from scratch is usually cheaper and better than throwing prepared and processed foods into a microwave, the poor often are nevertheless forced to buy more expensive food that is less nutritious and contains more unhealthy preservatives such as sodium and nitrates.

In addition to the availability of food basics, cooking from scratch also requires more time than consuming prepared food items. For many, finding such time and energy may be challenging, particularly for those who suffer from illnesses. In addition, balancing shift work and other precarious types of work arrangements with household chores and childcare makes it difficult to cook from scratch. Cooking from scratch also requires good information that is aided greatly by internet access. The digital divide between those who can afford internet access also applies here.

Theory 4: They lack the 'big eight'.

The poor consume fewer foods that are hard to preserve and store and fewer foods that require some measure of preparation requiring adequate cooking facilities.

The costs of foods like bread and meat have been outstripping the rate of inflation for some time (Figure 3). However, bread, milk, and meat (especially packaged, pre-cooked meats) are easier for the poor to buy in their own neighbourhoods and easier to store. They can be consumed without preparation or processed in ways that allow for easier, refrigeration-free storage (milk and cheese powders, for example). Going stale is certainly different than going bad. One you can eat – the other you can't.

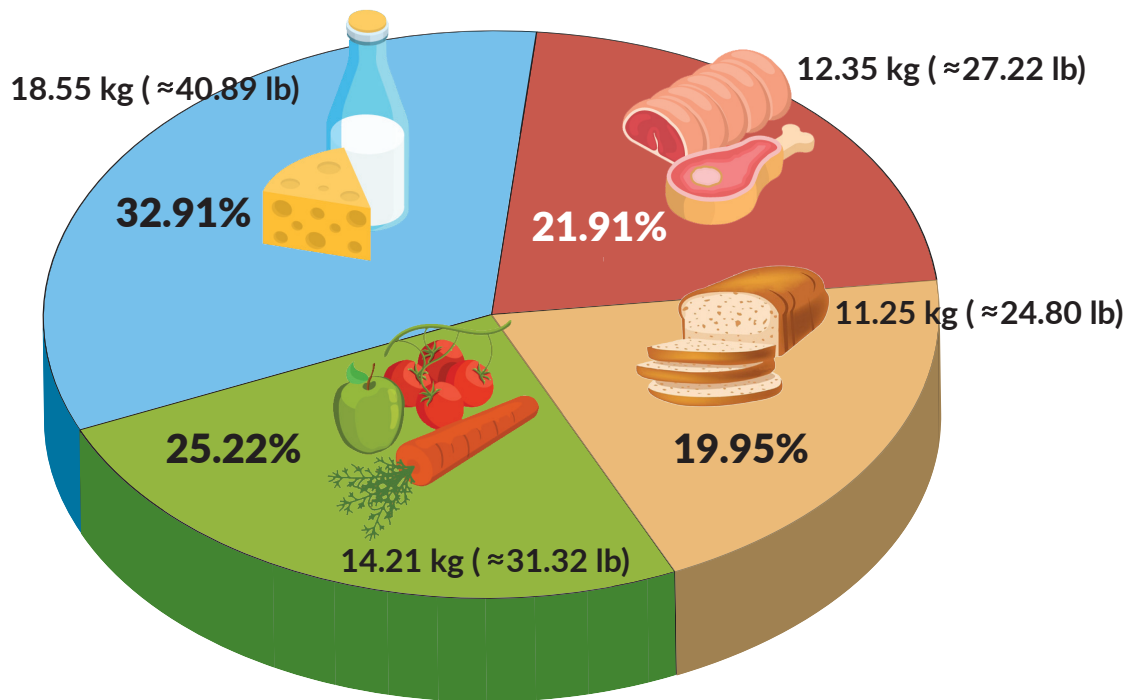
The eight major prerequisites for healthy eating are:

- Finding the food (within less than the 1.25 km. that defines the limits of a food desert)
- Transporting it
- Storing it
- Freezing it
- Chilling it
- Cooking it (heating)
- Disposing of it; and
- Understanding it (how to eat healthily).

Like Brenda, the very poor seldom have access to a majority of these requirements. Without refrigeration, fresh produce spoils. Without secure housing, there is nowhere to store food safely and protect it from theft. In low income housing, appliances break down regularly and take a long time to get fixed. Hydro costs are very high, and are often exacerbated by monthly interest on unpaid bills.

