

## **The Welfare Diet In 2021**

## **The Pandemic and A New Age of Inflation**

## **Ten Things to Know**

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**THE WELFARE DIET IN 2021: THE PANDEMIC AND A NEW AGE OF  
INFLATION  
TEN THINGS TO KNOW**

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## **Prologue**

The welfare diet<sup>1</sup> turned 26 in 2021.

It's been a long 26 years since the first welfare diet was issued by the Mike Harris government at the same time that social assistance benefit levels for people without disabilities were reduced by 21.6%.

The single rate was reduced from \$663 a month to \$520 a month.

Many thought that with these reductions social assistance would be finally kept up to date.

But that was not to be.

The single rate is now \$733 a month.

Had it been kept up to date from 1995, the rate would now be \$853.

In order to keep the amount that single people without resources in line with inflation, the government would have to raise benefit levels by over 16%.

Will they do it?

The answer is (likely) no.

In fact, it is likely that no government of any political stripe will commit to raising rates to the levels that Mike Harris cut them to in 1995.

We can and should ask why. In the meantime, the welfare diet has reached an all time high. This is our story.

## **Introduction**

In 2021 and since the last food shop in 2021, the welfare diet has increased by 11.3 % to a monthly cost of \$187.57 and has finally surpassed its all-time high cost of \$187.04 registered in February 2016 in the era of the \$8.00 cauliflower.

This is significant for 4 reasons:

1. Food costs are now at an all-time high surpassing the spike of 2015-2016;
2. The significant pull-back in food costs following the 2015-2016 spike and especially during the pandemic recession has now been completely retraced;
3. Inflation in general since 2015-16 has risen by 12%; but
4. OW single rates have increased by just 7.6% since late 2015 and ODSP single rates by even less at 5.3%.

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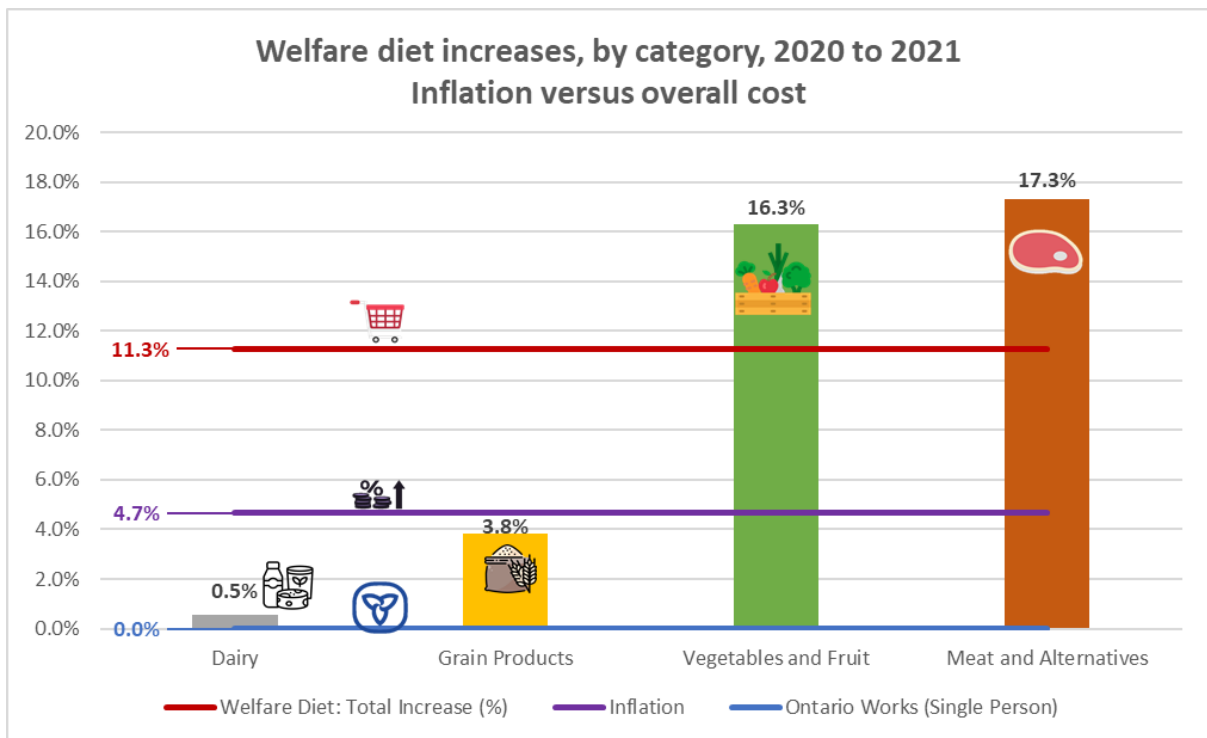
<sup>1</sup> [https://openpolicyontario.s3.amazonaws.com/uploads/2020/10/The-Welfare-Diet-turns-25\\_R9.pdf](https://openpolicyontario.s3.amazonaws.com/uploads/2020/10/The-Welfare-Diet-turns-25_R9.pdf)

