What really reduced Ontario's welfare caseloads in the late 1990's?

The rise and fall of single-parent social assistance caseloads and the changes that took place outside the programs

Ontario's social assistance caseloads reached their modern peak in March 1994, when approximately 13.9 per cent of the population was receiving assistance. By the beginning of the new millennium, that proportion had fallen to approximately 6 per cent, exactly where they were in the late 1980's.

For thirty years, much of the credit for this extraordinary decline has been associated with the Harris government's welfare reforms. Mike Harris became Premier in June 1995, reduced welfare rates for employable recipients by 21.6 per cent that October, tightened eligibility rules and introduced a new emphasis on employment obligations.

Caseloads fell, and the government claimed success.

But there is an awkward problem with that explanation: the decline began in April 1994, fifteen months before Harris took office and eighteen months before his first welfare cuts.

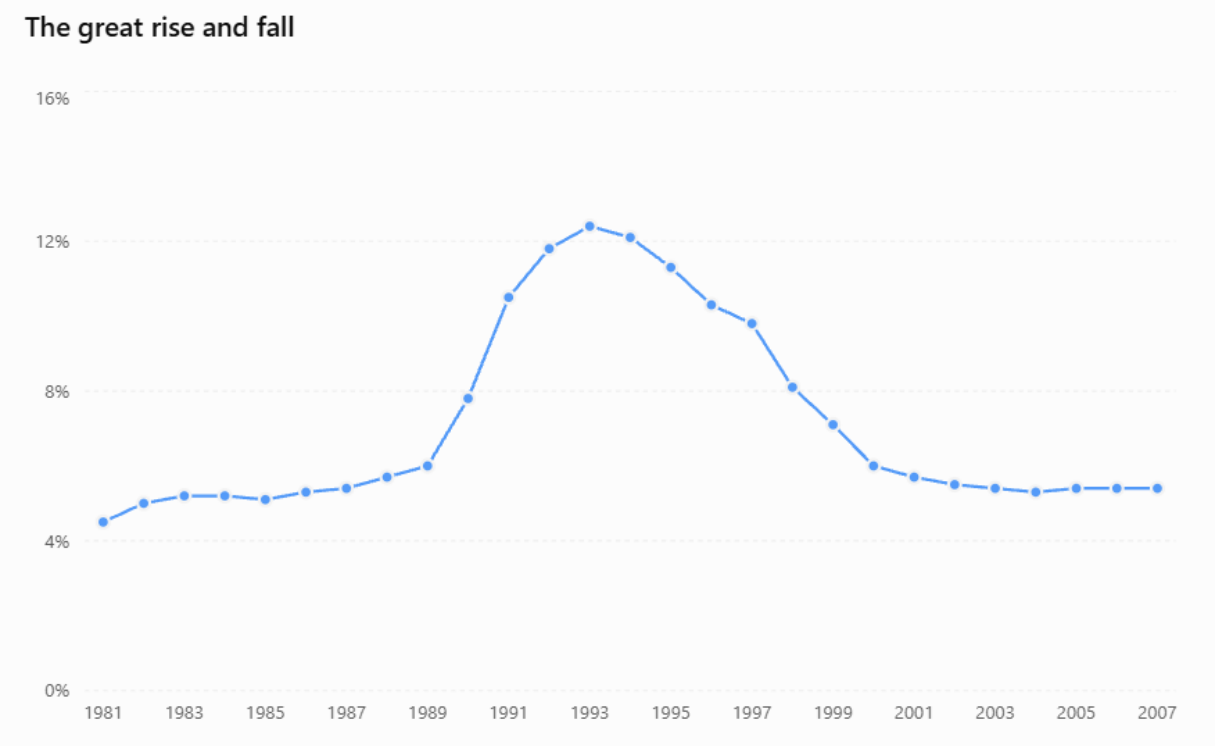
The Harris government undoubtedly affected the subsequent numbers, but it did not begin the decline.

And the more I look at the history, the more convinced I become that the usual explanations have given too little attention to a much larger collection of changes in Canadian society.

To understand why welfare caseloads fell, we first have to understand why they rose.