Without access to the big eight, it is difficult for the poor to consume a healthy diet especially during the COVID19 pandemic. The poor often buy more expensive, 'easy to store' foods.¹¹ In so doing, they are hit by a double whammy in that the hardest-to-store foods tend to come from the most expensive food groups.

Figure 5: Weight of the welfare diet by food group



¹¹ See Exhibit 8, p. 12: http://www.competeprosper.ca/images/uploads/ICAP_The_poor_still_pay_more.pdf

Concluding remark

As a Progressive Conservative government in Ontario continues to govern in 2020 for the first time since 2003, we face a situation where social assistance rates have fallen further in real terms than the amounts that they were cut to in 1995. Inflation has far outstripped social assistance rates and food inflation has far exceeded the Consumer Price Index.

The cost of fresh and wholesome food has increased more than the overall cost of all food taken as a whole.

And the cost of fresh and wholesome food has increased more than the overall cost of all food taken as a whole.

Single social assistance recipients simply can't afford a reasonable diet on the money they obtain.

There may have been a time when a 'welfare diet'-either as political ploy or honest gesture-may have claimed a marginal measure of legitimacy. Those days are over.

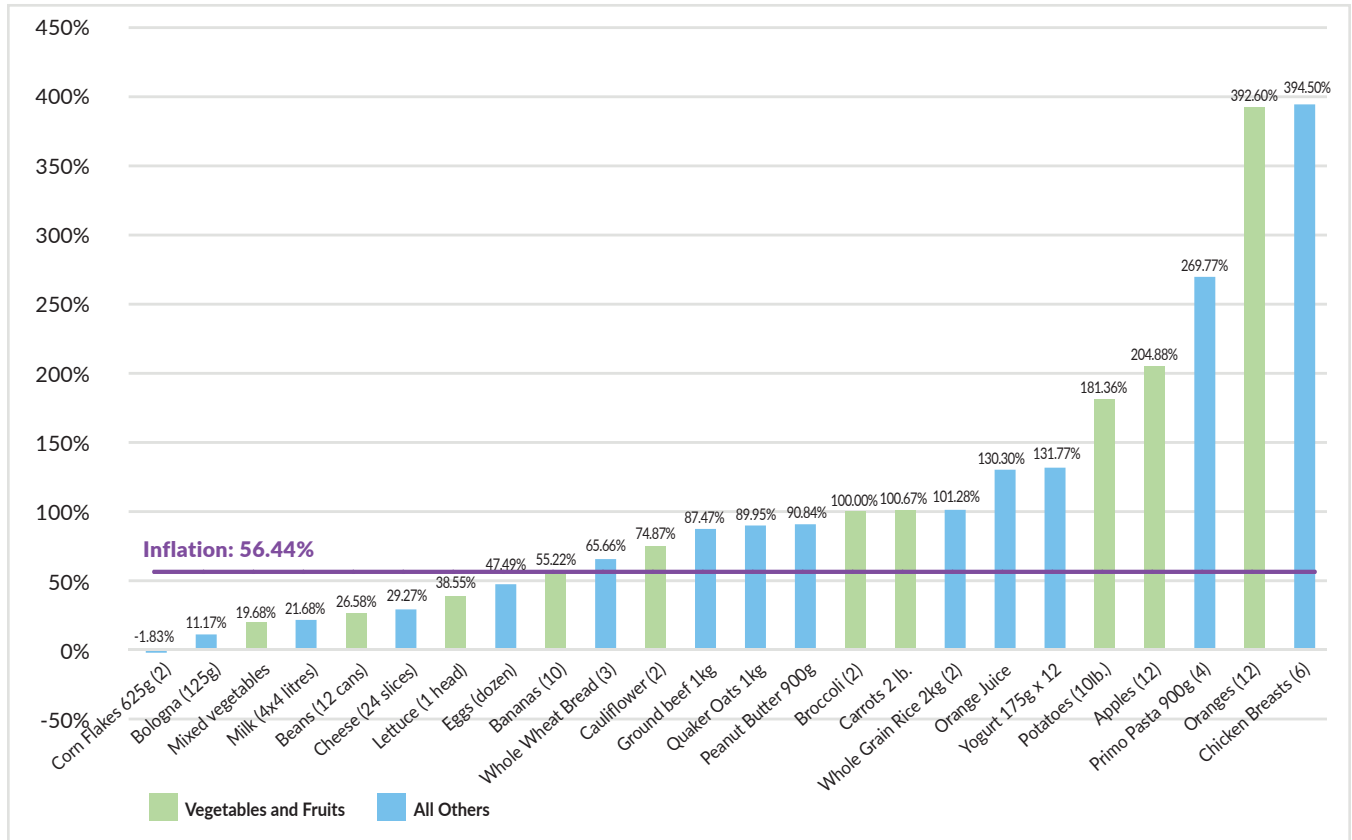
And the days ahead during the pandemic are even less certain.

