



Learning from our mistakes: Ontario needs more than an employment strategy to address rising poverty

By Maxwell Caballero and Alexi White

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About the authors

Maxwell Caballero is a policy researcher at Maytree

Alexi White is Director of Systems Change at Maytree

About Maytree

Maytree is a Toronto-based human rights organization committed to advancing systemic solutions to poverty and strengthening civic communities. We believe the most enduring way to fix the systems that create poverty is to ensure that economic and social rights are respected, protected, and fulfilled for all people living in Canada. Through our work, we support non-profit organizations, their leaders, and people they work with.

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Maytree
77 Bloor Street West, Suite 1600
Toronto, ON M5S 1M2
CANADA

+1-416-944-2627

info@maytree.com
www.maytree.com

Ontario's 2020-2025 Poverty Reduction Strategy has failed. The government's theory of poverty reduction – that employment can and must be the path out of poverty for everyone – is misguided and not rooted in evidence. We urge the province to learn from its mistakes and design a new PRS using an evidence-informed approach that centres on producing positive outcomes for people.

This brief is the second in a series examining Ontario's most recent poverty reduction strategy (2020 PRS), *Building a Strong Foundation for Success: Reducing Poverty in Ontario (2020-2025)*.¹ Our first brief, *Poverty rising: How Ontario's strategy failed and what must come next*, analyzed the dynamics of poverty in Ontario during the period covered by the 2020 PRS.² It found that the provincial government has allowed poverty to surge such that it now exceeds pre-pandemic levels, and a growing gap between Ontario and the rest of Canada suggests provincial policies are increasingly to blame. It argued that the next PRS should take a human rights-based approach to poverty reduction – one that focuses on addressing the broken systems that cause and perpetuate poverty.

Picking up where the first left off, this brief explores why the 2020 PRS failed.

1 Government of Ontario. (2020). *Building a Strong Foundation for Success: Reducing Poverty in Ontario (2020-2025)*. <https://www.ontario.ca/page/building-strong-foundation-success-reducing-poverty-ontario-2020-2025>

2 White, A. (2025). *Poverty rising: How Ontario's strategy failed and what must come next*. Maytree. <https://maytree.com/publications/poverty-rising-how-ontarios-strategy-failed-and-what-must-come-next/>

The 2020-2025 Poverty Reduction Strategy's fixation on employment is misplaced

Much more than in previous strategies, the 2020 PRS and its four pillars emphasized employment and economic growth as the path to poverty reduction (see Table 1). A recurring motif is the false premise that government policies and programs will lead to more social assistance recipients finding “meaningful employment and financial stability.”

Table 1: Examples of the employment focus present in every pillar of the 2020-2025 Poverty Reduction Strategy

Pillar	Employment focus
1. Encouraging job creation and connecting people to employment	"The strategy will help people <i>adapt to the changing job market</i> in order to achieve long-term job success and be better able to withstand economic challenges."
2. Connecting people with the right supports and services	"Addressing these issues is a first step towards <i>helping people find a job</i> and contribute to their communities."
3. Making life more affordable and building financial resiliency	"By reducing the cost of living, protecting consumers and helping people keep more of their <i>hard-earned money</i> , the government will help people become more financially stable and resilient."
4. Accelerating action and driving progress	"This will be achieved by accelerating initiatives that <i>support economic recovery</i> and developing integrated solutions that <i>better connect the province's health, social and economic systems</i> ."

Source: Excerpts from *Building a Strong Foundation for Success: Reducing Poverty in Ontario (2020-2025)*. Italics added to emphasize the connection to employment.

Supporting work should be part of any strategy to reduce poverty. What is problematic, however, is focusing on employment as the only answer while ignoring the complex factors and systems that create and perpetuate poverty, including the chronic underfunding of income security programs.

Treating employment as a panacea for poverty reduction is best understood as part of a larger ideological view that poverty is caused by personal failings and poor work ethic. Take, for example, Premier Ford's remarks about people who access Ontario Works (OW), which imply that they are lazy and responsible for their poverty:

"What drives me crazy is people on Ontario Works. ... It really bothers me that we have healthy people sitting at home, collecting your hard-earned dollars."³ (June 2023)

"You know what I don't like? And I have no problem taking care of people on Ontario Works. Healthy young people that are sitting on the couch watching the Flintstones, they should be out there, they should be working."⁴ (February 2025)

The reality is that people who try to survive on social assistance in Ontario struggle daily to meet basic needs like food and shelter. There is most often a life of stress and anxiety, poor health, and unsafe living conditions. At best, the Premier's comments display a callous lack of understanding. At worst, they show a willingness to vilify recipients to justify punishingly low social assistance rates and deflect attention from the role played by government systems.

The Ontario government is comparatively more compassionate toward people receiving income support from the Ontario Disability Support Program (ODSP), as evidenced by both its rhetoric and policy. This is ideologically consistent with its fixation on employment, dividing social assistance recipients into deserving and undeserving groups based on false stereotypes about both ability and work ethic.

This strain of thinking has a strong pedigree in Ontario. Former Premier Mike Harris used a similar spectre of welfare fraud to justify deep cuts to social assistance in the 1990s, even as the evidence suggests welfare fraud is rare, and corporate and white-collar fraud and tax evasion are much more serious issues.⁵ This tradition of portraying social assistance recipients as freeloaders allows governments to blame poverty on each individual's personal failings, thus avoiding responsibility for fixing broken systems or acknowledging that it is within their power to end poverty.

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- 3 Hauen, J. (2023, June 26.) Ford faces blowback over comments about Ontario Works recipients. *Barrie Today*. <https://www.barrietoday.com/local-news/ford-faces-blowback-over-comments-about-ontario-works-recipients-7195179>
 - 4 Ismail, R. (2025, February 10). "It was really despicable": London West NDP candidate frustrated with Ford's comment about ODSP. *CTV News*. <https://www.ctvnews.ca/london/article/it-was-really-despicable-london-west-ndp-candidate-frustrated-with-fords-comment-about-odsp/>
 - 5 Addario, L. (2002). *Six degrees from liberation: Legal needs of women in criminal and other matters*. Legal Aid Research Series. Department of Justice Canada, Programs Branch; Research and Statistics Division, 19. https://www.justice.gc.ca/eng/rp-pr/csj-sjc/jsp-sjp/rr03_la20-rr03_a20/rr03_la20.pdf

In the words of the 2020 PRS, the role of government is merely one of “encouraging job creation and connecting people to employment.” In this way, the 2020 PRS sanitizes the Premier’s rhetoric and gives it a veneer of respectable public policy.

