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DANGEROUS DISRUPTIONS TO MONEY: INCOME LOSS & INCREASED COSTS

The COVID-Related Experiences of
People Living with Poverty in Rural
and Small Urban Communities in
Southern Ontario



A University of Guelph COVID Catalyst Research Project

Written by: Laura Pin, Leah Levac, Erin Rodenburg, and Kelly Hatt.

Reviewed by: Amanda Buchnea, Belinda Leach, Mary-Jane McKitterick, Dominica Mcpherson, Cory O'Handley, Kate Parizeau, and Deborah Stienstra. **Designed By:** Victoria Barnett

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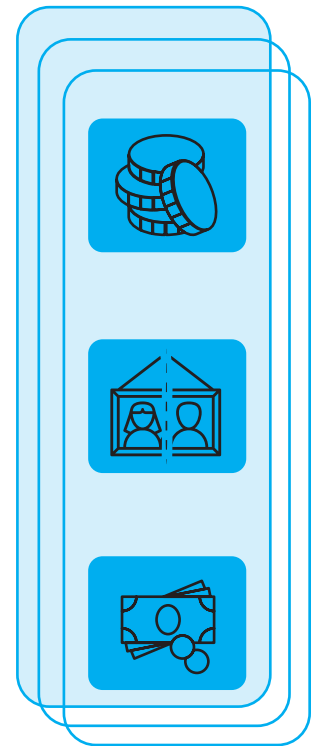
DANGEROUS DISRUPTIONS TO MONEY: INCOME LOSS & INCREASED COSTS

The COVID-Related Experiences of People Living with Poverty in Rural and Small Urban Communities in Southern Ontario

People living with poverty are experiencing the COVID-19 pandemic in complex and interconnected ways.¹ This factsheet shares what people living with poverty have to say about how disruptions to their income and increased costs have impacted their everyday lives during the pandemic.

Key Takeaways

- While some participants benefited from the Canada Emergency Response Benefit (CERB), many people living with poverty were unable to access this program.
- People on low and fixed incomes, including those receiving social assistance, have faced increases in the costs of basic necessities.
- Income disruptions and increased costs of living have negatively impacted the health of people living with poverty during the pandemic.



COVID-19 and People Living with Poverty: An Intersectional Livelihoods Approach

Living with poverty makes everyday life difficult. The concept of “livelihoods” helps capture this. Livelihoods are the means to secure the necessities of living for individuals, families and communities.² Together with an intersectional policy analysis,³ this research examines how COVID-19 has impacted the livelihoods of people living with poverty, while also considering that:

- living with poverty often coincides with conditions that increase health risks like inadequate housing; experiences of disability; and unsafe working conditions;
- the consequences of poverty compound for people in unsafe situations, such as those experiencing domestic violence; and
- social policy and public health responses to the pandemic have sometimes made the impacts of the pandemic worse for people living with poverty.

¹ Milam, A.J., Furr-Holden, D., Edwards-Johnson, J., Webb, B., Patton II, J.W., Ezekwemba, N.C., Porter, L., Davis, T., Chukwurah, M., Webb, A.J., Simon, K., Franck, G., Anthony, J., Onuoha II, G., Brown, I.M., Carson, J.T., & Stephens, B.C. (2020). Are clinicians contributing to excess African American COVID-19 deaths? Unbeknownst to them, they may be, *Health Equity*, (4)1, 139–141; Wang, Z., & Tang, K. (2020). Combating COVID-19: health equity matters. *Nat Med*, 46, 458.

² Stienstra, D., & Lee, T. (2019). Disabilities and livelihoods: Rethinking a conceptual framework. *Societies*, 9(4), 67. <https://doi.org/10.3390/soc9040067>.

³ Hankivsky, O., Grace, D., Hunting, G., Giesbrecht, M., Fridkin, A., Rudrum, S., ... & Clark, N. (2014). An intersectionality-based policy analysis framework: critical reflections on a methodology for advancing equity. *International journal for equity in health*, 13(1), 119.