## The welfare diet in 2021: Ten things to know

### 1. Vegetables, fruit, meat costs are rising fastest (and surpassing inflation)– grains and Dairy are rising the slowest

According to Bank of Canada, inflation between 2020 and 2021 is 4.7%. Over the last year (14 months from September 2020 to November 2021), the welfare diet in total has increased 11.3%. Meat (and alternatives) has increased the most (17.3%), followed by vegetables and fruits (16.3%). Both food categories have increased 4 times higher than inflation. Grain products (3.8%) and dairy products (0.5%) have shown much smaller increases than the other two categories. There has been no increase to social assistance programs (Ontario Works and Ontario Disability Support Program) in Ontario.

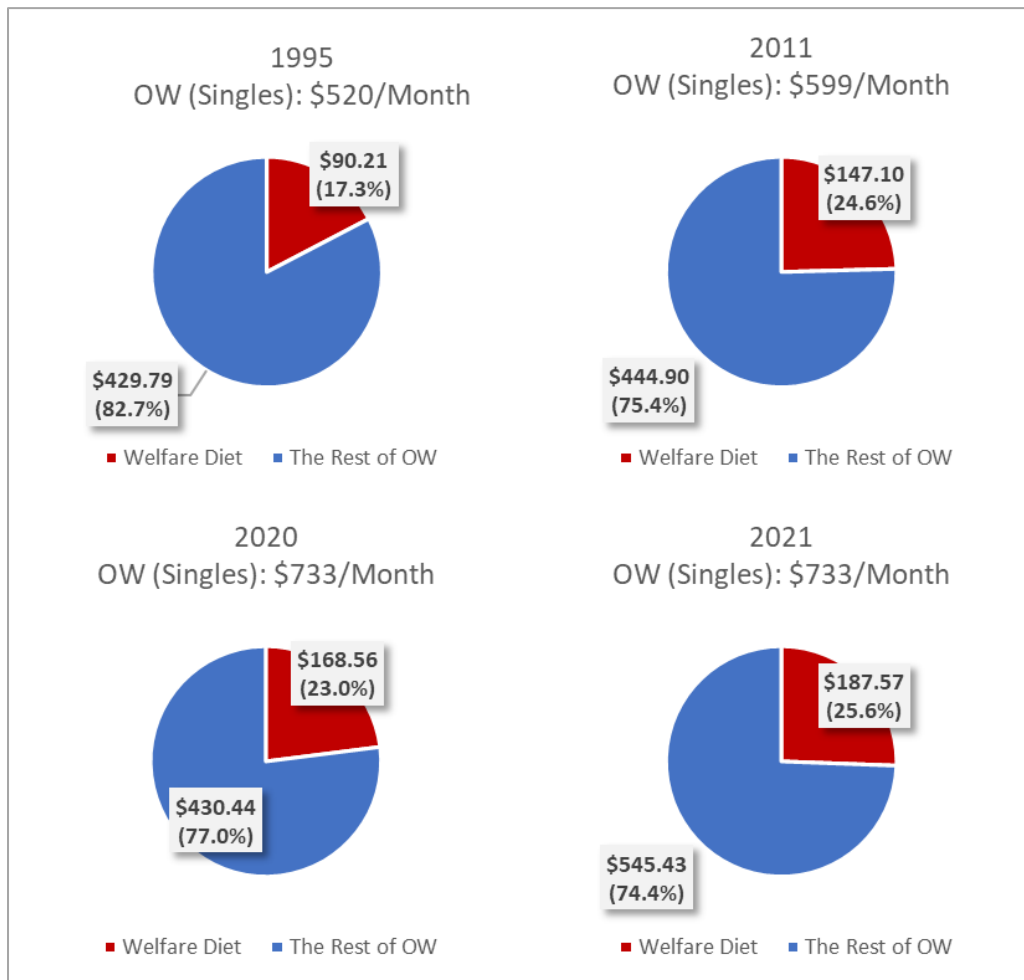
Figure 1: The Welfare Diet: 2020 to 2021



## 2. Food comprises a growing share of a social assistance income

The welfare diet that now costs \$187.57 a month comprises 25.6% of the \$733 a month paid to a single Ontario Works (OW) recipient. In 1995, the welfare diet cost \$90.21 a month and comprised 17.3% of the \$520 a month Ontario Works single rate. Therefore, the portion of OW comprised by necessary food purchases (based on the welfare diet) has increased by 48%.

