

Recidivism in Ontario Works in the Region of Waterloo

MPA Research Report

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Executive Summary

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Recidivism is defined by the Merriam-Webster dictionary as “a tendency to relapse into a previous condition or mode of behaviour” (Merriam-Webster Online Dictionary, n.d.). Recidivism in social assistance in Ontario is a re-entry onto Ontario Works (OW). This study reviewed OW data from the Region of Waterloo and asked the question: why do clients return to social assistance after exiting? Information was gathered for the period of January 1, 2008 to December 31, 2009 from the OW data base, the Service Delivery Model Technology (SDMT). Only those cases that had exited OW for a period of 60 days or more were reviewed; those cases that exit and return in less than 60 days are not considered to be a true measure of independence from OW.

To understand recidivism one must understand welfare reforms. A review of literature indicated that throughout the 1980s and 1990s most industrial nations changed their government assistance to no longer be systems of entitlement. In Canada, the United States and many European countries, the changes focused on assisting welfare clients to leave welfare and remain independent of government support. These reforms included mandatory workfare, tightened eligibility criteria and reduced benefit rates. The changes reduced welfare caseloads and the burden to tax payers. It has been considered by a number of researchers as moving clients from welfare poor to working poor (Toronto Community & Neighbour Services, 2002; Schram, 2006).

Research from the United States (US) and Canada was reviewed to determine why clients have historically returned to social assistance. Studies from the US reviewed pre-reform and post-reform periods. David T. Ellwood and Mary Jo Bane collaborated on some of the early pre-reform recidivism studies indicating that those who remain on welfare for more than three years are likely to remain poor (1994). Jian Cao studied 14 years of data on single parents and determined that a change of family status was a key determinant in returning to welfare (1996). Rebecca Blank and Patricia Ruggles found that most clients that return to welfare will do so within nine months of exit (1994). Canadian studies completed after welfare reforms in both Alberta and Ontario found that the profile of recidivists mirrored the profile of the welfare caseload and that many clients leave for unstable jobs, only to return to assistance (Herd, Lightman & Mitchell, 2005; Alberta Human Resources and Employment, 2006).

Based on the research, this study reviewed quantitative data to attempt to determine what characteristics may impact a client's return to OW. The return rate to OW was determined based on the number of clients that returned to OW after it was established that they were a leaver (exit for 60 days or more). Data was collected on gender, age, education, family composition, housing type and reason for reapplication. The information on returners was further studied by sorting the data into two subsets: those who returned in less than nine months and those who returned nine or more months. This was done to determine if any demographic was an indicator of a greater attachment to social assistance.

This study determined that the reasons that impact a client's return to OW in Waterloo are complicated. There is not any one factor that determines whether a

client will return to assistance. Quantitative data alone does not present a complete picture of recidivism and the gathering of qualitative data is imperative to the understanding of clients' situations. The current social assistance system in Ontario does not appear to help clients remain independent. Recommendations to assist the Region of Waterloo help clients in moving forward are included at the end of the report.

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Chapter 1: Introduction

Understanding why clients return to social assistance or welfare¹ after exiting has been a challenge for governments and public administrators. In Ontario, social assistance is called Ontario Works (OW) and its goal is to move recipients to self-reliance and sustainable employment. Without understanding why clients return to social assistance, public administrators cannot develop supports and programs to assist clients to remain independent, thereby meeting the goals set out by the Ontario Works Act (OWA).

The study of recidivism in welfare is a relatively young topic in terms of social science studies, with some of the earliest work being in the 1970s and 1980s. Much of the early work was conducted based on anticipated promised welfare reforms; while the work in the 1990s reviewed what happened to welfare leavers under new welfare rules. The Merriam-Webster dictionary defines recidivism as “a tendency to relapse into a previous condition or mode of behaviour” (Merriam-Webster Online Dictionary, n.d.). Many dictionary definitions of recidivism have negative connotations and refer to criminal activity or health relapses; recidivism in social assistance is a re-entry to the welfare rolls. This study will examine welfare recidivism through gaining an understanding of welfare reforms, a review of literature and studies completed in North America, as well as a review of OW recidivism in the Region of Waterloo.

¹ For the purposes of this study, the terms ‘welfare’, ‘social assistance’ and ‘assistance’ will be used generically to refer to government assistance or short term financial aid unless a reference is being made to a specific titled assistance, such as Ontario Works.

Research has indicated that clients leave welfare for employment, to attend school, being in receipt of other income or due to factors that make them ineligible for assistance. Some studies indicate that many clients return to welfare within twelve months of exiting. Causes for returning to welfare include health related issues, reduced hours or lost employment, change in family status, age and immigration or first language issues. This study will review Ontario Works (OW) clients who have left assistance in the Region of Waterloo and then returned. It will answer the question: why do clients return to social assistance after exiting?

Chapter 2: Understanding Welfare Reforms

A fundamental shift in welfare occurred throughout most industrial countries in the 1980s and 1990s. Many countries moved from welfare entitlement for citizens to new reforms that included mandatory workfare, tightened eligibility criteria and new limits to the length of time citizens can collect welfare. A number of governments reduced welfare benefit rates in order to make work, even at minimum wage, more attractive than staying on welfare. Welfare reforms have been proclaimed to be successful in many countries as welfare caseloads decreased along with the burden on the taxpayer. Strong economic conditions, new regulations and limits in the length of time one can collect welfare contributed to the success of welfare reforms (Smith Nightingale, 2002). Regulations included strategies to move clients from welfare to work and provided additional incentives without ensuring that the employment was sustainable. Many countries experienced success through tax credits for working families, workforce participation and training programs. However many welfare programs still struggled with “growing pockets of welfare persistence in the context of booming economies” (Saunders, 2005, p.1).

In the mid 1990s, global welfare reforms that included the concept of workfare and the reduction of welfare rates were implemented in both the United States (US) and Canada. The US welfare program, Aid to Families with Dependent Children (AFDC), was under review and the government was viewed as having an “administrative culture that is more concerned with enforcement of eligibility rules and with making sure that recipients comply with AFDC regulations than with helping clients to self sufficiency” (Bane & Ellwood 1994, p. xi). President Bill Clinton campaigned on welfare reform in 1992, pledging to end “welfare as we know it” (*The*

New York Times; August 2006). Clinton was a long term supporter of workfare programs having championed such a program as governor of Arkansas in the 1980s. In 1996 the United States Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) which was an important development in the government's plan to move welfare clients to work and off social assistance. This included a major shift in federal funding to the states, moving away from open ended financial supports to lump sum transfers. The Temporary Aid for Needy Families (TANF) was introduced and strict guidelines on funding requirements and eligibility sanctions were implemented. These reforms to the AFDC included a cap to the length of time that families could receive federal assistance, which was a lifetime limit of five years or 60 months (U.S. Department of Health Services, 2009).