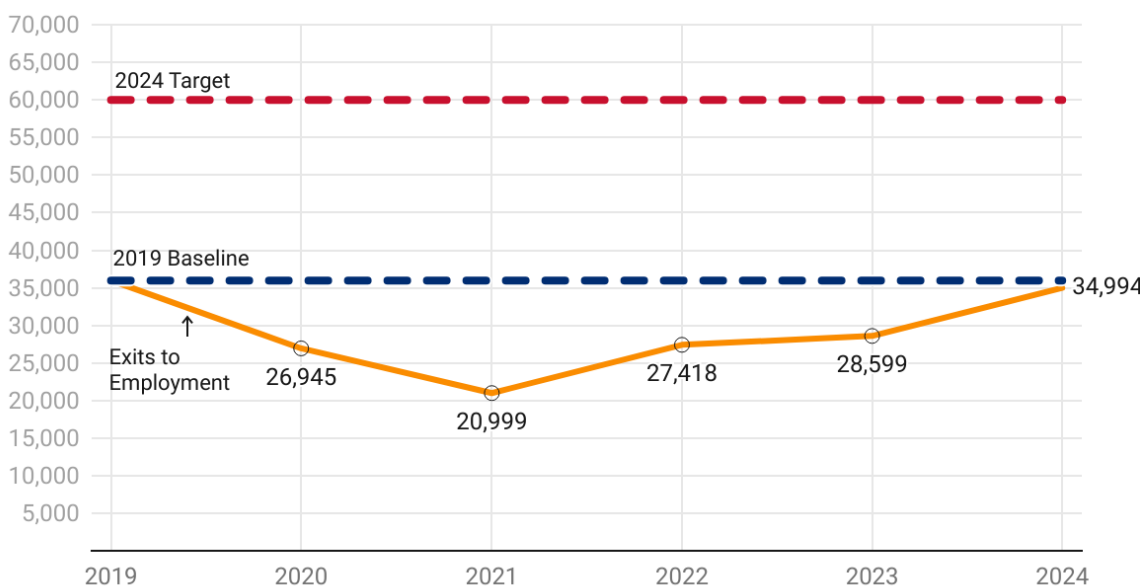
The 2020 PRS still missed its employment target

Perhaps the strongest evidence of the government’s fixation on employment as the only solution to poverty is that the 2020 PRS does not set a poverty reduction target at all, despite this being a requirement under Ontario law.⁶ Instead, the only 2020 PRS target relates to the number of people who will leave social assistance for work:

“The government will provide the right supports and services with the goal of increasing the number of social assistance recipients moving to employment each year from 35,000 in 2019 to 60,000 by 2024.”

This target also leaves the impression that the 2020 PRS is less about reducing poverty and more about reducing the social assistance caseload. Despite the fixation on employment, Figure 1 shows the government is falling well short of its only target. In fact, the number of exits from social assistance to employment dipped below the 2019 baseline and only recently shows signs of recovering. At first, this could be explained as a result of the global pandemic, but with each passing year, the lack of progress underlines the folly of the government’s approach.

Figure 1: Ontario 2020 PRS target: Exits to employment from social assistance



Source: Compiled from the public Poverty Reduction Strategy Annual Reports⁷

6 See the *Poverty Reduction Strategy Act, 2009*, section 3. <https://www.ontario.ca/laws/statute/s09010>

This outcome should surprise no one. The 2020 PRS reflects the provincial government’s fundamental misunderstanding of the social assistance population and the labour market. As we will see, this misstep, combined with a lack of other evidence-based approaches to poverty reduction, explains the failure of the 2020 PRS.

Methodology

This paper draws on new data from the Common Assessment used in Ontario’s Integrated Employment Services (IES) system. The Common Assessment is a digitally administered questionnaire used by both the Employment Ontario and Social Assistance systems to collect information on clients, including life stabilization needs, strengths, and barriers to employment. Data collected through the tool is used to stream clients in the IES system and helps inform the scope of services provided to each client.

Maytree obtained this data through a Freedom of Information request, and it is available for download on the Maytree website.⁸ The data consists of aggregate responses to all questions asked as part of the IES intake process, and it can be disaggregated by whether the client was referred to IES through Ontario Works, ODSP, or not referred by either program (“non-referred”). This allows us to analyze the commonalities and differences between the social assistance and non-social assistance users of employment services.

Note that this sample of social assistance recipients captures only those who were referred to IES *because they are considered ready for employment services*. It is reasonable to assume, therefore, that a similar survey of all social assistance clients would reveal larger disparities between social assistance recipients and other IES clients.

Part 1: Social services are as important as employment services

Ontario Works is a form of “workfare.” Recipients are required to work, to actively look for work, or to participate in job training to remain eligible for benefits. One problem with workfare systems is that they reinforce the idea that everyone is either job-ready or could be job-ready with the help of employment

7 Annual reports are available here: <https://www.ontario.ca/page/poverty-reduction-in-ontario#section-3>.

8 Common Assessment data is available for download at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

services. However, the research and data available on the Ontario Works caseload reveal something quite different.

It is generally assumed that a strong labour market leads to fewer social assistance recipients, and vice-versa, but Figure 2 shows that the correlation between the unemployment rate and the portion of the population accessing social assistance has decreased in recent years. As there is no evidence that recipients are lazier today than they were in the past, it makes more sense to ask whether a larger proportion of social assistance recipients now face significant barriers to joining the labour market.

Figure 2: Comparison of the percentage of Ontarians under age 65 receiving social assistance and the unemployment rate, 1989-2019



Source: Xhang, Z. (2025). Recent trends in social assistance. Income Research Series – Statistics Canada, 2025002. ISSN: 2819-232X. <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2025002-eng.html>

This dynamic can be more easily understood if we see the Ontario Works caseload not as a monolith but as several segments with different levels of labour market attachment. One approach, originally defined by Ernie Lightman, Andrew Mitchell, and Dean Herd, proposes four groups:⁹

- **Stayers:** Individuals who face substantial barriers to employment that cannot be addressed by employment services.
- **Mixers:** Individuals who work part-time while accessing social assistance under an earned income exemption. Mixers are characterized by barriers that prevent full attachment to the labour market, reducing their capacity to exit social assistance.

⁹ Lightman, E., Mitchell, A., & Herd, D. (2005). One Year On: Tracking the Experiences of Current and Former Welfare Recipients in Toronto. *Journal of Poverty*, 9(4), 5–25.

- **Cyclers:** Individuals who episodically leave social assistance for employment. Cyclers are characterized by a capacity for employment, but with only precarious options available, they return to social assistance.
- **Leavers:** Individuals who require social assistance for a short duration before regaining steady employment. Leavers are characterized by a closer proximity to the labour market and lower barriers to employment.

Interviews conducted with Ontario Works case managers find that time spent with clients who could be classified as mixers or stayers is spent assessing payment eligibility and increasing employability as opposed to charting a path to full-time, stable employment.¹⁰ It would seem that both caseworkers and recipients understand that these activities serve the goal of legitimizing a claim to assistance in a workfare system rather than meaningfully advancing an employment search.

Stayers face unaddressed barriers to employment

Stayers represent a considerable percentage of the total Ontario Works caseload, and there are plenty of reasons why this is the case, from unacknowledged disabilities to full-time caregiving responsibilities.