Dangerous Disruptions to Income

Many people we spoke with discussed loss of income that compromised their ability to meet day-to-day needs. For some, the Canada Emergency Response Benefit (CERB) was crucial for survival. Explained Katherine⁴, a woman leaving an abusive relationship while coping with income loss *“with my husband leaving I collected CERB which was quite helpful with rent and food and expenses, since we had to separate”*.

Other participants discussed that even when their employment income declined sharply, they remained ineligible for CERB. Parents of young children experienced particularly acute financial stress because of the need to cope with the high costs of childcare and lost income at the same time. Jane, a woman with a young child and a disability explained,



I’m stuck in a middle bracket right now where I didn’t have enough hours [cut] to receive CERB and they still want me to pay full childcare costs. Jane suggested many parents, particularly women, have been “forced to choose between childcare and career, literally”.

Income support programs like CERB are inaccessible to some youth, especially those transitioning from educational programs to the labour market. One unemployed recent graduate, Alana, recounted how after a promising interview she received an email stating that due to COVID-19 the employer had enacted an “immediate and indefinite” hiring freeze. Alana elaborated, *“there’s slim, slim pickings out there right now”*. Heightened unemployment for

recent graduates is likely to extend beyond the temporary support available through the Canada Emergency Student Benefit program.

Fractured Social Safety Nets

Those on social assistance programs like Ontario Works (OW) and the Ontario Disability Support Program (ODSP) were mostly ineligible for COVID-19 financial support, such as the Federal CERB program and provincial wage increases.⁵ Yet many strategies used by people living with poverty to meet day-to-day needs were unavailable during the pandemic. At the start of the pandemic, Vanessa, an interviewee on ODSP, lost the part-time job she needed to supplement her support payments. She explained *“basically, my ODSP pays for like the rent and that’s it”* but because of taxation, payment claw backs, and the loss of prescription drug benefits, CERB was not a viable option.⁶ The absence of financial support to replace her employment income led to Vanessa becoming unhoused for part of the pandemic.

The difficulties described by participants on fixed incomes like OW and ODSP speak to the inadequacy of these programs to cover costs related to day-to-day needs, even prior to the pandemic. In 2020, the maximum single rate for Ontario Works (OW) was \$733 per month.

⁴ All names used in this report are pseudonyms. In addition, the names of people and places have been removed from quotes to further protect participant anonymity.

⁵ CERB required at least \$5,000 in employment earnings during the past 12 months, a requirement that excludes almost all social assistance recipients.

⁶ Recipients of ODSP have access to a publicly subsidized prescription benefit plan, however they only maintain access while receiving ODSP, which meant ODSP recipients who qualified for CERB risked losing prescription drug benefits if they switched programs.

The maximum single rate for the Ontario Disability Support Program (ODSP) was \$1,169 per month. In contrast, CERB provided \$2,000 per month in assistance. As Karen, a participant formerly on OW explained, *“If you need two thousand dollars a month to live, how do we expect people to live on OW or ODSP which is substantially less?”*

Increased Costs

At the same time people experienced disruptions to their incomes, many also experienced increased costs of food, hygienic items, and cleaning supplies. Participants explained that typical survival strategies disappeared in the face of COVID-19 restrictions. For example, participants were unable to spread out costs with many small purchases or split the cost of items with friends. Participants also found it difficult to adhere to public health regulations recommending infrequent shopping due to limited storage space and the cost of bulk items. Explained Dennis, a man with a disability on a fixed income,



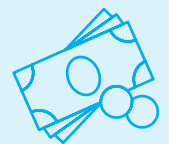
Before the pandemic, in terms of grocery shopping, I would go, like, I would go like twice a week and now I have to go once every two weeks. And not exactly easy when you're on ODSP.