In Canada welfare is mandated as a provincial government responsibility. The welfare rolls had swelled more in the recession of the early 1990s than in the previous economic downturn of the 1980s. There was great concern that the caseload numbers and costs would remain high (Finnie & Irvine, 2008). The federal government implemented a number of key policy decisions which impacted the provincial movement to reform welfare: financial transfers to the provinces were cut; and, funding to the provinces changed to lump sum funding that included social assistance, health and education. The federal government also cut rates and changed eligibility criteria for Employment Insurance Benefits which reinforced the philosophy that work is better than government assistance. New federal tax benefits were introduced, that provided incentives to lower income families. Provincial governments were restructuring their welfare systems at the same time the US was moving forward with their reforms. Two provinces took the lead with welfare reforms: Alberta moved ahead first, followed by Ontario. British Columbia pursued a similar

path in 2002 “out of the belief that welfare developed a culture of dependency” and in an attempt to reduce caseloads and reduce costs (Finnie & Irvine, 2008, p. 6). These changes, along with a positive upswing in the economy by the mid 1990s, contributed to declining welfare numbers across the country and an affirmation of the welfare reforms.

Alberta’s welfare program was renamed *Supports for Independence* (SFI) in 1990. The change in the program was to encourage self sufficiency and independence, rather than entitlement. The government believed that the welfare system was out of control (Azmir, Elton, Sieppert & Roach, 1997). In 1993, Alberta’s Premier Ralph Klein led the province through the first of Canadian welfare reforms with little opposition, implementing strict welfare policies and reduced benefits which resulted in a decrease in the welfare caseload and reduced the provincial deficit. Changes were made to staff roles and the Alberta welfare program moved towards becoming an employment focused system. In April 2004 the Alberta government merged three income support programs, including the SFI. The new *Alberta Works* program confirmed the government’s approach that “social and labour market policy work together to create a productive society” (The Hinton Parklander, 2004).

In 1995 in Ontario, Mike Harris’s *Common Sense Revolution* promised sweeping changes to both the General Welfare Act and Family Benefits Act and within a year of being elected his government reduced social assistance rates by twenty-two percent. Studies have noted that Harris’s reforms were modeled after those in the United States, moving clients from welfare to work (Curtis, 2005). In 1997 the Ontario Works Act (OWA) and the Ontario Disability Support Program (ODSP) were

legislated. Highlights of the significant changes included: more stringent verification for applicants and ongoing clients; tighter control on fraud, including a fraud hotline; a move to workfare, where the belief was any job is better than welfare; and a requirement for community service work that was an alternative to paid work while receiving benefits. The new legislation made client participation in work activities mandatory. In an interview with the Frontier Centre for Public Policy, former Ontario Premier Mike Harris said that “the net result was a million Ontarians, men, women and children off welfare – the vast majority into the dignity of a job” (July 30, 2003). These welfare reforms created a greater financial challenge for clients to exit welfare to self reliance and sustainable employment; a large percentage of clients returned to welfare.

Chapter 3: Studies on Recidivism

David T. Ellwood and Mary Jo Bane collaborated on some of the early research that focused on welfare recidivism. Prior to the implementation of the 1996 US welfare reforms by President Clinton, Ellwood and Bane published *Slipping Into and Out of Poverty: The Dynamics of Spells* (1986), which looked at individuals' movement on and off of welfare, referring to these as spells. Spells were defined as "continuous periods during which income falls below the poverty line" (Bane & Ellwood, 1986, p. 6). They used twelve years worth of data from the Panel Study of Income Dynamics (PSID) and a set calculation of exit probabilities. The research examined the causes of the start of a spell event, such as a change in the head of the family or the change in the amount of income or income needs. Repeat spells or returns to welfare were found to be more common within the first two years of a client's time on welfare. In the 1994 book *Welfare Realities: From Rhetoric to Reform*, Bane and Ellwood indicated that the first two years of a person's time on welfare are critical as those who stay on longer than this time are likely to be long term clients. In studying exit probabilities, they found that "persons who have been poor for three years are far less likely to escape poverty" (Bane & Ellwood, p.10).

Rebecca Blank and Patricia Ruggles studied recidivism in welfare and reported in 1994 that approximately 20% of clients who left welfare returned within the time frame they studied (28 months). In reviewing the characteristics of the clients returning to welfare, these researchers found "little evidence that recidivists for AFDC or food stamps can be readily identified in terms of their personal characteristics" (Blank & Ruggles, 1994, p. 51). Age and education appeared to have little bearing on recidivism though they attempted to draw conclusions that there was a greater

possibility of returning to welfare based on family size, unearned income and ethnic origin. Blank and Ruggles concluded that during their 28 month study most of the welfare re-entries occurred during the nine months after exit and the reasons for re-entry were similar to those found by Bane and Ellwood. They do caution that the low rate of recidivism in their study could “reflect the short-term nature of (the) data” (Blank & Ruggles, p.52).

Another study that reviewed recidivism prior to the reform of the American welfare system was completed by Jian Cao. Published in March 1996 for the Institute for Research on Poverty it was called *Welfare Reciprocity and Welfare Recidivism: An Analysis of the NLSY Data*. This study focused on young mothers in the US who were in receipt of welfare numerous times and reviewed data from 1979 to 1992. Cao focused on the relationship between each time period that a client received welfare, in relation to their first experience; like Bane and Ellwood, each time period was referred to as an AFDC spell. Cao’s study found a higher recidivism rate than the previous studies: 57% of clients returned to welfare. His study found 22% returned after their first exit and 26% after a second exit. His study went on to examine multiple exits and included a review of some individual characteristics of the clients, including ethnic background, marital status and education. He found that these factors had “little significant effect in explaining the variation in the length of the second AFDC spell and the following off-AFDC spell” (Cao, 1996, p. 27). Cao concluded that having a newborn baby was the number one reason for applying for welfare and for recidivism.

With the implementation of changes to welfare legislation in the US, many researchers and policy makers conducted studies to understand the status of those

who left welfare under the new reforms. In May 1999, Sarah Brauner and Pamela Loprest published a study, *Where are They Now? What States' Studies of People Who Left Welfare Tell Us*. This study looked at a number of publications from a sampling of states throughout the US from 1997 to 1999, specific to welfare leavers and employment outcomes. Brauner and Loprest caution the reader that these studies "should not be generalized to the nation as a whole" (Brauner & Loprest, 1999, p.8). The report indicates that despite low wages and the need to use other means of support "few studies found that most families believe that they are better off exiting and are confident that they will not need to return to welfare" (Brauner & Loprest, p.9). In terms of those clients who return to welfare, the studies indicated that there is a tendency towards lower employment levels than those who remain off of welfare. Those who remain off welfare continue to live on income considered below the poverty line. In their conclusions Brauner and Loprest indicate there are more unanswered questions that require additional research to better inform policy implementation.