John Stapleton and Yvonne M. Yuan

October 2020

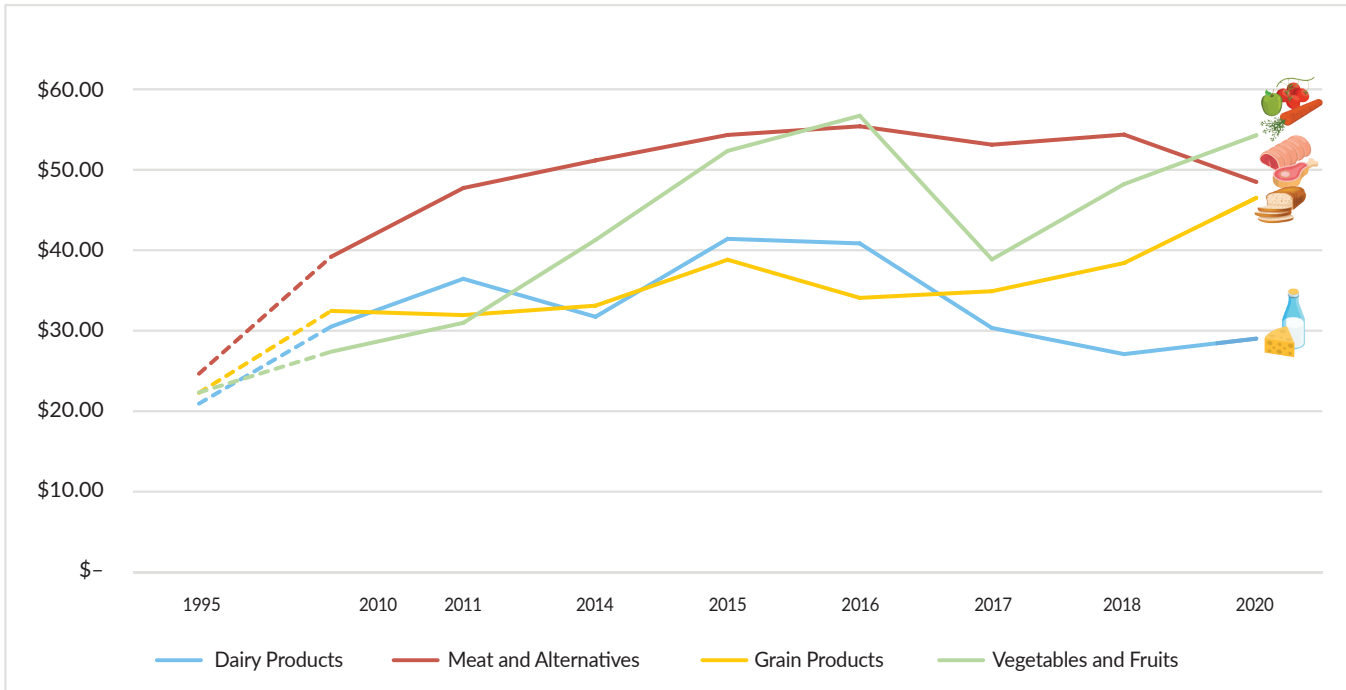
Appendices

Figure 6: Growth rate of each product: 1995 to 2020



There are 24 food items in the Welfare Diet, only 9 of which increased at less than inflation over the last 25 years.

Figure 7.1: Nominal growth in the cost of food groups: 1995 to 2020



The price of vegetables and fruits has varied the most while meat and alternatives have fluctuated the least. Though not as drastic as vegetables and fruits, grain products have shown a general increase in price over the last decade. Dairy Products have dropped in price.