Single mothers, for example, are disproportionately stayers. While the cost of child care has been reduced significantly in recent years, it remains unaffordable to families living in poverty, and many low-income families would not be able find a space even if they could afford it.¹¹

While a single mother may enter social assistance having recent job experience, their chances of exiting grow worse the longer they remain. It is notable, however, that single fathers have an easier time re-entering the labour market, suggesting that it is sexism – not laziness – that perpetuates poverty for many.¹²

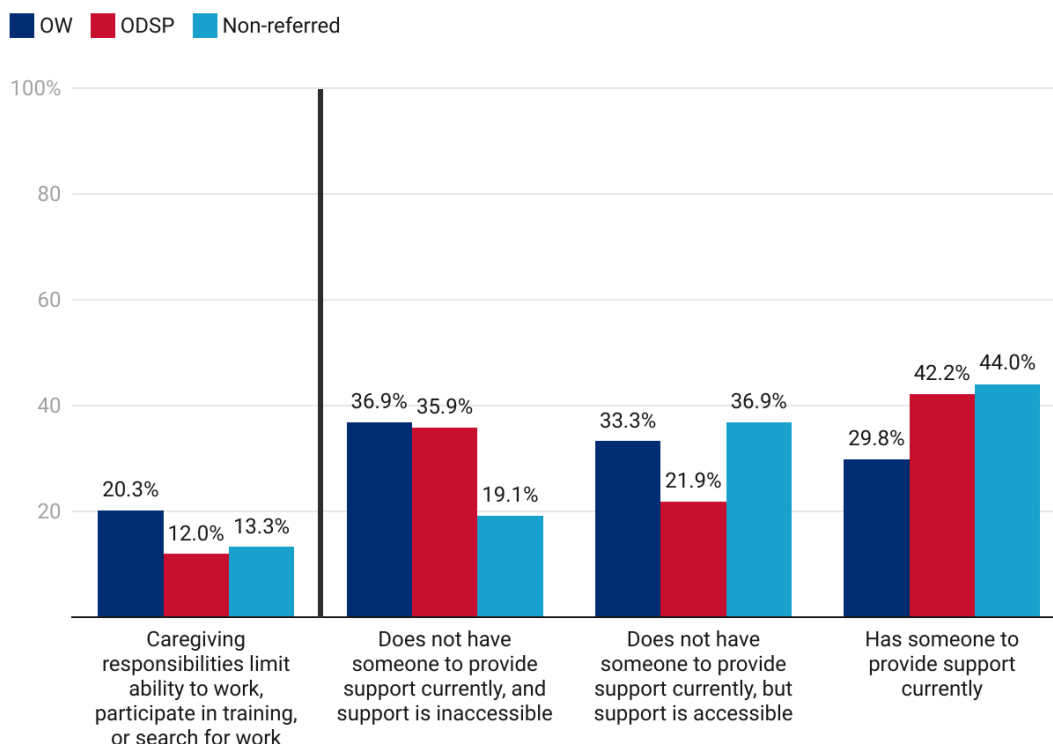
As Figure 3 shows, looking only at social assistance recipients who are deemed ready for employment services, we find this group is still much more likely to report caregiving responsibilities limiting their ability to work, and that support to deal with this barrier is unavailable.

10 Pennisi, S., & Baker Collins, S. (2017). Workfare under Ontario Works: Making Sense of Jobless Work. *Social Policy & Administration*, 51(7), 1311–1329. <https://doi.org/10.1111/spol.12271>

11 Campaign 2000. (2024). *Ending Child Poverty: The Time Is Now*. <https://campaign2000.ca/wp-content/uploads/2024/11/Ending-Child-Poverty-The-Time-is-Now-2023-Report-Card-on-Child-and-Family-Poverty-in-Canada-Nov-18-2024.pdf>

12 Shibuya, K. (2018). Dynamics of Permanent Exit from Welfare in Ontario, Canada: Duration Dependence and Heterogeneity. *Canadian Public Policy*, 44(3), 241–258. <https://doi.org/10.3138/cpp.2017-030>

Figure 3: Caregiving responsibilities and access to support by source of referral to employment services



Source: IES Common Assessment data downloadable from the Maytree website at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

This is an example of a barrier that explains why some social assistance recipients may remain on the caseload. An evidence-based poverty reduction strategy would offer a plan to, for example, address child-care and elder-care gaps through a stronger care economy and combat sexism in the labour market. Little is achieved by chastising these individuals and pressuring them into accessing employment services.

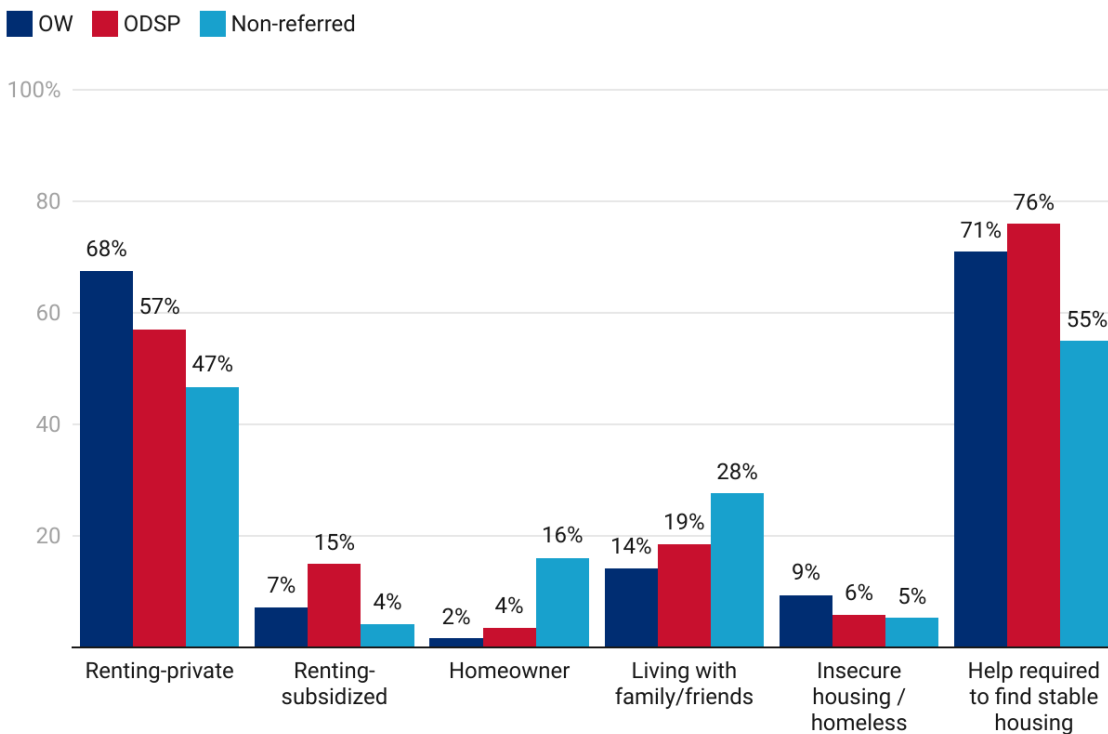
Other recipients face significant barriers related to life stabilization

The theory behind Ontario's Poverty Reduction Strategy is that people on social assistance, especially Ontario Works, can get and keep a steady job that pays enough for them and their family to exit social assistance and poverty. In fact, low social assistance rates, combined with a chronic lack of health, housing, and other services, forces many social assistance recipients into lives that are too unstable to find and keep decent, long-term employment.