Included in the numerous studies on recidivism in the United States after welfare reforms was a project that examined the relationship between welfare leavers and being housing assisted or not assisted with housing. The intent of the study was to understand more than caseload statistics and to look at strategies that could assist families to achieve self-sufficiency and to not cycle back to welfare. The study reviewed groups of families that received housing assistance in 1999 and had left Temporary Assistance for Needy Families (TANF) in the last quarter of 1998. It included data collected from both AFDC and Housing computer files as well as surveys conducted at three different time intervals. Some of the findings noted that housing assisted clients left TANF with a lower income and were less likely to

struggle with overcrowding and paying excessive rents. The findings also indicated that housing assisted leavers were only slightly less likely to return to TANF than non-assisted housing leavers at the 12 month mark. However the researchers indicated that this finding was “not statistically significant at standard confidence levels” (Lieberman, Lindler, Mancuso & Moses, 2003, p. 12). The authors did note that the housing assisted leavers were more likely to have higher rates of welfare recidivism after 18 months of leaving welfare. This was one of a number of findings specific to housing assisted leavers that included tendencies to: belong to a minority racial/ethnic group; have more extensive welfare histories; have more children; and have lower employment incomes and household income (Lieberman et al., p. 1). This study was not able to conclusively link assisted housing with self-sufficiency and a reduced risk of being poor.

With the introduction of reforms throughout Canada, a number of studies researched client life after welfare. Using tax data from across Canada, Marc Frenette and Garnett Picot published a 2003 study entitled *Life After Welfare: The Economic Well Being of Welfare Leavers in Canada during the 1990s*. The focus of the paper was to review the financial well being of people going off welfare during the 1990s, a period of recession, reform, and then economic growth. The findings indicated that marriage played a large role for helping people to leave welfare and that most leavers were economically better off. An unexpected finding was that approximately one third of leavers had a lower income; that is, they were not financially better off after leaving welfare. This is similar to the findings of the Brauner and Loprest 1999 review. Frenette and Picot also reviewed the rate at which some people returned to the welfare system, though their study was based on full-year repeat use of welfare. They reviewed those who were on assistance in 1992

but off by 1994. They found that 35% had returned to welfare within a year and over a five year period, 52% of those who left had returned (Frenette & Picot, 2003, p. 16). A similar study “found that 60% returned to welfare within five years” (ibid). This Canadian study, while looking at tax information, did not address why someone would return to welfare and did indicate, that on average, the outcome is good for those who leave welfare.

In 1997, the Canada West Foundation released a report that studied the changes and impact of the reforms to the Alberta welfare program, Supports for Independence (SFI). The focus of the report was the individuals and families that had left the system between September 1993 and October 1996 and the information was collected by conducting interviews from 769 respondents. Despite government claims of successes in welfare reform, this study of Alberta’s former welfare clients indicated that approximately 15 to 20% of respondents were back on SFI and many had returned to assistance due to reasons not directly related to employment. These reasons were reported to be health, personal problems or looking after children. Specifically, the respondents back on welfare were determined to be “a heterogenous group – some are working full-time (12.8%), some part-time (19%), some are unemployed (36%), and some are not actively looking for work (32.2%)” (Azmir et al., 1997, p. 9). The commentary also pointed out that it is not unusual for welfare clients to return to assistance and stated that “the majority of individuals on SFI at any one time have been on before” (ibid).

In September 2006 the People and Skills Investments Division of Alberta Human Resources and Employment (Alberta HRE) published a study called *Analysis of Reentry into Income Support Program in Alberta Project Phase One*. The study

specifically reviewed statistics regarding repeat welfare clients and indicated recidivism was as high as 43.1% for first time returners. The period reviewed was April 1997 to February 2006 and the study found that approximately “92,200 clients had at least two spells on Income Support” (Alberta HRE, 2006, p. 15). The study was able to look more specifically at the demographics of the recidivists, looking at gender, family composition, age, education and residency. In reviewing these demographics, the researchers concluded that the profile of the recidivists resembled the profile of the welfare population that were not recidivists. The study stated that “education was the only factor in the information analyzed that appears to have some correlation with re-entry” (Alberta HRE, p. 23). Other findings indicated singles without children were more likely to return to welfare and those who left welfare for employment had a 10% recidivism rate where those who left for reasons other than employment had a 39% return rate.

Toronto’s Community and Neighbourhood Services (Toronto CNS) published a report in September 2002 called *After Ontario Works: A Survey of People Leaving Ontario Works in 2001*. This review was a follow up to their 1997 review and was part of the city’s commitment to continue to review its services. At the time of the Toronto 2001 survey, 17% of respondents had indicated that they were back on Ontario Works within a year of exiting. In comparison, the 1997 Toronto survey indicated the recidivism rate was 25%. The researchers suggested that the difference could be linked to the economic conditions at the time; the unemployment rate in 2001 was 6.5% and in 1997 the unemployment rate was 9.5%. Key similarities between both studies indicated that “those returning were more likely to be single, have had little or no work experience during the time they were off, and have less than a high school education” (Toronto CNS, 2002, p. ii). Clients returned

to welfare due to lost jobs, reduced hours, illness or disability. The jobs found by many were not always sustainable, “typically unstable and low paying with few benefits” (Toronto CNS, 2002, p. 22). This was linked to the OW approach to ‘work first’, which may lead to temporary or unstable jobs. The report included a review of wages in comparison to Statistics Canada low income cut-off levels and found “that most people continue to struggle financially after leaving OW, suggesting that they still face a poverty trap” (Toronto CNS, 2002, p. 3).

A 2005 Ontario study, *Returning to Ontario Works*, was conducted through the *Social Assistance in the New Economy* (SANE) project. The study reiterated literature that estimated anywhere between 20% and 50% of welfare leavers return to re-apply for assistance and usually within a 12 month period. Further, the SANE project restated the 2003 conclusions of the Canadian study where Marc Frenette and Garnett Picot found that 52% of those who exit welfare return within five years. This 2005 study focused on Toronto OW recidivists. In particular, the researchers completed 800 surveys with clients who had left OW in the previous five years and returned during the period of January to September 2005. The findings included that 55% of recidivists left OW for employment related reasons, while 12% left for personal or family reasons. The other 33% of clients left OW due to other income, returning to school, OW system reasons or moving to institutions (Herd, Lightman, & Mitchell, 2005, p. 16). The survey found that regardless of the fact that many clients left OW for employment or gained employment while off assistance, earnings remained low and the majority of jobs were not permanent. Respondents indicated that they “left their jobs for reasons that can be characterized as ‘involuntary’: the end of a contract, layoff, fired and ill health accounted for 60% of all job separations” (Herd, et al., p. 18).

The SANE Project reported on the OW employment activities offered to clients in their survey population. These activities included job search, skills training, volunteering and educational upgrading. The researchers concluded that the welfare programs offered to assist clients to move to employment can “impact negatively upon recidivism rates” (Herd, et al., 2005, p. 23). These programs often focus on job placement and full-time work where many clients require long term supports after leaving welfare to assist with job retention. They concluded that “given the historical levels of recidivism, returns to assistance are not likely to be completely eliminated any time soon” (Herd, et al., p. 24).