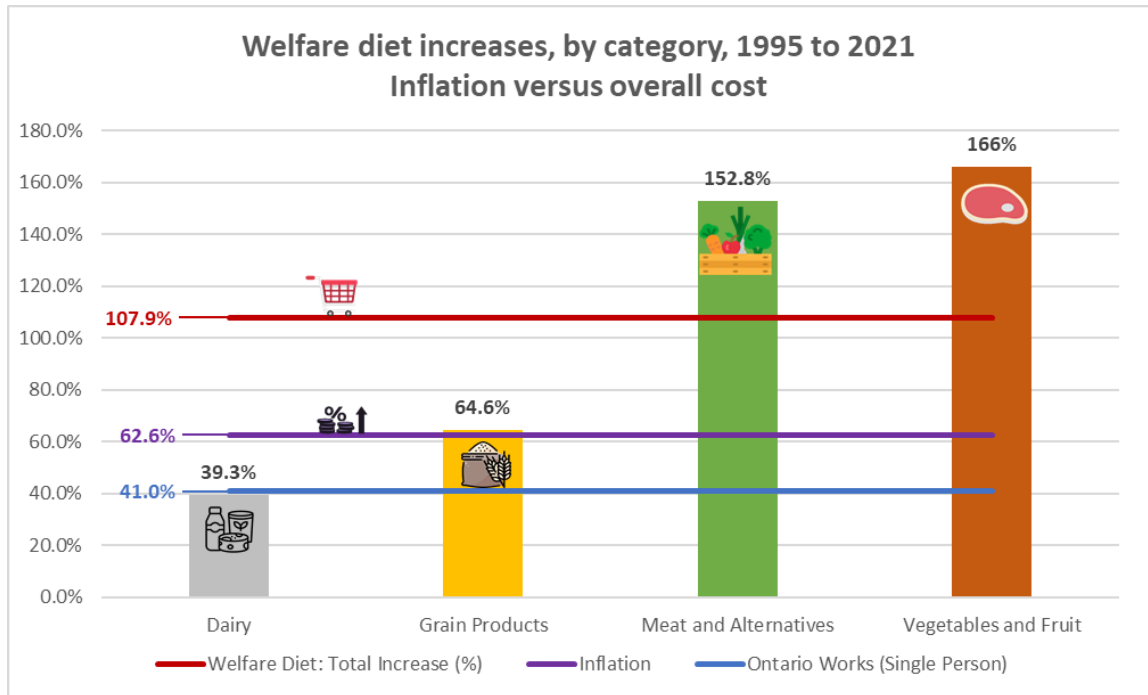
Figure 2: Share of Welfare Diet Costs compared to Ontario Works (Single Person), 1995, 2011, 2020, and 2021



### 3. The welfare diet has increased up to 4 times faster than social assistance rates

The welfare diet has increased by 108% while social assistance single rates have increased by much less. The OW single rate has increased by 41% and the ODSP single rate has increased by 26%. For a single person on ODSP, food costs as measured by the welfare diet have accelerated at 4 times the increase in benefit levels.

Figure 3: The Welfare Diet, 1995 to 2021



### 4. There is not much money left over for rent for OW single recipients if they consume the welfare diet

Single OW recipients receiving maximum benefits would have \$543.43 left over to pay rent from their OW payments (see also Figure 2). There are almost no rental arrangements in the City of Toronto available for less than this. A recent survey of room rentals<sup>2</sup> for shared accommodation in a room in Scarborough revealed only 5 rooms available for less than \$543.43 per month.

Disposable income is increased by about \$100 a month through refundable tax credits but the cost of transportation and a phone in a shared room costs more than \$100 a month leaving no money for personal products and clothing.

<sup>2</sup> Adam Laforest at Scarborough Legal Services prepares a list of room and apartment rents in Scarborough on a frequent basis.