We can begin by looking at housing precarity. It is difficult to find and keep employment without a roof over one's head, yet as Figure 4 shows, a shockingly

high number of employment services users in Ontario need help finding stable housing. Moreover, we see that social assistance recipients are more likely to be housing insecure or unhoused and more likely to request help finding stable housing. Although chronic homelessness is up sharply in Ontario over the past few years, provincial investments in social and affordable housing have remained stagnant in real terms.¹³ To boost employment among people living in poverty, Ontario first needs a PRS that invests in housing supports at rates that match the urgency of the crisis.

Figure 4: Housing arrangements by source of referral to employment services



Source: IES Common Assessment data downloadable from the Maytree website at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

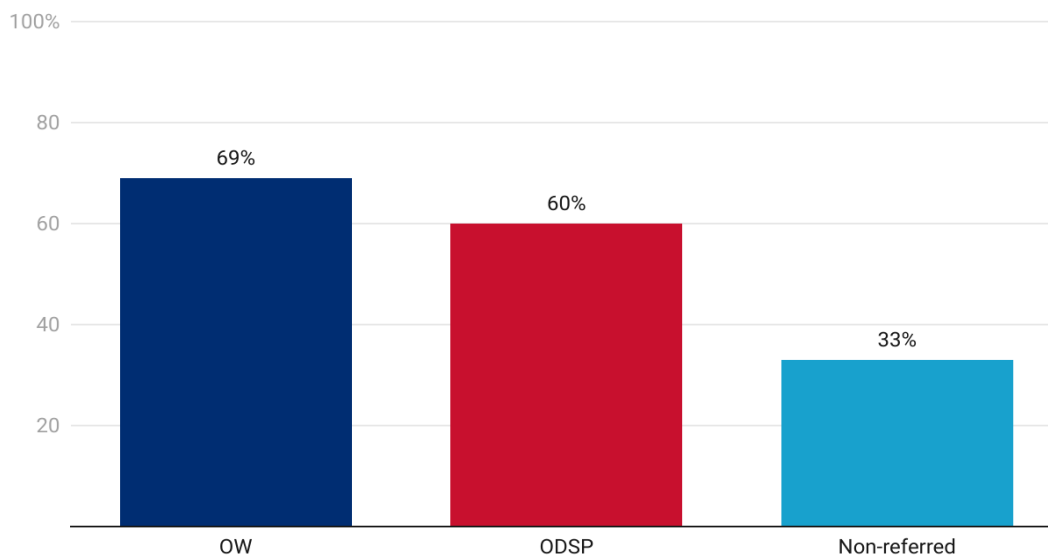
It is also difficult to find employment when a person is constantly worried about their next meal, yet food insecurity is rampant among those accessing employment services (see Figure 5). The rates for social assistance recipients are particularly high, at about twice that of non-referred clients. For comparison, across Ontario as a whole, rates of moderate and severe food insecurity have nearly doubled from 12 per cent in 2020 to 21 per cent in 2024.¹⁴ The main answer to food insecurity is

13 White, A. (2025). *Provincial spending on housing and homelessness in Ontario*. Maytree. <https://maytree.com/publications/provincial-spending-on-housing-and-homelessness-in-ontario/>

14 Statistics Canada. Table 13-10-0834-01. Food insecurity by economic family type.

income supports, and a PRS that is serious about boosting employment would first reverse years of underinvestment in the income security system.

Figure 5: Experience of food insecurity by source of referral to employment services



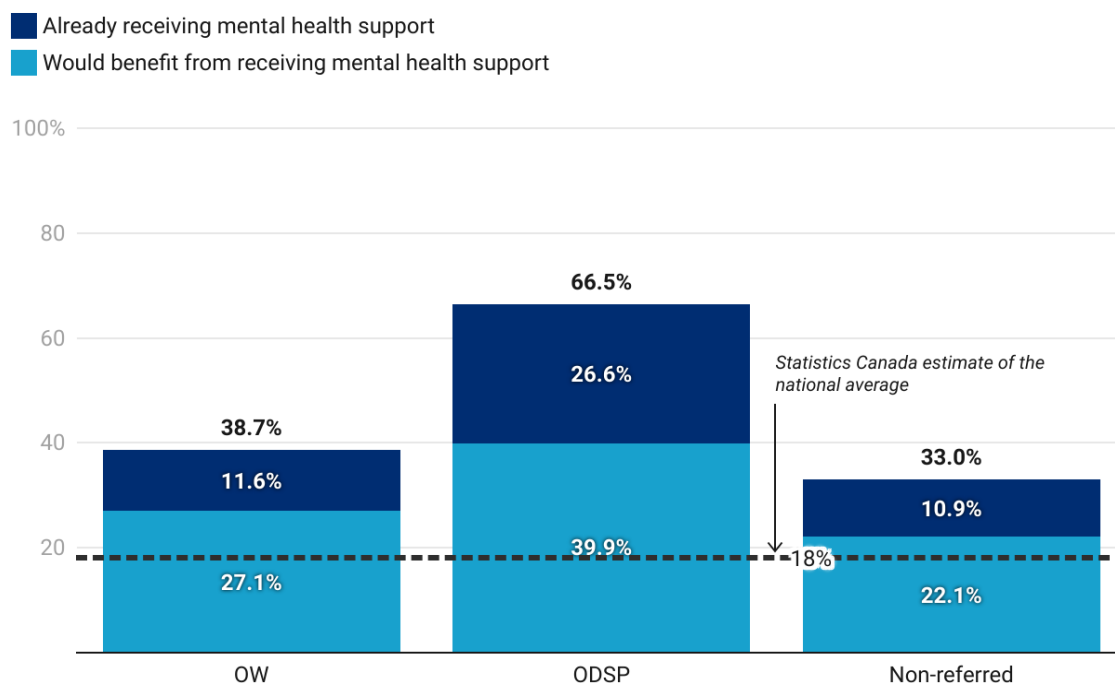
Source: IES Common Assessment data downloadable from the Maytree website at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

Worrying about eviction or finding your next meal is exhausting and damaging to mental and physical health. Figure 6 shows that employment services users are significantly more likely to report mental health challenges than the general population, with rates even higher among social assistance recipients.

These figures are based on individuals self-reporting whether they are receiving mental health support or have an unmet need for support. To compare this to the rate in the general population, we turn to Statistics Canada's analysis of data from the 2022 Mental Health and Access to Care Survey.¹⁵

15 Stephenson, E (2023). Mental disorders and access to mental health care. Insights on Canadian Society. Catalogue No. 75-006-X. *Insights on Canadian Society*. <https://www150.statcan.gc.ca/n1/pub/75-006-x/2023001/article/00011-eng.htm>

Figure 6: Access to mental health support by source of referral to employment services



Source: IES Common Assessment data downloadable from the Maytree website and Statistics Canada estimates (see Footnote 15).

It is worth noting that many of the findings discussed in this section may be undercounts. Caseworkers report that some of their clients are unwilling to provide honest answers to Common Assessment questions out of fear that a “wrong” answer may have negative consequences.¹⁶

The government’s own employment system data presents a clear picture: People cannot find and keep decent work while struggling with unaffordable child care, unstable housing, empty fridges, and untreated health needs. To truly tackle poverty and increase employment, the provincial government must address these systemic issues head-on.

