

Redesigned by Standing Still

How Doug Ford executed a 21.6% cut to Ontario Works while standing still.

The 1995 cuts were explicit, loud, and heavily contested.

1

The Action: On July 22, 1995, Ernie Eves announced a 21.6% cut to Ontario Works benefit rates, effective October 1.

2

The Policies Included: Govt mandated workfare, lifetime bans for welfare fraud, suspended benefits for those who quit or were fired from job. Also advised recipients to follow their "welfare diet" and buy food more cheaply, e.g. dented cans of tuna

3

The Reaction: Large chaotic demonstrations inside & outside the legislature, massive antipoverty blowback



**TWO DIFFERENT ERAS. TWO OPPOSITE APPROACHES.
THE EXACT SAME RESULTING CUT.**

	HARRIS/EVES (1995)	FORD (2018–2027)
MECHANISM	EXPLICIT LEGISLATIVE REDUCTION	INFLATIONARY EROSION (STATIC RATES)
POLICY ACTION	SWEEPING SYSTEMIC REFORM	DELIBERATE INACTION (POLICY BY INATTENTION)
PUBLIC REACTION	LARGE DEMONSTRATIONS/PROTESTS, DISRUPTIONS IN LEG' GALLERY	SILENCE, NO PRESS CONFERENCES, NO SIT-INS
NET REALITY	21.6% REDUCTION IN PURCHASING POWER	21.6% REDUCTION IN PURCHASING POWER

The Chilling Reality of Frozen Income Support



Step 1: Rates Frozen at \$733 Since 2018

The basic single rate has remained unchanged for nearly a decade, despite surging living costs across the province.



Step 2: Inflation Erases 21.6% of Purchasing Power By 2027

Supporting Detail

To match the value that \$733 had in 2018, the rate should be \$917 today; the difference represents a "silent cut" to recipient income.



Step 3: Fixed Exemptions Trigger Faster Clawbacks

Because the \$200 earnings exemption is frozen, a higher percentage of a recipient's wages are clawed back sooner as the minimum wage continues to rise.



Step 4: Recipients Pushed Off Assistance Earlier

The system now drops people from support at just 58% of minimum-wage earnings, a significant decrease from the 73% threshold maintained in 2018.



Step 5: Costs Shift to Emergency Civic Services

When primary income supports erode and become insufficient, the financial burden moves to community-funded food banks, overcrowded shelters, and emergency rooms.

The illusion of stability hides a structural redesign.

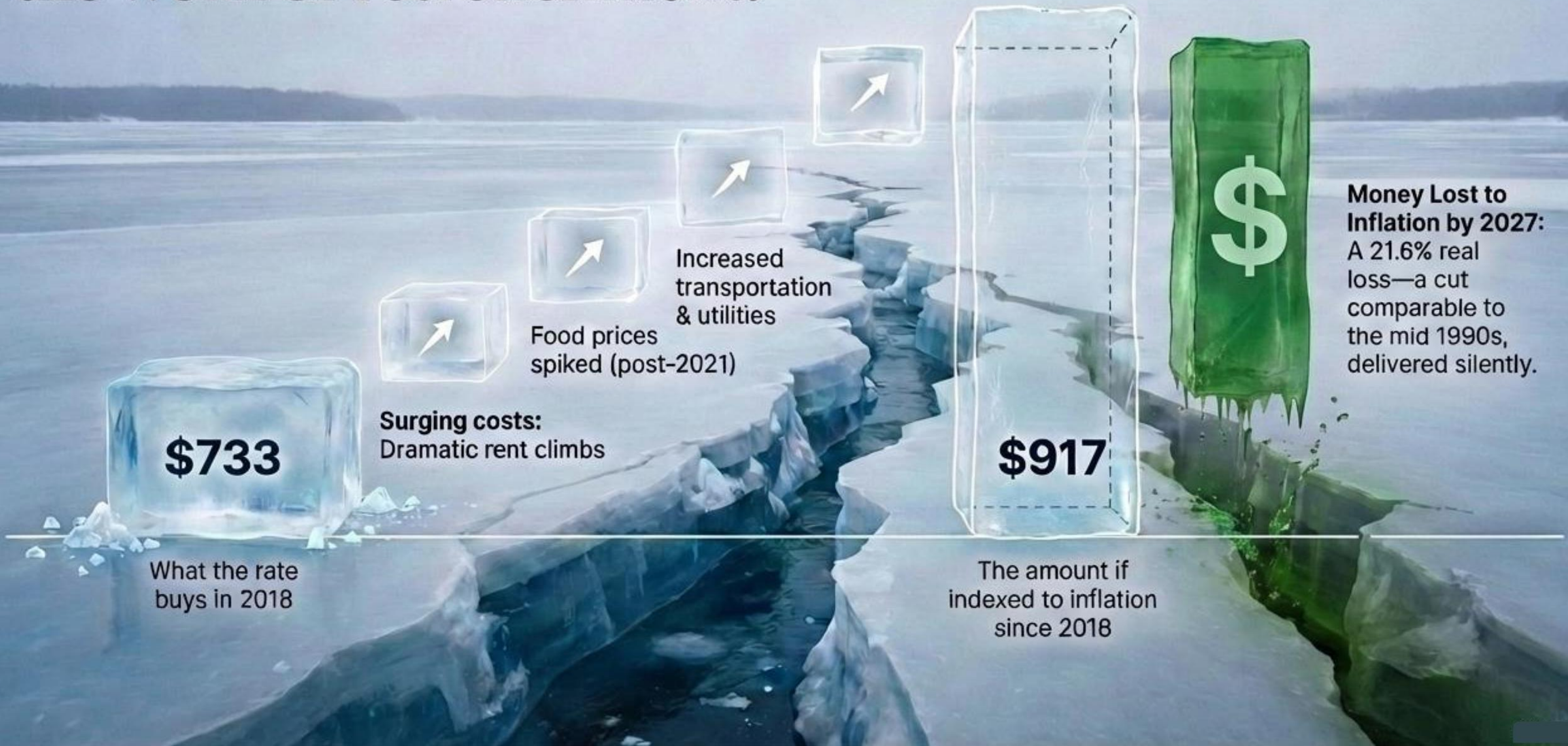
2018: Maximum basic single OW rate: \$733 per month.