Figure 1. The great rise and fall of Ontario social assistance

Percentage of Ontario's population receiving social assistance, 1981–2007



Source: Historical table. Annual observations; the March 1994 peak of approximately 13.9% is not shown in this December-based series.

The making of the great social assistance caseload

When I began working in Ontario's Ministry of Community and Social Services in 1975, the system was already being transformed by changes that had begun in the 1960s.

The Canada Assistance Plan had come into force in 1966, establishing a new federal-provincial framework for financing social assistance. Ontario introduced the Family Benefits Act, and a modern system of assistance for sole-support parents began to emerge.

But another change deserves much more attention than it usually receives.

For decades, Ontario had operated a *fit mother* rule. Eligibility for Mother's Allowance could depend on whether a woman was considered morally suitable to raise her children.

I have written elsewhere about a case file I encountered in 1975. It concerned a woman whose allowance had been terminated in 1965 because she had been seen entering the Ladies and Escorts section of the Linsmore tavern in east end Toronto with a man.

The man did not have to be living with her. The authorities did not have to establish that he was supporting her.

The woman's perceived behaviour was enough.

The fit-mother rule was replaced in 1967, but the moral supervision of single mothers did not disappear. It was succeeded by variations of the man-in-the-house or spouse-in-the-house rules.

These rules could treat a woman as though she had a supporting spouse when, in reality, she had no enforceable claim to financial support from the man concerned.

The consequences were severe. A mother could lose her allowance because officials believed she was involved with a man who was under no obligation to provide for her children.

Over the following two decades, the courts, advocates and governments gradually challenged this approach.

By the mid-1980s, the law was changing significantly. Ontario began dismantling the spouse-in-the-house rule in 1986, and the reforms that followed gave much greater importance to actual co-residence and the existence of a financial or legally recognized spousal relationship.

The government could no longer rely so readily on assumptions about a woman's private life to conclude that she had another source of support.

These changes were crucial.

Women who had previously been disqualified could qualify for assistance. Women who had been afraid of losing their benefits because of a relationship had greater protection. Children were less likely to lose their means of support because of official judgments about their mothers.

We should recognize what this meant for caseloads.

A caseload can increase because more people become poor. It can also increase because the government stops excluding people who were poor all along.

That distinction is almost entirely missing from the conventional history of Ontario welfare.

The removal of discriminatory eligibility rules was a social achievement. If it increased the number of people receiving assistance, that increase was not evidence of policy failure.

It was evidence that the system had become more accessible to people it had previously excluded.

The other forces pushing caseloads upward

There were important demographic changes as well.

For much of the twentieth century, unmarried mothers had faced intense pressure to surrender their children for adoption. As attitudes changed, more women chose to keep and raise their children.

Public assistance made this possible for women who had few other resources.

At the same time, contraception was less reliable and accessible than it later became, abortion services were restricted, women's educational and employment opportunities were more limited, and affordable child care was often even more difficult to obtain than now.

The growth in the number of single mothers receiving assistance was therefore connected to a major change in the position of women in society.

Then came the economic forces.

Ontario experienced a serious recession in the early 1980s, but the welfare caseload did not reach anything approaching the heights of the early 1990s.

In our earlier Open Policy work, *Finding Unusual Suspects*, Yvonne Yuan and I examined why.

We identified two factors that deserved much more attention: the duration of unemployment and the relationship between welfare benefits and minimum wages.

During the early 1990s, unemployment was unusually prolonged. People exhausted unemployment insurance and other resources before turning to welfare.

Meanwhile, minimum wages were very low relative to social assistance. At one point, the annual income available to a single employable welfare recipient approached 70 per cent of full-time minimum-wage earnings. The percentage now sits at just over 25%

This did not mean welfare was too generous. It meant minimum wages were inadequate.

Combine prolonged unemployment with low wages, changing family structures, the greater acceptance of single motherhood and eligibility rules that were becoming less discriminatory, and the extraordinary rise in caseloads becomes much easier to understand.

There was no single culprit. By March 1994, Ontario had reached its peak.

Then the numbers began falling.

The other side of the story: single parents

My historical single-parent series begins in 1995–96, when there were 195,236 cases involving single adults with children.