These challenges are well known to the Ontario government, but it is so far unwilling to put forward real solutions. Ontario’s *Vision for Social Assistance Transformation*, published in 2021, recognizes “achieving stability” as a precursor to labour market success. It promises a combination of administrative reorganization and “streamlining to free up resources,” which it says will lead to a system where “people on social assistance will benefit from the in-depth,

16 White, A. & DiBellonia, S. (2024). *Early signs of trouble: Findings from the third-party evaluation of Ontario’s Employment Services Transformation*. Maytree. <https://maytree.com/publications/early-signs-of-trouble-findings-from-the-third-party-evaluation-of-ontarios-employment-services-transformation/>

personalized focus of life stabilization.”¹⁷ Obviously this has not worked. The next PRS must recognize that investments in income support and other social service systems are the only way social assistance recipients will achieve stability.

Part 2: Jobs are scarce and are not a ticket out of poverty

For the sake of argument, let us assume a person can overcome the barriers to work that we explored in the previous section. That is only half the equation. If employment is to act as an enduring pathway out of poverty, there must be good work with decent pay and sufficient hours available in the community.

To get a rough sense of job supply and demand, we compared the number of clients in the Integrated Employment Services system to Statistics Canada’s data on job vacancies at roughly the same time and in the same regions:

- To construct our client data, we selected four catchment areas that transitioned to the new IES system in January 2024 so that all intakes occurred between then and March 2025. These catchment areas are Kitchener-Waterloo-Barrie, Ottawa, London, and Windsor-Sarnia. (Durham also transitioned to the new IES system at the same time, but we have excluded it because we lack comparable Statistics Canada labour market data for that region.)
- To construct our job vacancies data we used the Statistics Canada counts for these same regions in the first quarter of 2025. We further grouped vacancies by the level of education required using the Training, Education, Experience and Responsibilities (TEER) framework within the National Occupational Classification.¹⁸

We wish to stress that this is not a perfect comparison. For example, the jobseeker data does not include those looking for work who are not involved in the IES system. Jobseekers and job vacancies are also measured over different periods of time, and we have no way of updating IES intake numbers to account for individuals who found employment or stopped searching prior to the first quarter of 2025. We have designed our methodology to limit the impact of these factors as

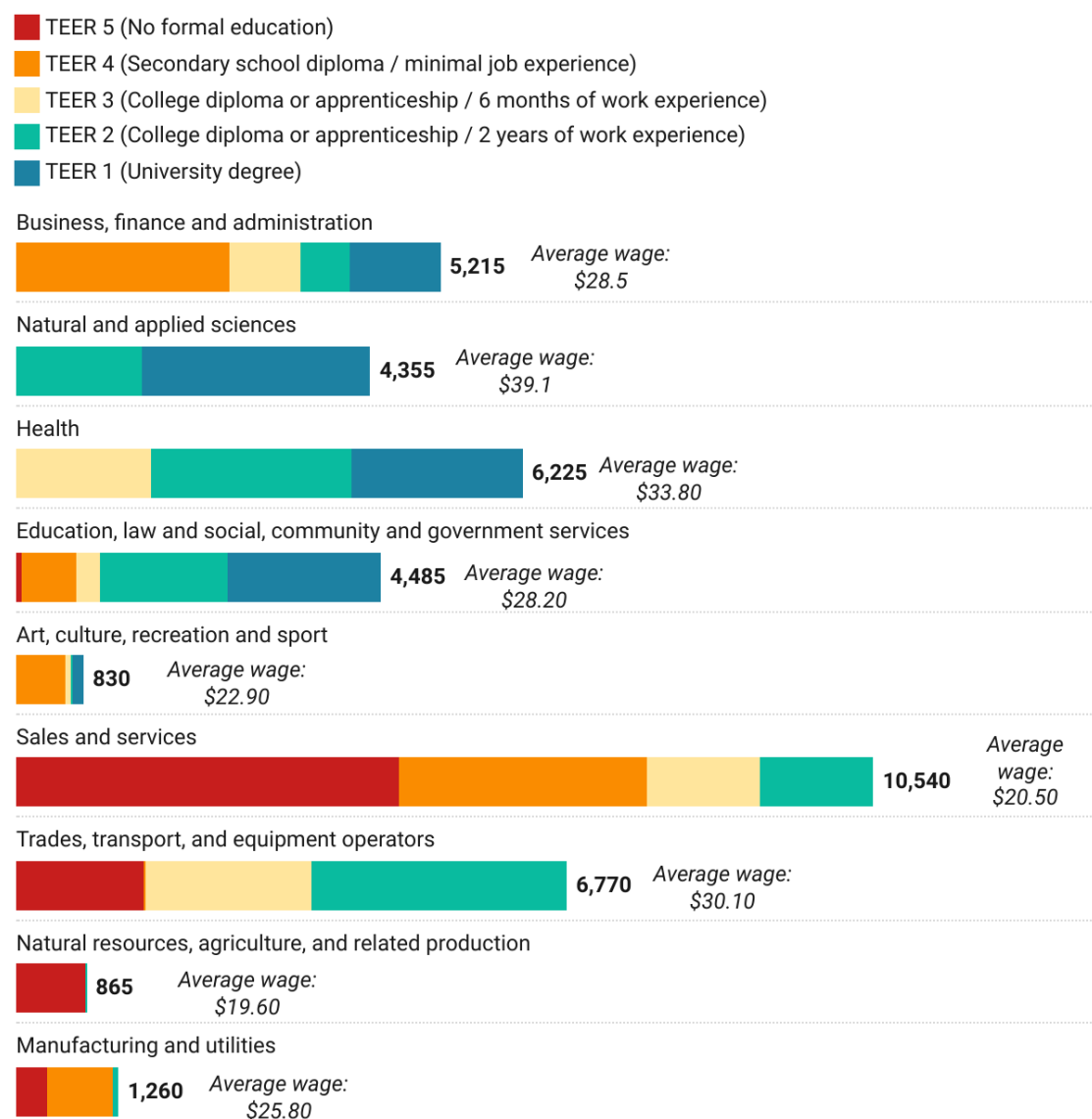
17 Ontario Government. (2021). *Recovery & Renewal: Ontario’s Vision for Social Assistance Transformation*. <https://www.ontario.ca/page/recovery-renewal-ontarios-vision-social-assistance-transformation>

18 Government of Canada. (2025). Find your National Occupancy Classification (NOC). <https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/find-national-occupation-code.html>

best we can, and we believe the data provides a close enough approximation for our purposes.

For a sense of the jobs available across the four catchment areas of interest, Figure 7 displays all job vacancies in the first quarter (Q1) of 2025 by occupational category, TEER prerequisites, as well as the average wage of vacant positions that are included in the Statistics Canada data. This gives us a sense of both the availability of jobs in particular sectors in the catchment areas as well as the level of compensation provided by these jobs.