Figure 7.2: Growth in cost of the welfare diet (1995 dollars)

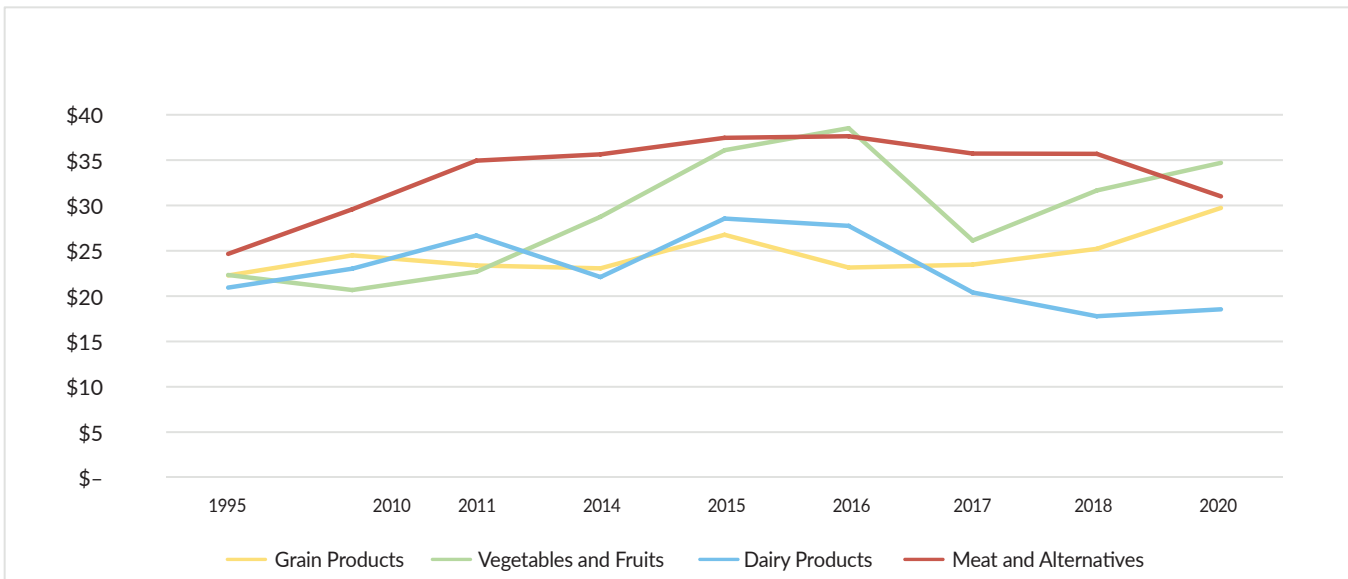