My understanding is that the number had been approximately 225,000 at the 1994 peak, although that estimate needs to be checked against the earlier Family Benefits records.

By June 2019, the Ontario Works figure had fallen to 68,763. That is a reduction of almost 65 per cent from the 1995–96 level.

The initial decline was particularly rapid. By 2000–01, the number had already fallen to 95,233. Thereafter, the decline continued more slowly, with occasional increases.

This raises a question that has received remarkably little attention.

What happened to the circumstances of single motherhood over those twenty-five years?

The usual account concentrates on what governments did to recipients. But during these same years, several developments were changing women's opportunities and the ability of fathers to avoid financial responsibility.

Figure 2. The long decline in single-parent Ontario Works cases

Single adults with children, 1995–96 to June 2019

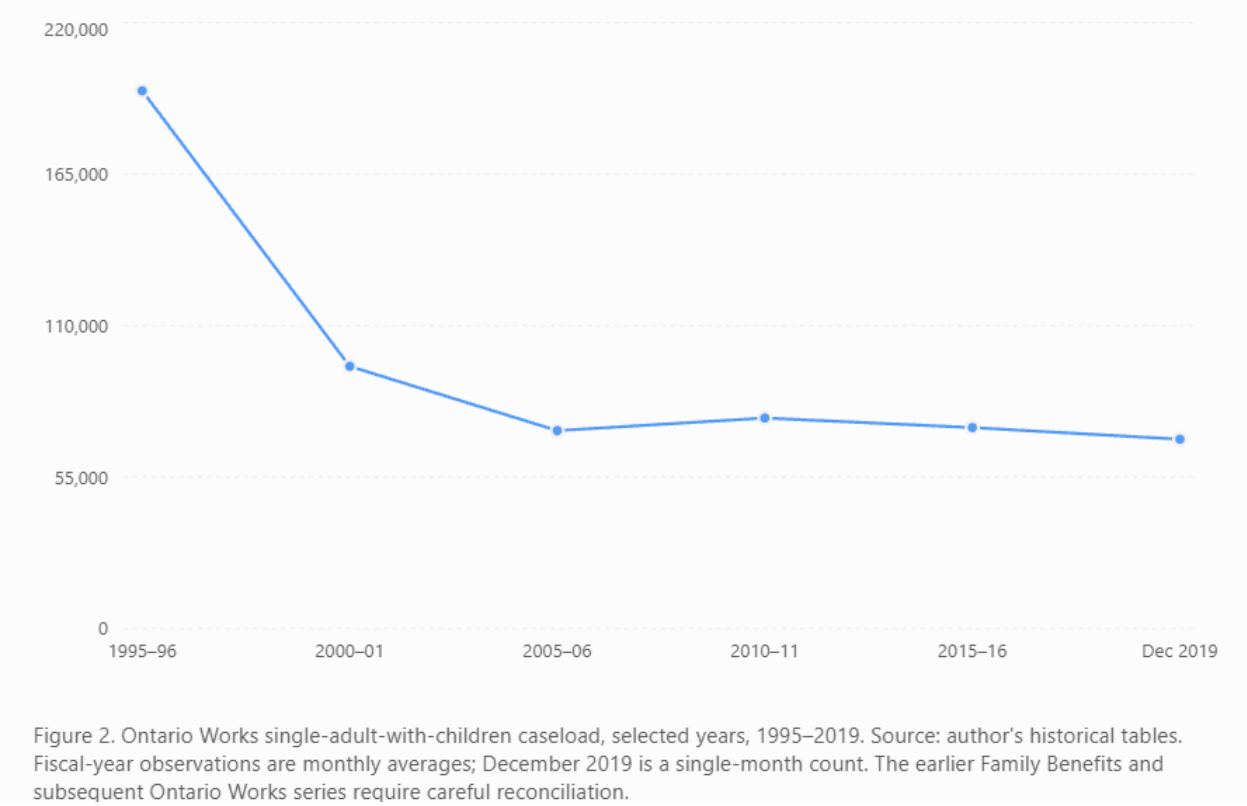


Figure 2. Ontario Works single-adult-with-children caseload, selected years, 1995–2019. Source: author's historical tables. Fiscal-year observations are monthly averages; December 2019 is a single-month count. The earlier Family Benefits and subsequent Ontario Works series require careful reconciliation.