In 2005 the Employment & Income Support Division (EIS) of the Region of Waterloo undertook a review of its client service paths to ensure optimum service to clients and to make certain that the service targets set by the province could be met. In an effort to understand the caseload, a working group of staff conducted an analysis that included a review of recidivism. This review included OW data that looked at those terminated cases that returned to OW after a minimum of 60 days. The recidivism rate, based on the one year review was 18.63%. The review included an examination of educational levels which indicated no correlation between recidivism and the level of education. Recommendations included promoting available supports for clients after they leave OW to decrease the “likelihood they will need to turn to OW in the future” (EIS, 2006, p. 54).

Much of the theory acknowledges that there are a significant number of welfare clients who return to assistance, usually within nine months of exit (Blank & Ruggles, 1994) or within their first year of exit (Toronto CNS, 2002). As much as demographics do not assist in determining who will return to welfare, the studies do

imply that low education, ill health, change in family and loss of job or income are likely reasons for clients to return. Welfare reforms created more challenges for the poor, forcing them to take jobs that are not sustainable and that make their economic situation worse. Many of the research studies reviewed in this research were conducted during economic growth and global prosperity.

There is a general consensus among academics and program deliverers that current welfare reforms have achieved success with respect to moving people off of the caseload and into jobs. However, questions remain about whether this success can be sustained during an economic downturn (Toronto CNS, 2002, p. 28).

The studies reviewed within this paper have not indicated whether the characteristics of recidivists change when the economy is not in a growth cycle.

Chapter 4: Research Question and Hypotheses

The literature review indicates that health issues, loss of employment or income, or the need to care for children are the primary reasons for a return to welfare after an exit. Several studies indicate that characteristics found in the population of welfare recidivists are similar to the characteristics of the profile of existing welfare caseloads: low education levels; health problems; marital status changes; and family size (Blank & Ruggles, 1994; Alberta HRE, 2006). This study will review Ontario Works leavers in the Region of Waterloo. The Region is an upper tier government comprised of three cities and four townships: Cambridge, Kitchener, Waterloo, North Dumfries, Wellesley, Wilmot and Woolwich. The Region's population in 2009 was approximately 487,000 (Statistics Canada, 2011). It is the Consolidated Municipal Service Manager responsible for the delivery of Ontario Works in the Region of Waterloo. The Ontario Works caseload in October, 2009 was 8,065 cases with 7,145 dependents for a total caseload of 15,210 individuals (EIS, 2010). This study will review the Region's OW leavers in 2008 and 2009 and answer the following question: why do clients return to welfare after exiting? The literature review leads to the following hypotheses statements:

- If a client is considered a youth, a person under the age of 25 years old, they are more likely to return to OW than those not considered youth;
- If a client has less than a high school diploma then they are more likely to return to OW than those with a diploma;
- If a client is single, with no children, they are more likely to return to OW;
- If a client has a change in family composition, such as a birth of a child or loss of a partner, then they are more likely to return to OW;

- If a client has assisted housing, then they are less likely to return to OW in the first year after exit; and
- If a client experiences a loss of job, then they are more likely to return to OW.

These hypotheses will guide the research to answer the question why clients return to welfare after exit in the Region of Waterloo.

Chapter 5: Methodology and Data

This study conducted an analysis of case file data from the Province of Ontario's social assistance data base, the Service Delivery Model Technology (SDMT). The SDMT provided a picture of the OW caseload for the Region of Waterloo. The technology is populated by trained staff who gather information from clients during both the application and update processes. Limitations of the data relate to the gathering of accurate information, the skill of staff, errors in input and completion of fields that are optional. Based on mandatory fields, the researcher was able to report on the demographics of clients in terms of gender, age, and family composition. As well, the data provided information on education level, housing type and reason for application for assistance. Education levels and housing types may not be accurate as the technology does not prompt staff to update the information as it changes.

On a daily basis, the Province of Ontario sends an extract of data from the SDMT to municipalities. This data does not come in the form of predetermined reports. Each municipality can write reports based on the municipality's needs and the data available in the extracts. EIS has a team of technical experts who have the skills to write statistical reports. To study recidivists, the researcher requested reports through technology services at the Region of Waterloo and the parameters of this request mirrored those of other studies: the number of clients who had left OW and returned after at least a two month break. The use of a two month break is consistent with the research of other experts who indicate that "few would classify a person who left welfare for only a month or two as really having escaped it" (Bane & Ellwood 1994, p.33). Additional limitations to the data extracted from the SDMT include the focus only on the applicant and only within the Region of Waterloo. The data

reported is on the applicant; it does not include information on spouses or dependents. As well, if the client moved to another municipality, the data will not provide that information. If a client left OW and became a spouse or dependent on another case, the data on this client would reflect him or her as a 'leaver' and not as an ongoing client.

For the purposes of this study, the researcher requested client data from 2008 and 2009. The data provided information on all cases that left OW in the Region of Waterloo during the period of January 1, 2008 to December 31, 2009. In total this included 11,202 cases. The information then reported all cases that returned to OW. The data only displayed those defined as leavers if they had left OW for 60 days or more and the data indicated how many days a case was off OW before they returned. Any cases that received ongoing OW throughout 2008 and 2009 and never left are not captured in the data as the case was never a 'leaver'.

Chapter 6: Data Analysis

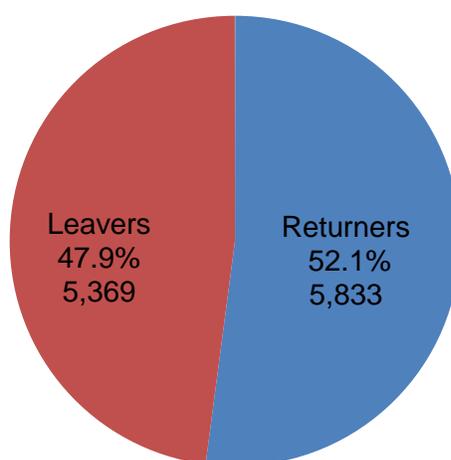
The two years of data gathered from the SDMT was initially sorted into two categories: true leavers and returners. A true leaver is defined as a case that did not return to OW in Waterloo during the defined time period. A returner is defined as a case that was granted OW in Waterloo after exiting OW for a minimum of 60 days. Independent variables of gender, age, education, family composition and housing were reviewed for both true leavers and returners. The rate at which clients returned to OW in Waterloo was reviewed to determine if there was a difference in the population based on how long a client was off social assistance. Further study focused on the returners by sorting their data into two subsets: those clients who returned in less than nine months, that is 269 days or less; and those who returned after being off OW for nine months or more. Nine months was chosen due to research that suggests that many clients return to welfare within nine months of leaving and have a greater attachment to social assistance (Blank & Ruggles, 1994). The same independent variables used to review the true leavers and returners were applied to the two sets of returners. In addition, both sets of returners were reviewed using the added variable: the reason for returning to OW.