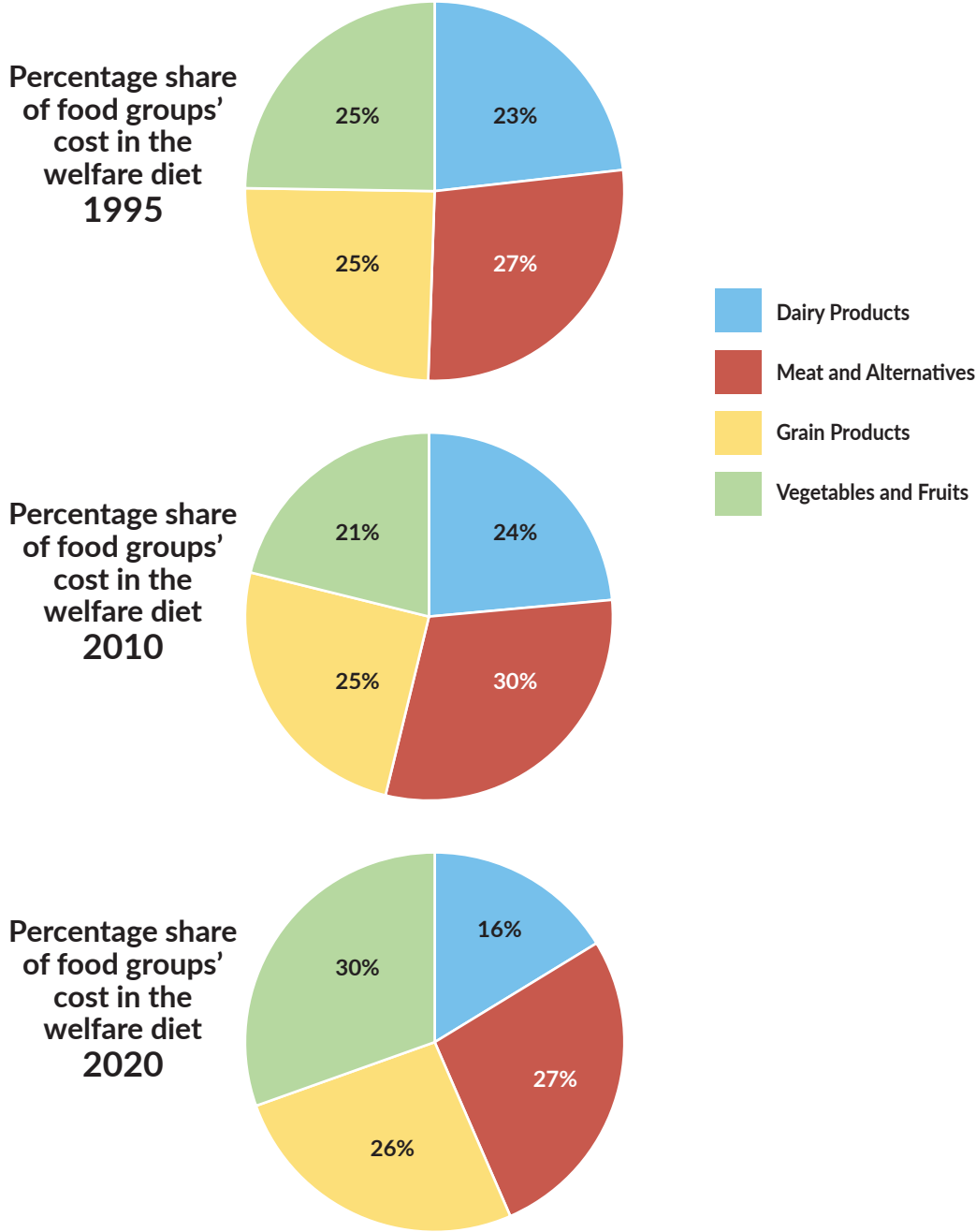
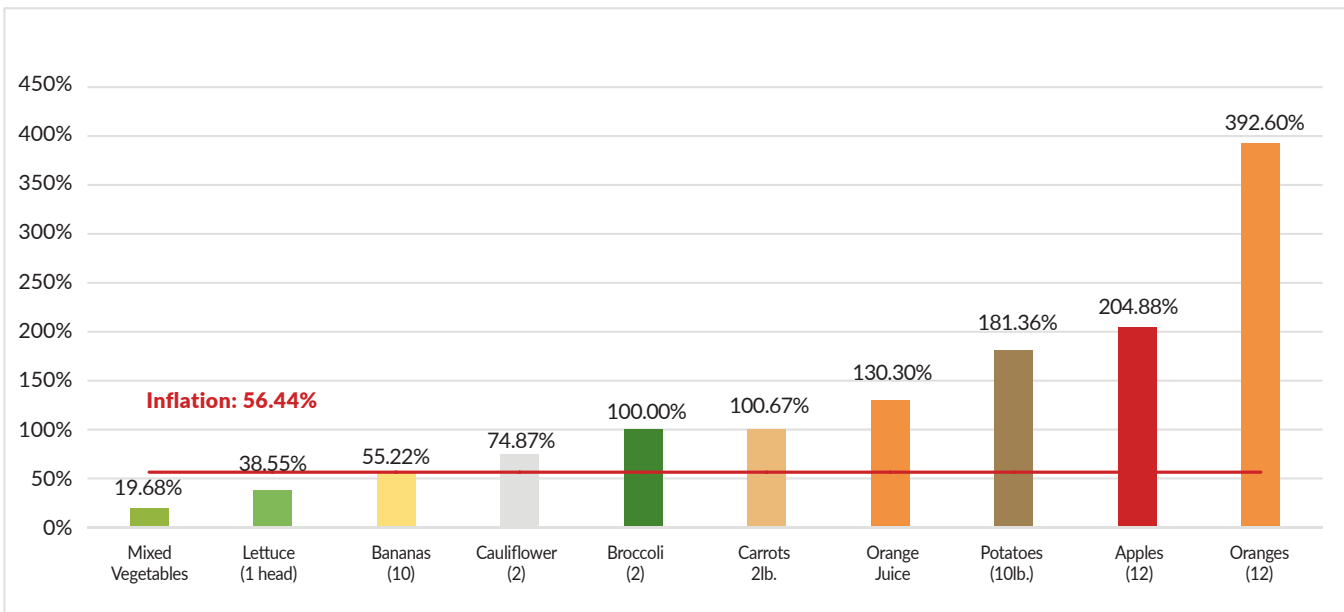