\$733

2026: Basic single rate remains exactly \$733 per month.

The Illusion: Earnings exemptions left alone. No reforms announced. The system quietly left untouched since 2018.

Inflation is silently doing the work of retrenchment.



Inflation as Retrenchment: The shrinking value of working on OW

The Earnings Exemption



Work pays less: Clawbacks begin significantly sooner.

The Breakeven Point



Pushed off earlier: Higher living costs, less runway.

Nothing changed in the regulations. But the effect is clear: When a government chooses not to index benefits or adjust thresholds, it is making a calculated decision to let inflation do the work of retrenchment.

THE CHANGING REALITY OF ONTARIO WORKS: FROZEN RULES IN AN INFLATED WORLD

AN ANALYSIS OF EARNINGS EXEMPTIONS & BREAKEVEN POINTS (2018 vs TODAY)

MONTHLY EARNINGS EXEMPTION

(Amount recipients can earn before clawbacks begin)

FIXED

\$200

2018

~14%
OF MONTHLY
MINIMUM-WAGE
EARNINGS

Less of a clawback. Work paid slightly more relative to minimum wage.



TODAY (WAGE \$17.60/hr)

FIXED

\$200

\$200

ONLY 11%
OF MONTHLY
MINIMUM-WAGE
EARNINGS

(At \$17.60/hr)

More earnings are clawed back **SOONER. WORK PAYS LESS** than it used to.



ANNUAL BREAKEVEN POINT

(Level of earnings where benefits are reduced to zero)

FIXED

\$19,992

~73%
OF FULL-TIME
MINIMUM-WAGE
EARNINGS

Less pressure to exit assistance quickly.



FIXED

\$19,992

CLOSER TO ONLY 58%
OF FULL-TIME
MINIMUM-WAGE
EARNINGS

RECIPIENTS ARE PUSHED OFF ASSISTANCE EARLIER.



THE REAL-WORLD IMPACT: EROSION OF SUPPORT

UNCHANGED
REGULATIONS

HIGHER
LIVING COSTS

RIISING
MINIMUM WAGE



WHEN A GOVERNMENT DOES NOT INDEX BENEFITS, EXEMPTIONS, OR THRESHOLDS, IT IS MAKING CALCULATED DECISIONS.

INFLATION IS DOING THE WORK OF RETRENCHMENT.



Same Work. Different World.



\$14.00/hr



2018 Reality

- Works 25 hours/week at minimum wage.
- Retains partial Ontario Works (OW) support.
- Maintains drug, dental & other OW benefits.



\$17.60/hr



2026 Reality

- Works 25 hours/week at minimum wage.
- Kicked off OW entirely.
- Loses all OW benefits and still in deep poverty.

**The world got more expensive,
but the rules stayed frozen.**

No indexing of benefits 

No adjustment of earnings exemptions. 

No recalibration of income thresholds. 

Inaction is not neutral. A frozen policy in an inflationary economy is a calculated reduction in support.

Policy by inattention is a deliberate political decision.

No press conferences
announcing cuts.

No legislation to
defend in parliament.

No public
demonstrations
or sit-ins.



Core Insight: When a government chooses not to index benefits or adjust thresholds, it decides that inflation will execute the cuts by default.

When income supports are insufficient, the money is not saved. It is displaced.



Takeaway: The distance between income and basic needs has widened, shifting the financial burden to more expensive parts of the system.

Governments are accountable for what they allow to happen.

Ontario Works today is not the
program it was eight years ago.
Not because it was reformed.
But because it was left alone.



Structural reforms required to restore Ontario Works Program efficacy.



Immediate Indexing of Benefit Rates

- **Action:** Adjust the \$733 base rate to target the \$917 current value.
- **Rationale:** This is not a benefit increase; it is a return to revenue neutrality, restoring the exact purchasing power the program possessed in 2018.



Recalibration of Earnings Exemptions

- **Action:** Link the static \$200 exemption to a percentage of the provincial minimum wage.
- **Rationale:** Eliminates stealth clawbacks and ensures that the systemic incentive to work is not eroded by rising wages.



Adjustment of Breakeven Thresholds

- **Action:** Increase the \$19,992 annual limit to scale with current wages.
- **Rationale:** Restores the 73% earnings runway, ensuring the safety net is not abruptly pulled away before a recipient reaches a mathematically viable income level.

Fundamental change is best.

Fundamental change could be in the form of a more basic income to replace Ontario Works including:

- Real supports to employment at minimum wages or better
- Incentives for recipients to live together or with others when they choose to do so
- Allow much higher limits for support from family along with liquid asset limit increases
- Training options of the recipient's choice
- Work and self sufficiency options through co-creation



THANK YOU!

QUESTIONS?



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