Leavers and Returners

As shown in Figure 1, the first review of the data collected indicated a high rate of return to OW during the two year period studied. As this data only pertains to the Region of Waterloo, the researcher would predict that the percentage of clients who actually returned to OW was higher than 52.1% as the leavers may have applied for social assistance in other municipalities or provinces. As well, the return rate does

not capture those cases that moved onto another source of social assistance, such as Ontario Disability Support Plan (ODSP) nor does it include those clients whose case closed when they joined another case as a spouse or a dependent. As the research data did not include the reason the client left OW, it is unknown if the client left OW, becoming independent of social assistance, and became a true leaver.

Figure 1. Percentage of Leavers and Returners



The Waterloo rate is high when compared to studies that indicated up to 35% of welfare clients returned to assistance after one year in the 1990s (Frenette & Picot, 2003). The 2005 SANE Project reviewed data from Toronto and indicated a wide range in the percentage of returners, between 20% and 50%. The high percentage of returners mirrored the 1996 study by Jian Cao who found a recidivism rate of 57%, though his study focused on young, single parents and not the population of welfare clients in a geographical study area. It is noteworthy that the Waterloo data covered a period that included the beginning of the most recent recession, 2008 to 2009. From January 2008 to December 2009 the OW caseload climbed by approximately 37% (EIS, 2010). The Waterloo Wellington Training & Adjustment Board (WWTAB)

reported that many manufacturing jobs were lost in the Region of Waterloo during the 2009 recession. The unemployment rate went from 4.8% in April 2008 to 10.1% in April 2009 (EIS, 2010). The change in the economic situation could be one explanation for the high rate of recidivism during this time period.

When returners are studied by their rate of return, 68.6% of the returners were back on social assistance in less than nine months as shown in Table 1.

Table 1 *Returners less than (<) or greater than (>) 9 months*

Returners < 9 months	68.6% 4,003
Returners > 9 months	31.4 % 1,830
Total	100% 5,833

This is consistent with research findings that the majority of clients who return do so within less than nine months (Bane & Elwood; Blank & Ruggles). The results suggest that approximately two thirds of clients who leave Ontario Works do so for short term change. The literature review indicated that this could be for temporary employment, access to other income, being institutionalized or because of eligibility rules that forced cases to terminate.

Blank and Ruggles (1994) found that most clients returned to welfare in less than nine months, with the highest percentage of clients returning at five months. The 2002 report of Toronto returners indicated that twenty percent of leavers returned to OW in under one year (Toronto CNS); the follow up 2005 Toronto study confirmed that many return within the first year after exit (Herd et al., 2005). Despite a robust economy and Toronto's economic growth during 2005 (Ministry of Training, Colleges

and Universities, 2007), clients continued to return within one year of exit. As the Region of Waterloo experienced one of the highest unemployment rates in Canada by the end of 2009 (EIS, 2011), OW clients with little employment experience and lower education levels were likely challenged to find work. Temporary and seasonal jobs were in limited supply and short in duration. Clients who found work or alternate sources of income, returned to OW quicker and in greater numbers.

Leavers and Returners by Gender

Most studies highlight the impact of gender when the study focuses on sole support parents. For example, Jian Cao's 1996 study focused on young females and their children. In other studies regarding welfare returners, gender did not appear to be a determining factor in recidivism (Alberta HRE, 2006). In a 2008 study *Casualties of the Labour Market: Equity, efficiency, and policy choice* Michael R. Smith notes that women earn less than men and their "earnings consign them to poverty" (Smith, 2008, p.23). In this two year study of OW leavers, 53.3% of the clients were male and 46.7% were female. Approximately 50% of women returned to OW after leaving. Overall, a smaller proportion of men than women were true leavers of OW in 2008 and 2009, and more men returned to assistance in the same period.

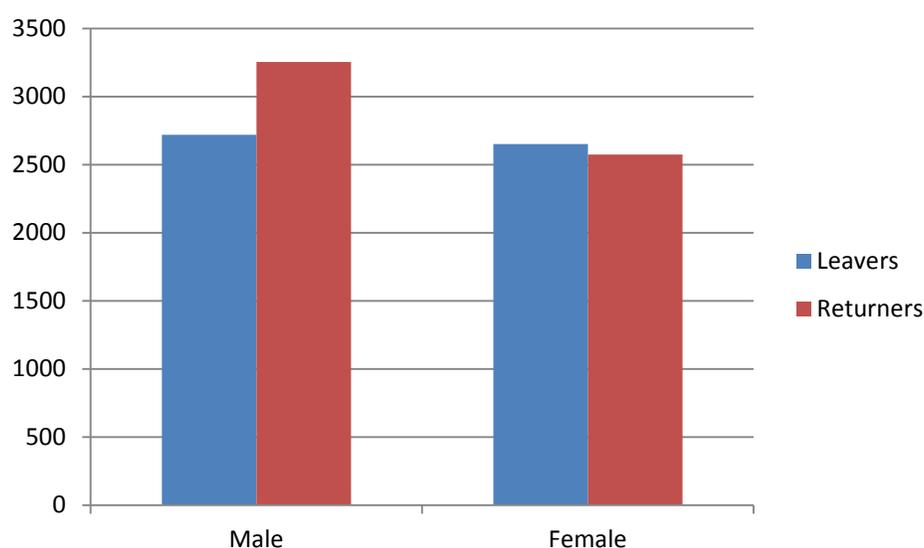
Table 2 Leavers and Returners by Gender

	Male	Female	Total
Leavers	45.5% 2,719	50.7% 2,650	48% 5,369
Returners	54.5% 3,254	49.3% 2,574	52% 5,828
Total	100% 5,973	100% 5,224	100% 11,197

Notes: Chi-Square=30.05; P<.0001; Cramer's V 0.052

The chi-square test indicates that there is confidence in the statistical significance of the results and that the relationship could not have happened by chance. The null hypothesis that gender does not have an impact on leaving or returning to OW has been rejected. Applying the Cramer's V test, it indicates that there is only a weak relationship between gender and leaving or returning.

Figure 2 Leavers and Returners by Gender



Previous studies found little relationship between the demographics of the recidivists and the profile of the welfare population (Alberta HRE, Blank & Ruggles). This study reviewed the gender of leavers and returners to determine if this was a factor in Waterloo. The data indicated more men than women left OW and more men returned. The population of adults on the Region of Waterloo's OW caseload in 2008 and 2009 was comprised of more females than males (EIS, 2010). However, the EIS study indicated more singles on the caseload were male (67.6% in 2009) and a greater percentage of returners were single (67.9%). In a similar study in Alberta, 55.5% of returners were female where 54% of the study's sample was women

(Alberta HRE, 2006). Alberta's study also concluded that gender is not a factor in determining which clients would return (ibid, p. 17). The rate at which male and female clients return to OW is almost identical, within one percent. Consistent with the overall percentage of the rate of return to OW, two thirds of both men and women return within nine months. Gender is similar in the population of returners as it is in the OW profile and it does not impact returners.