Source: Ontario Works historical trends tables supplied by the author. Fiscal-year figures are monthly averages; June 2019 is a monthly observation.

The father who could no longer disappear

For much of the twentieth century, a father who wanted to avoid child-support obligations could move to another city, change employers or open a bank account elsewhere. He could simply deny paternity and walk.

He might have a legal obligation to support his children, but locating him and collecting the money could be extraordinarily difficult.

The problem was not necessarily the absence of records. It was the inability to connect them. But the growth and increasing reliability of relational databases changed that in the mid 1990's.

Employment, income, address and financial records could increasingly be matched, subject to the legal powers available to enforcement authorities. An absent father could no longer assume that changing cities or opening an account at another financial institution would make him invisible.

But I suspect the most important effect was behavioural. Once people understood that they could be found, the incentive to disappear changed.

The technology did not have to catch every delinquent parent to make a difference. It had to become sufficiently reliable, and sufficiently well understood, that avoiding responsibility became less attractive.

A father who paid support because he knew enforcement was possible would not necessarily appear in statistics about successful collections.

Yet the result for the mother and children could be just as important.

DNA evidence and the end of plausible denial

The second technological revolution was DNA testing.

Before reliable DNA testing became widely available, disputed paternity could lead to lengthy and uncertain legal proceedings that included expensive and unreliable blood tests. Denying biological parentage could create a serious obstacle to establishing financial responsibility.

Modern DNA testing changed that in the mid to late 1990's.

But the development that interests me most is the permeation of society by the knowledge that DNA evidence was reliable.

People did not have to understand genetics. They understood that a test could establish biological parentage with extraordinary accuracy.

The increasing public acceptance of DNA evidence changed the credibility of denying paternity. A TV show called Crime Scene Investigation was extraordinarily important.

Disputed-paternity cases declined from tens of thousands to almost none over roughly the twenty-five-year period under discussion. The administrative records need to be recovered before we can quantify that decline confidently, but the change in the evidentiary possibilities is unmistakable.

Together, DNA testing and relational databases created a new environment.

It became harder to deny being a father and harder to disappear once responsibility was established.

That did not guarantee payment. But it could affect voluntary compliance, the willingness to enter support agreements and the reliability of support over time.

These were changes taking place largely outside the welfare system.

The federal Child Support Guidelines

In May 1997, the federal Child Support Guidelines came into force.

They provided a more predictable basis for calculating child support, generally using the paying parent's income and the number of children.

Consider the cumulative effect.

DNA evidence could establish parentage. Computerized records could help locate the parent and identify income. The guidelines clarified the amount of support. Enforcement mechanisms made the obligation more difficult to avoid.

These developments reinforced one another.

For a mother trying to support children independently, reliable child support could make the difference between needing welfare and avoiding it.

There was, however, a serious complication.

For many years, Ontario deducted child-support payments from social assistance. Better enforcement could therefore reduce government expenditures without necessarily increasing the income of a mother already receiving welfare.

But the effects on mothers who were working, leaving assistance or avoiding it altogether could be quite different.

This is why the number of child-support orders or the amount collected by enforcement authorities cannot, by itself, tell us how much these changes affected welfare caseloads.

We also need to know how many families became financially secure enough never to apply.

Child benefits and women's employment

There were further developments.

Federal child benefits expanded, and Ontario gradually changed the way those benefits interacted with social assistance.

For a period, the National Child Benefit Supplement was offset against welfare payments. In 2008, Ontario changed that arrangement as part of its child-benefit reforms.

In 2017, Ontario also exempted child-support payments from Ontario Works and ODSP income calculations.

These changes came too late to explain the sharp decline beginning in 1994. But they affected the financial circumstances of families over the following years.

A mother who could combine earnings, child benefits and reliable child support had more ways to support her children without depending entirely on welfare.

Women's education and employment opportunities were also improving.