**5. There are those that say they can consume a healthy diet for less than the cost of the welfare diet.**

This statement is true if one ignores food externalities. We wrote about these here<sup>3</sup>.

The reality is that in order to lower food costs, other costs are incurred such as transportation to bargain shop and bring food home, superior storage, adequate freezer space, robust refrigerator space, numerous cooking options, and the capacity to substitute food choices. All of these options are largely unavailable on an OW budget while sharing a room with others.

It costs a lot of extra money to realize a low monthly food budget.

**6. Inflation in food costs is made more difficult to assess during the pandemic and the recession that accompanied it.**

Looking at 2016 welfare diet costs compared to 2021, these costs only rose by 0.03%. Yet if we look at 2020 costs compared to 2021, they rose by 11.3%. How can this be?

The following graph (Figure 4) illustrates how an increase over time can be much lower than an increase from trough to peak. This same phenomenon holds true for the welfare diet (Figure 5).

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<sup>3</sup> <https://policyoptions.irpp.org/magazines/april-2019/whats-true-cost-food-youre-poor/>

Figure 4

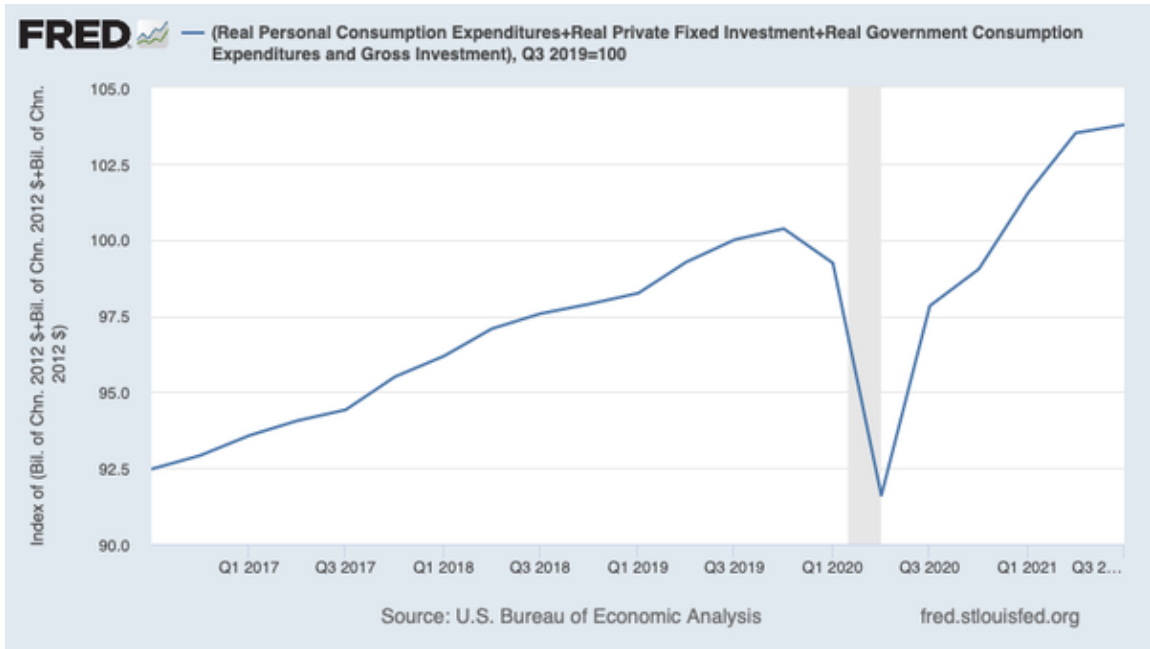
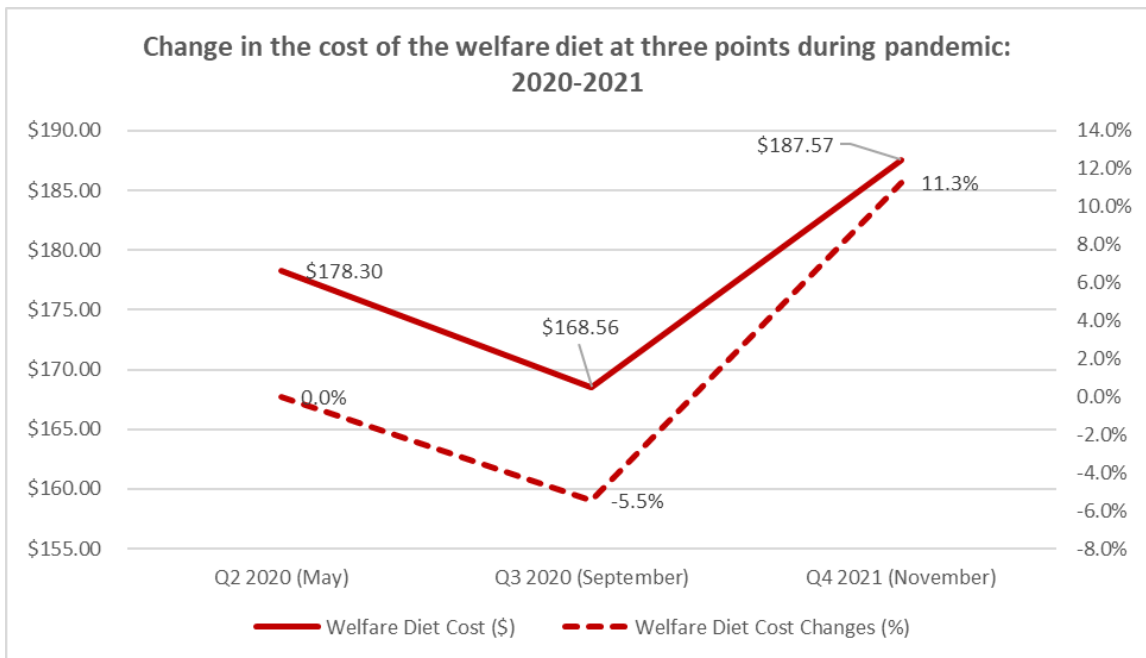