Reviewing the composition of the two sets of returners (those who returned to OW in less than nine months and those who returned after nine months or more), similar results are anticipated: the relationship between gender and when the client returns to OW is very weak. Table 3 displays those who return in less than nine months after exit and those who returned to OW nine months or later from the time of leaving.

Table 3 *Returners less than (<) or greater than (>) 9 months by Gender*

	Male	Female	Total
Returners < 9 months	69% 2,244	68.2% 1,756	68.6% 4,000
Returners > 9 months	31% 1,010	31.8% 818	31.4% 1,828
Totals	100% 3,254	100% 2,574	100% 5,828

Notes: Chi-Square =0.33; P=.5657; Cramer's V=0.008

The rate at which men and women return to OW was a close percentage: approximately two thirds of men and two thirds of women leavers return in less than nine months. The chi-square test indicates that this relationship is not statistically significant, and the measure of association shows that there is no relationship between the variables of gender and when a client returns to OW. The recession of

2008 and 2009, the rapid increase in Waterloo's OW caseload and the sudden increase in the unemployment rate returned so many clients swiftly to OW after exit that it is suggested that this could be the reason that a relationship between gender and rate of return could neither be proven nor rejected.

Leavers and Returners by Age

Another demographic studied with the OW data was age. The independent variable of age was grouped into five values, consistent with age defined values at the Region of Waterloo. Youth are considered those clients up to and including the age of 24 years. Older adults are considered to be 55 years of age and older. Other age groups are in ten year spans: 25 to 34; 35 to 44; and 45 to 54 years. Table 4 illustrates the percentage of leavers and returners by age.

Table 4 *Leavers and Returners by Age*

	17-24	25-34	35-44	45-54	55+	Total
Leavers	6% 126	53.2% 1,752	63.2% 1,661	61% 1,249	51.9% 580	47.9% 5,368
Returners	94% 1,985	46.8% 1,542	36.8% 966	39% 799	48.1% 538	52.1% 5,830
Total	100% 2,111	100% 3,294	100% 2,627	100% 2,048	100% 1,118	100% 11,198

Notes: Chi-Square=1919; P=<.0001; Cramer's V=0.414

The data for the independent variable of age in relation to leavers and returners has a strong statistical significance (chi-square of 1919, p<.0001). The measure of association, as demonstrated by Cramer's V of 0.414, is stronger in this table than in other tables, indicating that there is a substantial relationship between age and

leavers and returners. The null hypothesis that age has no relationship to recidivism has been rejected.

General observations of the leavers and returners by age would support the notion that very few youth manage to be true leavers, as the data shows 94% of those youth who left OW returned. The mid-range age leavers, those between 35-44 years of age, had the highest percentage of clients being true leavers: 63.2% did not return. Those considered older adults (55 years and older) did have more than 51% true leavers however many of these individuals leave OW for reasons that have made them ineligible for OW: disability pensions; Old Age Security or other income; supportive living environments; or reduced housing costs. As well, older people returned to OW more than those in the middle age categories, ages 25 to 54. Research has indicated that many clients who leave welfare remain poor and this may be the situation with the older adults leaving due to income or OW ineligibility (Brauner & Loprest; Azmier et al.; Toronto CNS).

Much previous research indicated that youth return to assistance more than other age groups. Jian Cao's 1996 recidivism study focused on young mothers. Where he found that age is one of the significant correlations between welfare dependency and recidivism, he also found that having a newborn was a strong predictor of returning. This multivariate analysis, that is both age and parenthood, was not completed with the Region of Waterloo data. Other studies that reviewed the age of returners included the 2006 Alberta study that found the predominant age of the social assistance population was 20-29 years old and this was also the group that had the most returners (Alberta HRE, 2006). A 2006 Region of Waterloo caseload study indicated that "age is a predictor for recidivism as younger persons are more likely to return to social assistance" (EIS, 2006, p. 41). In this study approximately, one fifth of

leavers were youth and 94% of those returned to OW. Human Resources and Skills Development Canada reported a 2009 unemployment rate of 15.3% for youth aged 15 to 24; this could have been an impact on the return to OW for youth. The data in this study indicated that those between the ages of 35-44 had the greatest percentage of true leavers, suggesting that those 34 years and under is an area that could benefit from additional study.

Given that there is a relationship between age and leavers and returners, the data was further sorted by the dependent variables of returning in less than nine months and nine months or more. Table 5 looks at returners by age and whether or not their age impacts when an individual returns to OW.

Table 5 *Returners less than (<) or greater than (>) 9 months by Age*

	17-24	25-34	35-44	45-54	55+	Total
Returner < 9 months	66.2% 1,315	71.9% 1,109	70.4% 680	72.7% 581	59.1% 318	68.7% 4,003
Returner > 9 months	33.8% 670	28.1% 433	29.6% 286	27.3% 218	40.9% 220	31.1% 1,827
Total	100% 1,985	100% 1,542	100% 966	100% 799	100% 538	100% 5,830

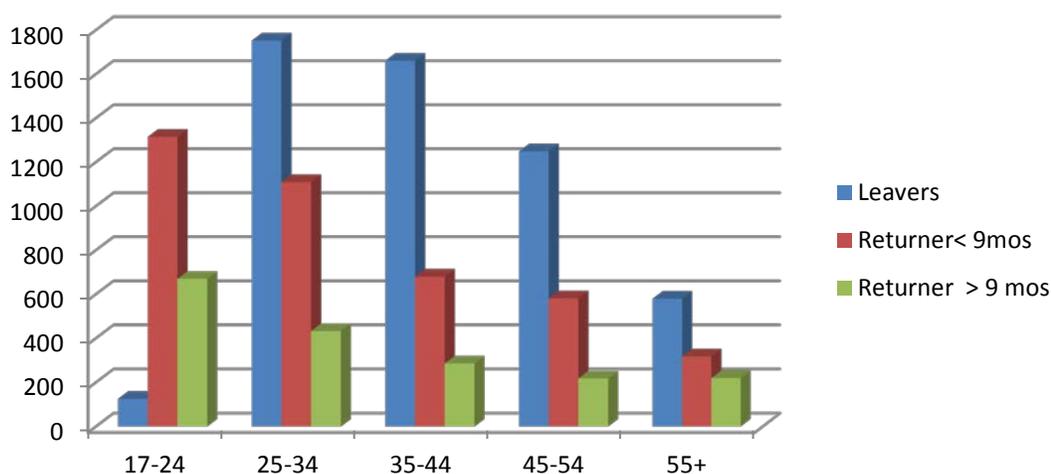
Notes: Chi-Square=43.26; P=<.0001; Cramer's V=0.0861

The data previously demonstrated that approximately two thirds of all clients come back to OW in less than nine months. With the chi-square test result of 43.26, there is confidence that the numbers are statistically significant and that there is a relationship between age and the rate in which a client returns to OW. However, the relationship between age and when an individual returns to OW is weak.