More women completed postsecondary education. More established themselves in occupations that offered better prospects for financial independence. Contraception became more reliable and accessible, while the legal environment for abortion changed significantly following the Supreme Court's 1988 Morgentaler decision.

None of these developments eliminated poverty among single mothers. Child care remained expensive and difficult to obtain, and many women continued to work in low-paid and insecure employment.

But the circumstances in which women became mothers, raised children and earned incomes were changing.

And the changes were cumulative.

Why the usual explanation is inadequate

The Harris government cut welfare rates, tightened eligibility rules and imposed greater pressure on recipients to find employment.

Those policies affected caseloads. The very rapid decline after 1995 means they must be taken seriously.

But the government cannot claim to have initiated a decline that began fifteen months before it took office.

Nor can we reasonably attribute the longer reduction in single-parent caseloads to welfare policy without examining the changes in employment, reproductive choices, child-support enforcement, DNA evidence, information technology and child benefits.

The conventional explanation also fails to distinguish between two very different outcomes.

A woman can leave welfare because she has obtained employment, received reliable child support and had sufficient income to raise her children.

Or she can leave because the benefit is inadequate, the rules have become more restrictive or she can no longer satisfy administrative requirements.

Both disappear from the caseload.

Only the first has necessarily become more economically secure.

And there is a third possibility that welfare administrators rarely count as an achievement.

A woman may never enter the welfare system because she has the income and support needed to avoid it.

If we are serious about reducing welfare dependence, this third outcome should interest us at least as much as the number of cases closed.

What the history is really telling us

Ontario's extraordinary welfare caseloads were not created by one policy or one economic event.

The rise reflected a convergence of prolonged unemployment, low minimum wages, changing family formation, greater acceptance of unmarried motherhood, limited reproductive choices, restricted employment opportunities for women and the progressive removal of discriminatory eligibility rules.

The decline also involved a convergence.

Economic conditions improved. Unemployment durations shortened. Women's education and employment opportunities expanded. Reproductive choices became more reliable. DNA evidence transformed the establishment of biological parentage. Relational databases made financial obligations harder to evade. Child-support guidelines clarified responsibilities. Enforcement improved. Child benefits expanded and were increasingly available without welfare deductions.

Welfare rules were also tightened and benefit rates reduced.

The important point is that these changes did not occur together because one government had designed a comprehensive strategy to reduce welfare dependence.

They emerged from many different parts of society, over several decades, under governments of different political affiliations.

Some changes were deliberate social reforms. Others were consequences of technological advances. Still others reflected shifts in attitudes toward women, marriage, parenthood and work.

Their effects accumulated. The welfare system was often the last place where those effects became visible.

Who deserves the credit?

There is a certain irony in this history. During the 1960s, 1970s and 1980s, Ontario progressively dismantled rules that had excluded single mothers from assistance because of judgments about their morality or relationships.

Those reforms could increase caseloads by allowing women and children to receive benefits they had previously been denied.

In later decades, other developments helped more single mothers obtain income outside the welfare system.

Those developments could reduce caseloads by making assistance less necessary.

In both cases, the numbers changed partly because society changed.

Yet the political discussion has concentrated overwhelmingly on welfare rates and eligibility rules, as though governments could explain caseloads simply by deciding how generous or restrictive assistance should be.

That is a very limited understanding of social policy. We should be particularly careful about assigning credit for declining caseloads to policies that made welfare harder to obtain. Such policies may reduce the number of people receiving assistance without reducing the number who need it.

By contrast, better employment opportunities, reliable child support, adequate child benefits and greater control over family formation can reduce the need for assistance itself.

The historical evidence does not yet tell us how much each factor contributed. That requires further research, particularly into the old Family Benefits caseloads, paternity disputes, child-support enforcement and the employment histories of lone mothers.

But it tells us enough to question the conventional account.

The rise and fall of Ontario's welfare caseloads was a much larger story than the actions of the Harris government.

The decline began before Harris was elected. Many of the changes that helped sustain it were taking place outside the welfare system. Some had been developing for decades.

If we want to understand how Ontario can reduce the need for social assistance in the future, we should investigate those changes rather than simply celebrate lower caseloads.

After all, making welfare less necessary is a very different achievement from making it harder to get.