Other participants discussed how being on social assistance or low income, and relying on foodbanks and low-cost grocers, left them unable to take advantage of food-delivery services or transportation options.

Discussion: Income Inequality and Exclusions in the Government's Pandemic Response

The absence of regular income supports for people living with poverty – particularly those receiving social assistance – increased their vulnerability. These individuals were left to cope with increased costs related to the pandemic without receiving income supports, since many were ineligible for CERB. The differential payment rates of CERB and OW/ODSP also created substantial inequality. As one participant, Michael, noted

What policymakers need to know is that just because you're working forty hours a week if you have a, a wage, doesn't mean you're working any harder than those people who are on ODSP or OW...I just want policymakers to view us all as equal.



Not surprisingly, living with the overlapping impacts of income loss and increased costs of living has created fear, uncertainty, and extreme levels of stress for the people we spoke with. This is consistent with a Statistics Canada survey highlighting that “43% of participants who reported significant impacts on their ability to meet financial obligations reported symptoms that were consistent with moderate or severe anxiety”.⁷ Financial precarity, combined with

⁷ Statistics Canada. (27 May 2020). “Canadians’ mental health during the COVID-19 pandemic.” The Daily. Statistics Canada Catalogue no. 11-001-X. Ottawa: Statistics Canada. Retrieved from <https://www150.statcan.gc.ca/n1/daily-quotidien/200527/dq200527b-eng.htm>

declines in physical and mental health, increases the overall vulnerability of people living with poverty to the COVID-19 pandemic.⁸

What Now?

While the CERB income support program has been a lifeline for some, it has also exposed deep inequities for people trying to survive on inadequate social assistance programs. A service provider described social assistance rates as “*absolutely atrocious. People are living in abject poverty*”. As Michael said, “*I would like my government to acknowledge the fact that I’m a living, breathing human being and I have some value. And it’s not less than a thousand dollars a month*”. Besides not being able to meet day-to-day needs, many people who lost incomes or live well below the poverty line experience health challenges and disability. These findings underline the urgent necessity to implement more adequate and universal social support programs, such as a comprehensive Universal Basic Income (UBI).

⁸ Canadian Human Rights Commission. <https://www.chrc-ccdp.gc.ca/eng/content/statement-inequality-amplified-covid-19-crisis>

⁹ This research was funded by a University of Guelph COVID-19 Catalyst Grant and conducted in partnership with A Way Home Canada (<https://awayhome.ca>), the Guelph-Wellington Taskforce for Poverty Elimination (<https://www.gwpoverty.ca>), and Services and Housing in the Province (<https://shipshey.ca>). We received REB approval from the University of Guelph (Certificate # 20-06-031). Other research findings from this project are available at: <https://liveworkwell.ca>. For more details about the research contact liveworkwell@uguelph.ca.

About the Research⁹

This research summary is part of a series highlighting key findings and policy recommendations¹⁰ that emerged from a project aimed at:

- better understanding the impacts of COVID-19 on the day-to-day lives of people living with poverty in small urban and rural communities; and
- identifying and responding to policy gaps in government responses to the pandemic.

The results are based on five scoping interviews with service providers; interviews and focus groups with 23 unique participants who self-identified as living with poverty; an intersectional policy analysis of measures taken by the federal, provincial and local governments to respond to the COVID-19 pandemic; and a scan of relevant literature.

About the Participants

From July to September 2020, the research team conducted in-depth focus groups and interviews with people who self-identified as living with poverty in the City of Guelph, Wellington County, Dufferin County, and Peel Region. Of the participants, 73% identified as women, 78% discussed receiving social assistance, and 45% referred to having a disability. Some of the participants were youth, and some were seniors. Some lived in their own homes, while others lived with friends or family, or in shelters or motels. Qualitative research, as presented here, helps illuminate the depth and breadth of experiences among a group of people facing a particular challenge – in this case, coping with the COVID-19 pandemic while experiencing poverty.