Table 5 indicates that the youth and the older populations, that is those clients aged 17 to 24 and 55 and older, tend to stay off longer. In conjunction with the data

in Table 4, which indicates that youth struggle to leave welfare and stay off, one can see that they return at a slower rate. This could indicate that the youth took advantage of employment training and education opportunities that were made available through the government of Ontario during the recession, thus leaving OW for a period of longer than nine months. In February 2008, the government of Canada announced an investment of 1.2 billion dollars for Ontario skills training to assist those who did not qualify for employment insurance funding (Ministry of Training, Colleges and Universities, 2008). Research reviewed for this study did not highlight the issues with older adults and therefore no conclusions can be drawn to understand why older adults return after more than nine months. Issues of recurring health problems may impact their return to social assistance (Azmir et al., 1997). Figure 3 provides an overview of leavers and returners by age and by when the individual returned (less than nine months or nine months or more).

Figure 3. Leavers & Returners, less than (<) or greater than (>) 9 months by Age



Leavers and Returners by Education

Education is considered a key factor in escaping poverty and much of the research links a lack of education to recidivism (Toronto CNS, 2005; Alberta HRE, 2006). To determine if education had an impact on recidivism in the Region of Waterloo, the data was measured as a nominal value: clients either had a high school diploma or not. Those clients with no education through to grade 11 were grouped together as having less than grade 12; clients with grade 12, 13 or post secondary school were grouped together as grade 12 or greater. Table 6 illustrates the education level of true leavers and returners.

Table 6 *Leavers and Returners by Education*

	Less than Grade 12	Grade 12 or greater	Totals
Leaver	44.9% 2,294	50.5% 3,075	47.9% 5,369
Returner	55.1% 2,817	49.5% 3,016	52.1% 5,833
Totals	100% 5,111	100% 6,091	100% 11,202

Notes: Chi-Square= 34.71; P=<.0001; Cramer's V=0.0558

The data in Table 6 indicates that leavers have greater success in remaining off OW if they have a grade 12 education. However, of the 6,091 clients with high school or post secondary education who left OW, almost 50% of those returned to assistance. The chi-square test confirms that the statistical relationship is significant and that the results did not happen by chance. The null hypothesis that education has no relationship with leaving and returning has been rejected. However the association between the variables is weak.

Without a high school diploma, a skilled trade or post secondary education people are more likely to have lower paid employment, unskilled jobs and repeated cycles through temporary employment (Toronto CNS, 2008; Smith, 2008). This study of the 2008 to 2009 Waterloo data did not find a strong association between gaining independence from OW and having a high school diploma/post secondary education. While the majority of true leavers had grade 12 or greater, 50% of all leavers with this education level returned to OW after exiting. The April 2006 EIS study found similar results, where 48.5% of returners had a grade 12 or higher. The 2006 Alberta HRE study found that not having a high school diploma resulted in a 50% chance of returning to social assistance. An earlier Alberta study, which surveyed people after their welfare exit found that 40% of respondents had less than grade 12 and that “those with less than grade 10 were much more likely to be back on”, noting that 44.9% of those with grade 10 or less were returners (Azmier et al., p. 38). In researching an explanation as to the difference with the Waterloo data, the 2009 Waterloo Wellington Training & Adjustment Board (WWTAB) *Trends Opportunities Priorities TOP Report* was reviewed. WWTAB reported that Ontario created more than a million jobs from 1998 to 2007 that demanded a post secondary education. WWTAB’s TOP Report provided information on educational trends and Waterloo had a higher portion of persons with a high school diploma or less. The report stated that

while many individuals with lower educational attainment have marketable skills gained through experience and life-long learning, those who do not are vulnerable to job loss, particularly if they are engaged in routine/repetitive work - the type of work that is disappearing the fastest (WWTAB, January 2009, p. 11).

This indicates that education level will impact a person’s ability to find employment and stay self sufficient, thus reducing one’s dependency on government support. The recent recession, as indicated by the higher unemployment rate in 2009, impacted

many citizens, regardless of their education level, and could explain the findings of this study.

Data on the returners was then sorted by the rate at which clients returned to OW. This was done to determine if having a high school diploma assisted clients to stay off of OW for a longer period of time. Table 7 illustrates these findings.

Table 7 Returners less than (<) or greater than (>) 9 months by Education

	Less than Grade 12	Grade 12 or greater	Total
Returner < 9 months	67.7% 1,908	69.5% 2,095	68.6% 4,003
Returner > 9 months	32.3% 909	30.5% 921	31.4% 1,830
Total	100% 2,817	100% 3,016	100% 5,833

Notes: Chi-Square=1.95 P=.1626 Cramer's V=0.0187

Two thirds of those returning clients without a high school diploma came back to OW in less than nine months. Similarly, slightly more than two thirds of those with a high school diploma or post secondary education returned within nine months. The chi-square results show that this relationship could have happened by chance. In fact, the measure of association demonstrates that the relationship between education and when a client returns to OW is close to non-existent.

Leavers and Returners by Family Composition

Ontario Works considers the person applying for assistance, the applicant, as the head of the household. Family composition of each OW case looks at the head of the household and designates its status into four categories: single (no spouse or

dependents), sole support parent, couples with children and couples without children. Previous studies found that single clients return to assistance more often than families and sole support parents. Table 8 reviews the data on leavers and returners for the types of family composition.

Table 8 *Leavers and Returners by Family Composition*

	Single	Sole Support	Couple with Dependents	Couple with no Dependents	Total
Leavers	45.6% 3,320	55.4% 1,402	48.4% 457	42.5% 189	47.9% 5,368
Returners	54.4% 3,958	44.6% 1,128	51.6% 487	57.5% 256	52.1% 5,829
Total	100% 7,278	100% 2,530	100% 944	100% 445	100% 11,197

Notes: Chi-Square=77.8; P=<.0001; Cramer's V=.0835

Table 8 indicates that more than 54% of single leavers and 58% of couples without children return to OW, having less success in remaining independent of social assistance than sole support parents or couples with dependents who leave OW. This suggests that families with children have a better chance of remaining off social assistance. The chi-square calculation indicates the relationship is significant, but the Cramer's V shows that the association is weak.

Family composition illustrated an impact on recidivism, with 67.6% of returners in this study being single. Similarly, the 2006 Alberta study found that the majority of the caseload was single and 50% of their returners were single. A significant difference between this study and the Alberta study found that 19% of Waterloo's returners were sole support parents, where the Alberta study found 35% of returners were single parents. Alberta found that the composition of their returners mirrored

their caseload within minor percentage points (Alberta HRE, 2006, p. 18). In table 9 the researcher compared the data of the returners by family composition in the sample to caseload profile in 2008 and 2009 to determine if the same comparison was found.