Figure 5. Change in the cost of the welfare diet at three points during the pandemic: 2020-2021





## 7. You must pay the rent but you can scrimp on food

One of the most graphic indicators of hunger and food insecurity is the Daily Bread metric concerning ‘missing meals’ in their report: *Who’s hungry?*<sup>4</sup>

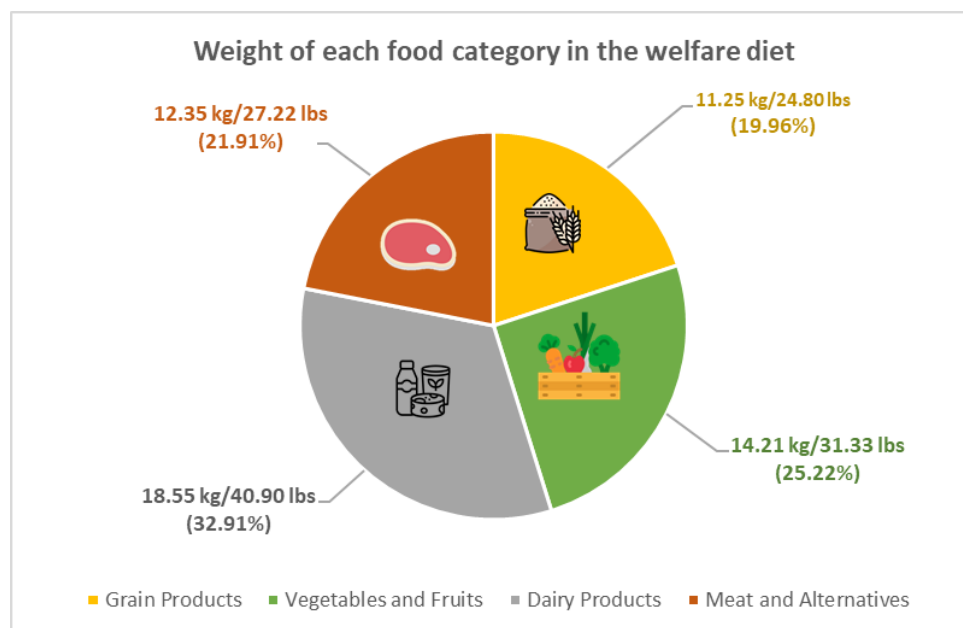
This report notes that 58% of existing food bank clientele missed eating for a full day almost every month. Many miss meals so that other family members are able to eat.

## 8. The welfare diet is difficult to lug around- it weighs 124.25 pounds<sup>5</sup> (56.36 kilograms)

For poor people who don’t have cars or who must pay for transportation, the welfare diet costs even more than the \$187.57 in food costs alone.

It is almost impossible to shop the welfare diet in one shop and lug it home on public transit. Therefore, the ‘deals’ that accrue to bulk buying are not possible for a single person receiving OW or ODSP.