Figure 7: Total job vacancies and average wage across the four selected IES catchment areas in Q1 2025 by occupational category and education requirements



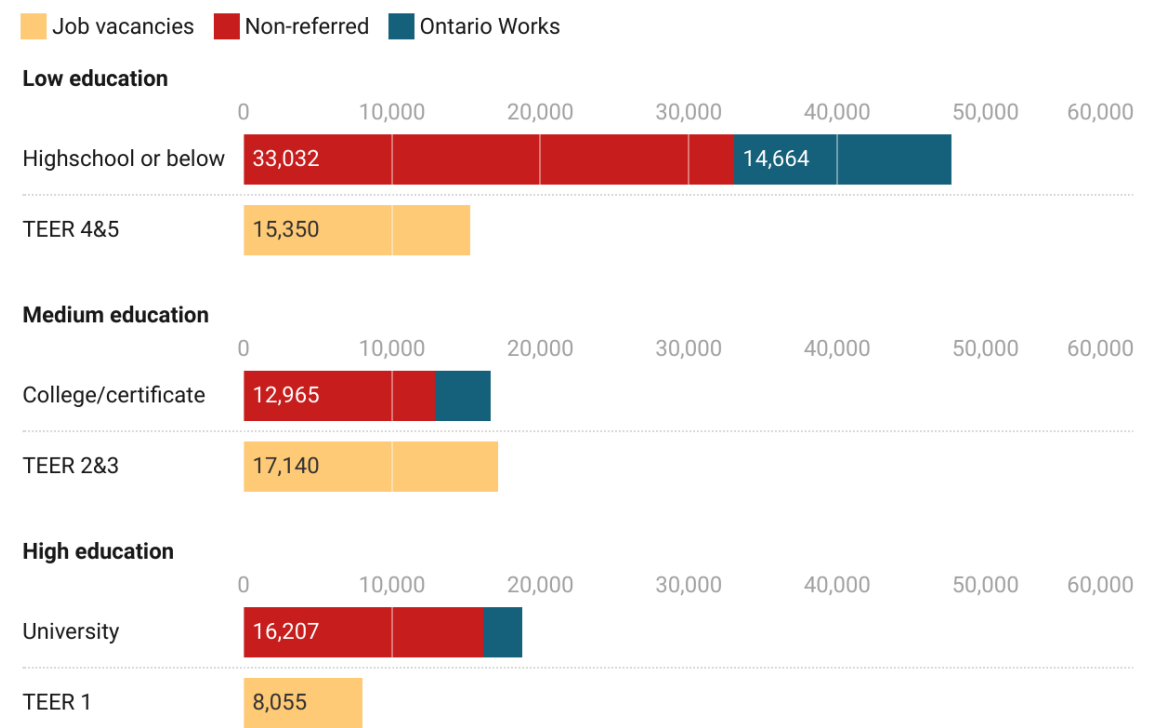
Source: Statistics Canada. Table 14-10-0444-01. *Job vacancies and average offered hourly wage by occupation (unit group), quarterly, unadjusted for seasonality*

Notably, the “sales and services” occupation offers the greatest number of vacant positions, particularly if we isolate the lower-skilled positions (TEER 4 and 5). Despite higher demand for labour, “sales and services” offers the second lowest wage at \$20.50/hour

In Figure 8, we reorganize the job vacancy data by level of education required using the TEER framework and compare it to the number of IES jobseekers who would qualify based on their level of education according to the Common Assessment. What stands out immediately is that the number of IES clients with a high school education far exceeds the number of jobs available at that level of education. This is a particularly important finding for understanding the employment potential of Ontario Works recipients, as the data shows they are much more likely to have a lower level of education than non-referred IES clients. It is likely that jobseekers with some post-secondary education have an advantage in getting positions they are otherwise over-qualified for, making it harder for those with only a high school education to compete.

(ODSP recipients have been omitted here because of the methodological limitations of this comparison and the small sample in the IES system.)

Figure 8: Number of job vacancies by educational requirement in Q1 2025 vs total IES intake from January 2024 to March 2025 by educational attainment



Source: Statistics Canada. Table 14-10-0444-01. *Job vacancies and average offered hourly wage by occupation (unit group), quarterly, unadjusted for seasonality* and IES Common Assessment data downloadable from the Maytree website at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

Even with the methodological limitations inherent in this comparison, our findings repudiate the government's position that all OW recipients can and should work their way out of poverty.

As we explore in the next section, the fixation on pushing social assistance recipients into a labour market with too few jobs – especially decent jobs – perpetuates high levels of precarious employment, benefitting both employers and consumers who access products and services that are subsidized by the poor treatment of workers.

The fallacy of “stepping stones” to better employment

Skeptics might argue that even with many barriers and few jobs, those living in poverty should strive to secure a toehold in the labour market. Even a temporary job for a few hours a week, it is sometimes argued, can be a stepping stone to better employment and a middle-class life.

While theoretically possible, there is no evidence of this happening at scale. One study of the post-welfare labour market experiences of people who were on social assistance in Canada in 1996 found that leavers earn lower wages, work fewer hours, and have lower annual earnings than non-recipients: “Even after six years, most social assistance recipients remained marginalized in the periphery of the labour market.”¹⁹

Meanwhile, the growth in non-standard, precarious employment has been well documented in Ontario. The 2017 *Changing Workplaces Review* estimated that the proportion of vulnerable workers in precarious work in Ontario was about one in three, which the authors note is broadly aligned with the experience in industrialized countries around the globe.²⁰ This proportion grows to half of all single parents and nearly two-thirds of workers with less than a high school diploma – two groups that are overrepresented on social assistance in Ontario.

Similarly, a 2001 study on the employment characteristics of former OW recipients found 31 per cent reported holding temporary, seasonal, contractual, or causal forms of employment – a rate four times greater than the average Ontario labour force. One third of respondents reported changing or leaving their employment

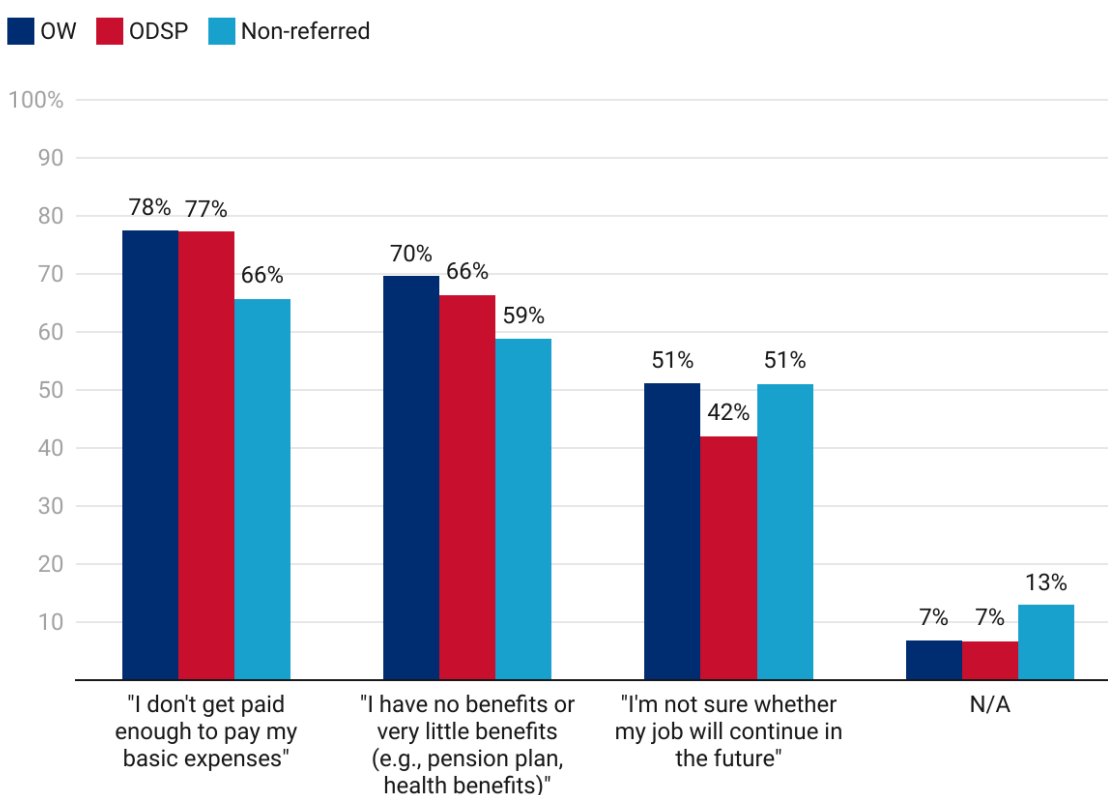
19 Lightman, E., Mitchell, A., & Herd, D. (2010.) Cycling Off and On Welfare in Canada. *Journal of Social Policy*, 39(4), 523-542. <https://doi.org/10.1017/S0047279410000279>