Figure 8: Percentage share of food groups' cost in the welfare diet, 1995, 2010 and 2020



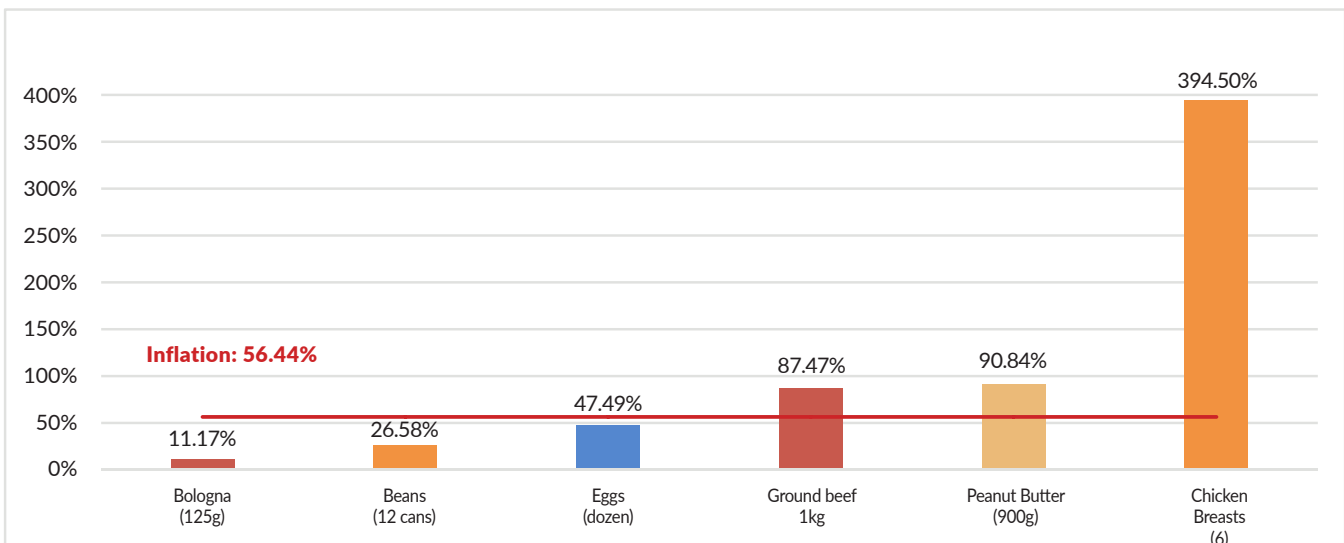
In 1995, each of the food group comprised roughly one quarter of the welfare diet. By 2010, meat and alternative had the highest share of costs. By 2020, vegetables and fruits had the highest proportional share in the diet. In all, by 2020, good fresh food comprised the most expensive share of the welfare diet.

Figure 8.1: Vegetables and fruits



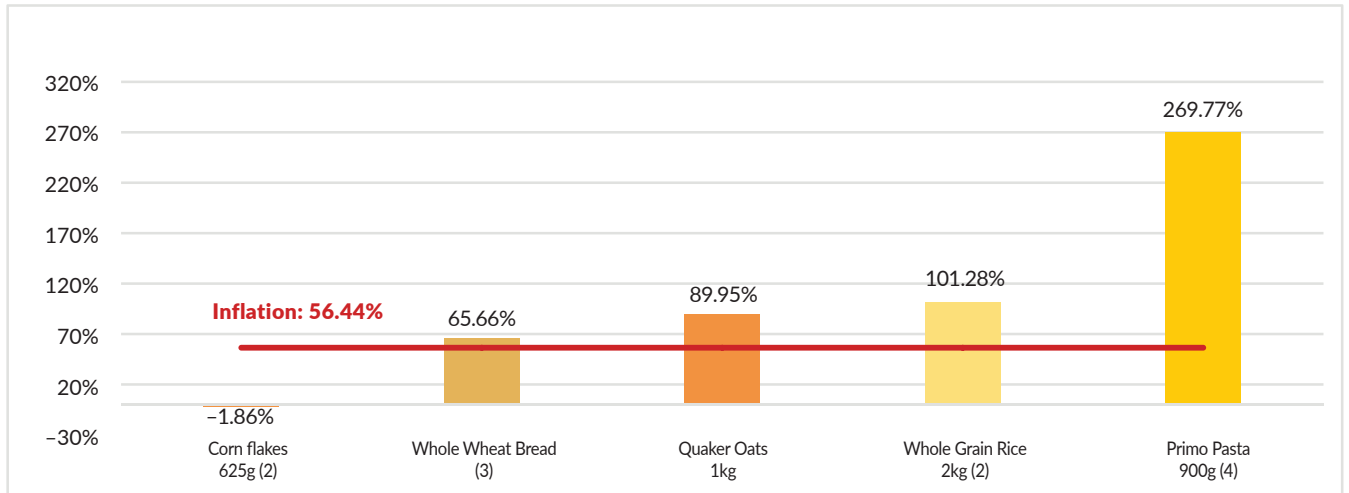
Three of the ten vegetables and fruits in the welfare diet increased at a slower rate than inflation. Six increased more than 100% over the period.