Figure 6. Weight of each food category in the welfare diet



<sup>4</sup> <https://eihqf368n7v.exactdn.com/wp-content/uploads/2021/11/DB-WhosHungryReport-2021-FINAL.pdf>  
p.14

<sup>5</sup> <https://openpolicyontario.s3.amazonaws.com/uploads/2021/11/Weight-of-Welfare-Diet-1.pdf>

## 9. The welfare diet is shopped at Superstore but No Frills is no cheaper

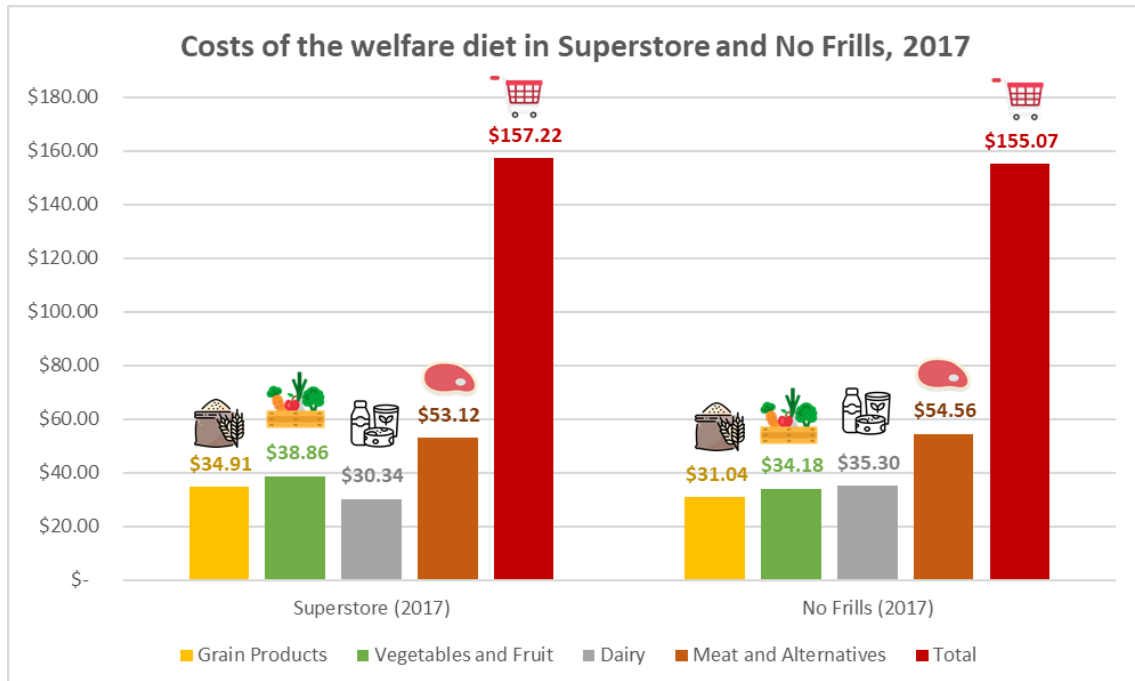
Almost everyone would think that No Frills or other discount grocers would be cheaper places to shop the welfare diet than ‘middle of the road’ grocery stores like the Superstore where the diet is shopped.

The reality is that No Frills has bargains that allow substitution that permits a similar diet to be cheaper. The Welfare diet calls for brand names such as Primo Pasta and Quaker Oats such that cheaper alternatives are disqualified.

In addition, ‘loss leaders’ that attract people to bargain grocers can only be shopped when the ‘loss leader’ is part of the diet.

Shopping a ‘fixed list’ makes bargain shopping almost impossible as substitution is not permitted.

Figure 8. Costs of the welfare diet in a Superstore and a No Frills store: 2017



**10. The person to whom the welfare diet was originally sent is now Permanent Representative of Canada to the United Nations**

The welfare diet was sent to the Hon. Bob Rae when he was leader of the NDP following his defeat in the 1995 election. He was made permanent representative from Canada to the United Nations last year<sup>6</sup>.

The letter was dated October 20, 1995 and on receipt, he immediately made the letter public along with the appended diet called 'Food Shopping List – Sole Single G.W.A'.

Had he not made the welfare diet public, it is possible that this diet would not be known.



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<sup>6</sup> <https://pm.gc.ca/en/news/news-releases/2020/07/06/prime-minister-appoints-bob-rae-ambassador-united-nations>