20 Mitchell, C. M., & Murray, J. (2017). *Changing Workplaces Review*. Chapter 4: Vulnerable workers in precarious jobs. Government of Ontario. <https://www.ontario.ca/document/changing-workplaces-review-final-report/chapter-4-vulnerable-workers-precarious-jobs>

between 1997 and 2001, and half of them did so involuntarily. The respondents who remained employed reported weekly earnings that were 55 per cent of the provincial average.²¹

We can see these same trends today in the Common Assessment data when we isolate employment services users who are already employed and are looking for better work – step one of the supposed stepping stone path out of poverty. As shown in Figure 9, most cannot survive on their current wages, have no benefits, and do not expect their existing jobs will last. Moreover, Figure 10 shows that over two-thirds of Ontario Works recipients and half of non-referred clients have had their job for less than a year.

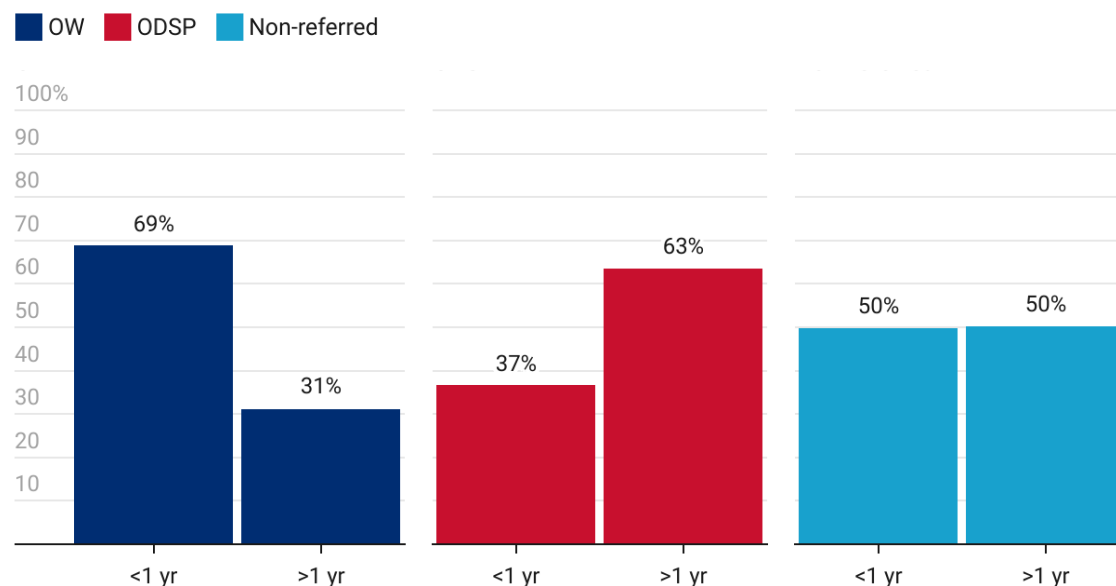
Figure 9: Precarious conditions under current employment by source of referral to employment services



Source: IES Common Assessment data downloadable from the Maytree website at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

21 Lightman, E., Mitchell, A., & Herd, D. (2005). Welfare to What? After Workfare in Toronto. *International Social Security Review (English Edition)*, 58(4), 95–106. <https://doi.org/10.1111/j.1468-246X.2005.00227.x>

Figure 10: Duration of current employment by source of referral to employment services

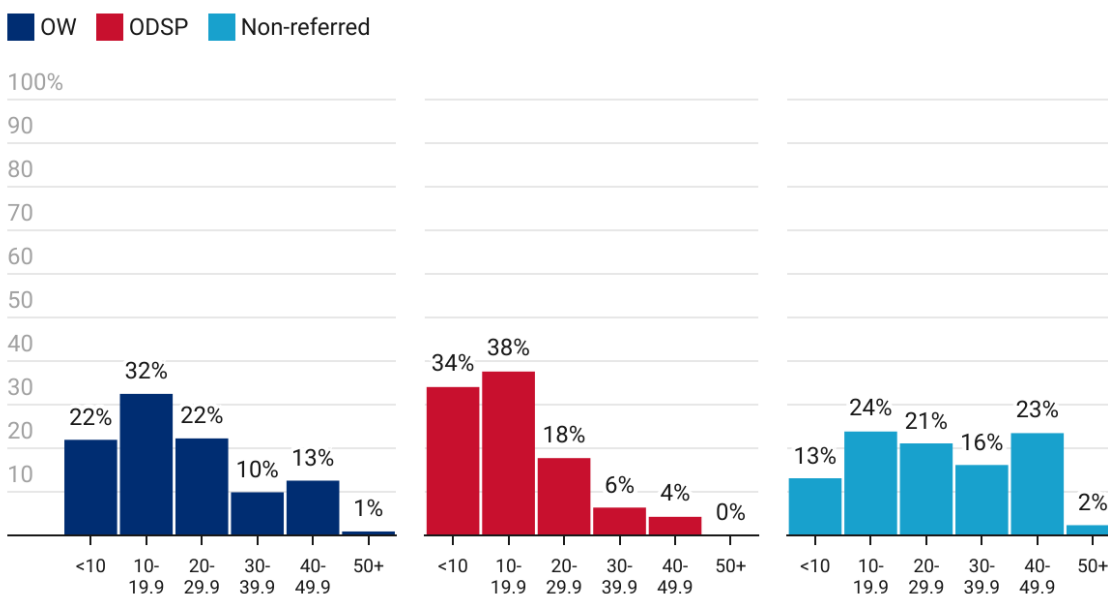


Source: IES Common Assessment data downloadable from the Maytree website at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

These are the “mixers” and “cyclers” of social assistance from the four groups described earlier. Their toehold in the labour market is fragile, and their paycheques aren’t enough to live on. When they do exit social assistance, they are much more likely to be back again soon than to be off on a trajectory into the middle class.