Figure 8.2: Meat and alternatives



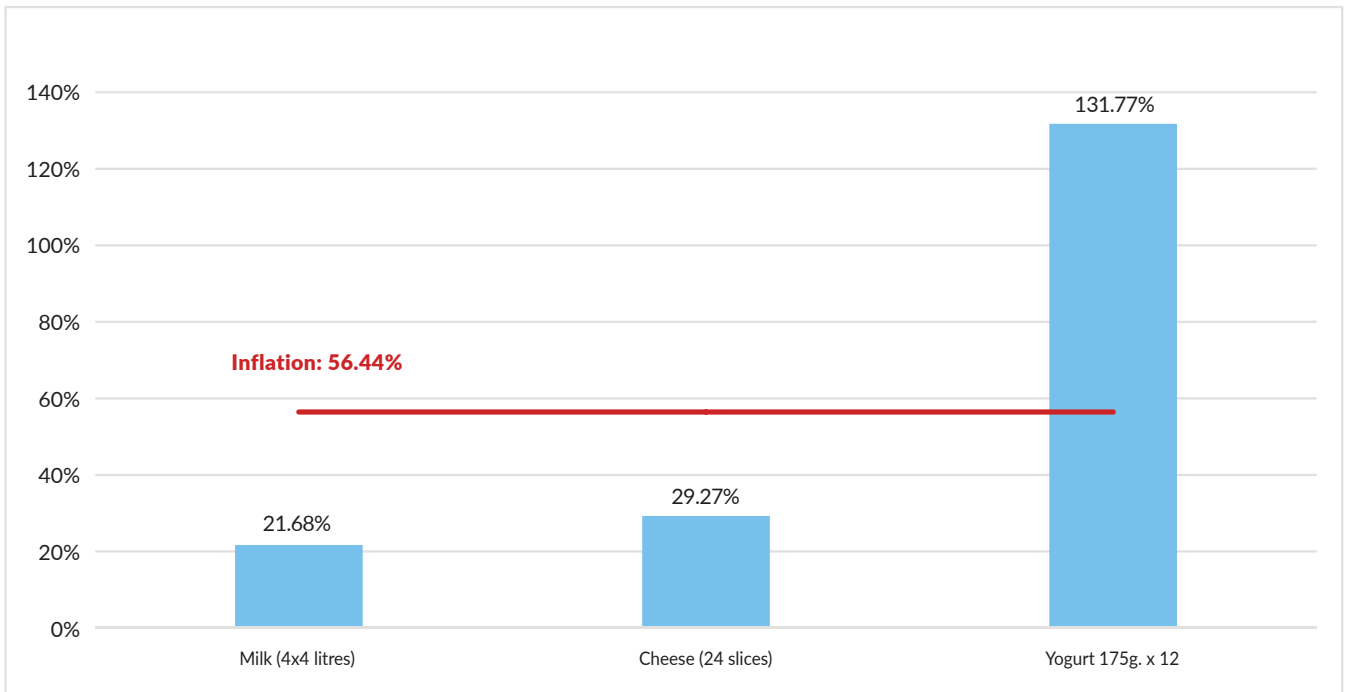
Half of the six items in Meat and Alternatives increased faster than inflation.

Figure 8.3: Grain products



Four of the five grain products prices increased faster than inflation. Two increased more than 100%.

Figure 8.4: Dairy products



Dairy products, being the one food group that increased the least in price, have one item of the three (yogurt) that increased ahead of inflation.

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