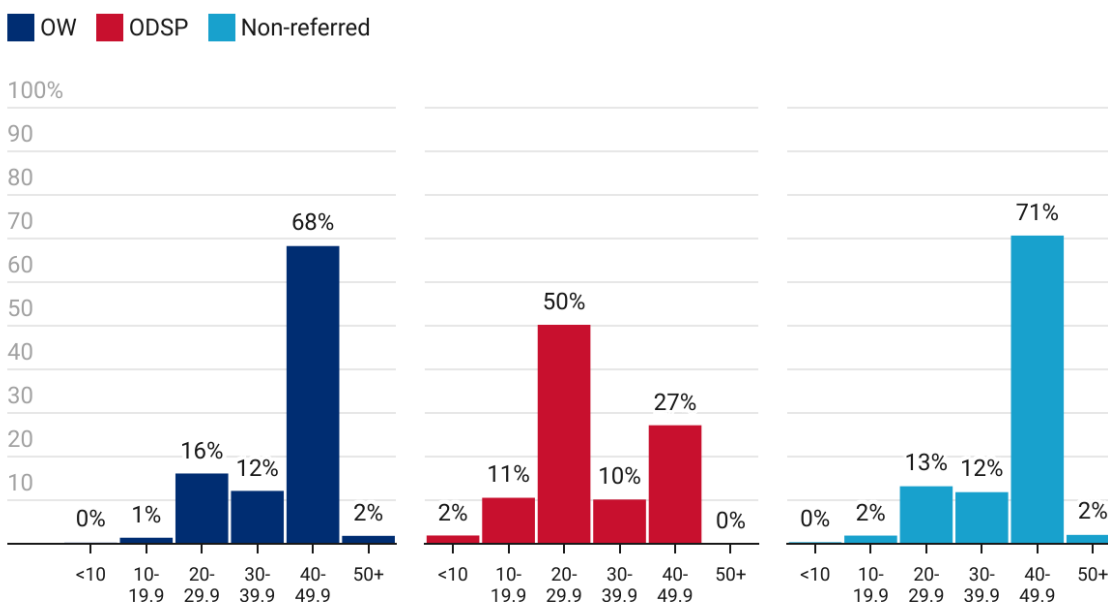
Contrary to what our political leaders claim, the Common Assessment data also suggests employment services users are keen to find full-time employment, whether they are on social assistance or not. Of those who are already employed, very few work anywhere near 40 hours per week, and this is particularly true of social assistance recipients as shown in Figure 11. Nevertheless, as Figure 12 shows, a much higher proportion hope to reach at least 40 hours of work per week, if only the opportunity existed.

Figure 11: Hours worked per week at current employment by source of referral to employment services



Source: IES Common Assessment data downloadable from the Maytree website at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

Figure 12: Preferred hours worked per week at future employment by source of referral to employment services



Source: IES Common Assessment data downloadable from the Maytree website at <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>.

The provincial government has not released comprehensive outcome data on the IES system, so it is difficult to know what proportion of clients are successful in finding full-time work. However, what we know about the incentive structure for employment service providers gives us reason to doubt that they are successful. Under the new system, performance-based funding is provided for every client that is employed for at least an average of 20 hours per week. The system managers – some of whom are for-profit operators – are incentivized to help as many clients as possible reach the 20-hour threshold, rather than to help each unique client reach their next stepping stone. The evidence we have collected on the new system is consistent with the phenomena of “creaming” and “parking” different clients as a response to the incentive structure, both of which are common in similar employment systems around the world.²²

Regardless, when most available jobs are precarious, they cannot be stepping stones for everyone. Instead, lower income workers are forced to cobble together multiple temporary or part-time jobs without the benefits and protections afforded to much of the middle class.²³

Importantly, precarious and non-standard employment offers little in the way of training or education opportunities, and employees rarely develop transferable skills on the job.²⁴ Without building new skills, most will never find their way to better employment.

It is not hard to see why those people termed “mixers” and “cyclers” make up a big part of the OW caseload. The labour market in Ontario is organized in a way that prevents many job-ready social assistance recipients from securing work that would reasonably lead to a permanent exit from poverty.

The idea that precarious work is just a stepping stone on the way to greater things is dangerous when it is used to deflect from the need for fundamental labour market reform. To increase exits from social assistance, an evidence-based poverty reduction strategy would include actions that re-structure the lower end of the labour market to create secure jobs with decent pay and workplace training.

22 Caballero, M. & White, A. (2025). *Underserved: Ontario’s employment services are failing those in greatest need*. Maytree. <https://maytree.com/publications/underserved-ontarios-employment-services-are-failing-those-in-greatest-need/>

23 Lightman, E., Mitchell, A., & Herd, D. (2005). (Footnote 21).

24 Jackson, A. (2003). “*Good Jobs in Good Workplaces*”: *Reflections on Medium-Term Labour Market Challenges*. Caledon Institute of Social Policy. <https://maytree.com/wp-content/uploads/553820541.pdf>

An effective PRS is built on evidence, not ideology

Employment is not a viable path out of poverty unless policy interventions first address the barriers that prevent work and create a labour market that offers decent jobs. Moreover, we know that some social assistance recipients will never work enough to escape poverty. A true poverty reduction strategy must speak to their needs as well.

Nothing we have said here is fundamentally new. The same findings can be found in government-commissioned social assistance reviews dating back decades. In the 21st century alone, reviews in 2004, 2012, and 2018 noted the limits of employment as a solution to poverty and called for transformational investments in Ontario's income security system.^{25,26,27}

Building a poverty reduction strategy on evidence would lead us to a very different course of action – one that recognizes the systems that create and sustain poverty and takes evidence-based steps to address each of them. This would entail comprehensive reforms to education, housing, child care, health care, labour markets, income security, and more.

With the next PRS, we urge the Ontario government to demonstrate a more thoughtful engagement with these issues and a focus on reducing poverty through the full range of required tools – including income supports, housing, and health and other services. To do otherwise would continue a pattern of ideology over evidence that will harm thousands of low-income Ontarians.

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- 25 Matthews, D. (2004). *Review of Employment Assistance Programs in Ontario Works & Ontario Disability Support Program*. Government of Ontario. https://incomesecurity.org/wp-content/uploads/2020/04/Matthews_Report_-_Review_of_Employment_Assistance_Programs_in_Ontario_Works_and_Ontario_Disability_Support_Program_-_2004.pdf
 - 26 Lankin, F. & Sheikh, M. (2012). *Brighter Prospects: Transforming Social Assistance in Ontario*. Government of Ontario. <https://www.crwdp.ca/sites/default/files/Research%20and%20Publications/Environmental%20Scan/16.%20Commission%20for%20the%20Review%20of%20Social%20Assistance%20in%20Ontario/Brighter%20Prospects%20-%20Transforming%20Social%20Assistance%20in%20Ontario.pdf>
 - 27 Government of Ontario. (2018). *Income Security: A Roadmap for Change*. <https://www.ontario.ca/page/income-security-roadmap-change>



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