Table 9 2008 & 2009 Caseload Profile compared to Returners by Family Composition

	2008 Caseload Profile	2009 Caseload Profile	2008/2009 Returners
Single	50.6%	54.8%	67.9%
Sole Support	38.7%	34.4%	19.3%
Couple with Dependents	8.3%	8.4%	8.4%
Couple without Dependents	2.4%	2.4%	4.4%
Total	100%	100%	100%

Notes: Caseload data from EIS, Ontario Works Caseload Profile May 2010

The total returners in the study data were different for singles and sole support parents. Couples with dependents and couples without dependents closely mirrored the caseload. Without conducting further analysis, the researcher could make a number of observations. Singles move off and on the caseload more often than others due to lower OW entitlement. Limited income from other sources could move a single off OW; similarly, the loss of a portion of income could bring a person back to OW. Singles tend to be more transient than families and may leave assistance in Waterloo and reapply elsewhere. Sole support parents were only 22.6% of the total population of leavers studied. They move off the system at a slower rate due to higher OW budgets, a need for greater financial resources to become self sufficient and a greater dependency on supplementary supports such as child care. The lower percentage of re-entry by this group might suggest that with established supports,

including other government income such as Ontario Child Benefit, they do not need to return to OW.

To further explore if family composition impacts the rate of return to OW for those who leave, the researcher reviewed returners, by family composition, in terms of returning in less than nine months or after that time period. Table 10 illustrates the data regarding returners in these two subsets.

Table 10 *Returners less than (<) or greater than (>) 9 months by Family Composition*

	Single	Sole Support	Couple with Dependents	Couple with no Dependents	Total
Returners < 9 months	66.2% 2,619	76.6% 864	73.7% 359	62.5% 160	68.7% 4,002
Returners > 9 months	33.8% 1,339	23.4% 264	26.3% 128	37.5% 96	31.3% 1,827
Total	100% 3,958	100% 1,128	100% 487	100% 256	100% 5,829

Notes: Chi-Square=54.72; $P < .0001$; Cramer's $V = 0.0969$

Table 10 indicates that those heads of households with dependents return to OW at a faster rate than those without dependents. The chi-square measure of 54.72 indicates that there is a relationship between family composition and the rate in which clients return to OW without a probability that this finding is by chance ($P < .0001$). The measure of association (Cramer's $V = 0.0969$) demonstrates that the relationship between the independent variable of family composition and the dependent variables of returning to OW is weak; however some of the differences between the subgroups are substantial.

Leavers and Returners by Housing Type

Housing data is collected in the provincial OW data base and the amount of a client's OW entitlement is partially based on the cost of their shelter. Income combined with lower housing costs could contribute to a leaver remaining off social assistance; similarly, high housing costs or unstable housing could create a need to return to OW. There are 16 types of housing recorded in the SDMT. Table 11 reviews leavers and returners by the five most frequent housing types: renting; renting subsidized housing; owned home; board and lodging; and homeless or transient. The other eleven types of housing are grouped into 'other' and are representative of approximately 1% of the population studied here.

Table 11 *Leavers and Returners by Housing Type*

	Renting	Renting – Subsidy	Owned Home	Board & Lodging	Homeless/ Transient	Other	Totals
Leavers	46.8% 4,355	50.9% 424	66.9% 240	56.4% 215	31.6% 62	58.9% 73	48% 5,369
Returners	53.2% 4,950	49.1% 409	33.1% 119	43.6% 166	68.4% 134	41.1% 51	52% 5,829
Totals	100% 9,305	100% 833	100% 359	100% 381	100% 196	100% 124	100% 11,198

Notes: Chi-square=97.02; P= <.001; Cramer's V= 0.0926

The majority of OW clients studied here (83%) rent their accommodation at market rates and 7.4% of the population studied have subsidized housing. Those in subsidized housing have a 50/50 chance of remaining off OW or returning. The majority of clients who own their home are more likely to be true leavers; this could be an indication of short term OW need with little or no previous social assistance history. The finding that approximately 31% of homeless and transient clients are

true leavers could be an indication that they left the municipality, joined another OW case (as a spouse or dependent) or went onto Ontario Disability Support Program. The data is statistically significant as determined by the chi-square value, indicating a relationship between housing type and whether someone is a true leaver or a returner. The relationship is weak overall but some differences are noteworthy.

Few studies discuss the impact of housing on recidivism. The data reviewed here indicated little impact of the clients' housing type on the return to social assistance. A greater percentage of those who own their homes are found to be true leavers, with only 33% returning to OW during the period studied. Other studies have shown that those in assisted housing avoided high rents, returned to welfare at a slower rate and yet stayed in poverty with low paying jobs and fewer hours (Lieberman et al., 2003). In Toronto's 2002 report, it was noted that those who left OW experienced a 21% increase in income from 1997 to 2001 and yet the cost of housing had increased by 27% (Toronto CNS, 2002). This would indicate that those who leave social assistance need a great amount of income to remain independent of government assistance in order to meet their basic living costs.

Studies indicated that clients in subsidized housing may have a higher rate of return to assistance after one year (Lieberman et al., 2003). Clients who are transient may return at a faster rate than those whose housing is stable. The data on returners was further sorted using housing type and when a client returns to OW: less than nine months or at nine months or more. This data is shown in Table 12.

Table 12 *Returners less than (<) or greater than (>) 9 months by housing type*

	Renting	Renting – Subsidized	Owned Home	Board and Lodging	Homeless/ Transient	Other	Totals
Returners < 9 months	68% 3,364	71.6% 293	77.3% 92	76.5% 127	65.7% 88	68.6% 35	68.6% 3,999
Returners > 9 months	32% 1,586	28.4% 116	22.7% 27	23.5% 39	34.3% 46	31.4% 16	31.4% 1,830
Totals	100% 4,950	100% 409	100% 119	100% 166	100% 134	100% 51	100% 5,829

Notes: Chi-square=12.23; P=.032; Cramer's V = 0.045

Consistent with other findings about two thirds of clients returned to OW in less than nine months after their exit. There is minimal difference between the housing types though more than 75% of returners who own their home or are in board and lodging situations did so within nine months of exit. Those with subsidized housing did not stay off assistance longer than those in other housing types. This is contrary to the findings of the Lieberman study and may have been a direct response to the economic situation during 2008 and 2009. The chi-square (12.23) indicates that there is enough evidence to reject the null hypothesis and that there is confidence in the statistical significance of the data. However the relationship between housing and when someone returns to OW is very weak.

Returners by Reason for Assistance

When a person applies for social assistance, he or she must indicate to the OW office their reason for applying. This reason is the applicant's declaration, and the OW office will interpret the reason into a specific OW code, one that fits with the technology. There are 20 reasons for assistance listed in the SDMT; many of those can be grouped together such as six reasons that are related to 'pending other

income'. For the purposes of this study the reasons for assistance were grouped into six categories: inability to obtain employment; emergency assistance; pending income; disabled or temporary ill health; separated with dependents; and other, which includes reasons that do not fit with the first five. The other category represents 6.8% of the total recidivists and includes the following reason for assistance: sponsorship breakdown; completed college/university; earnings less than OW; hostel-abused; hostel – homeless; under 18 – cannot return home; financially dependent parent; attend school away from home; and EI exhausted. Table 13 sorts the data by the reason for assistance and by those who returned in less than nine months and those that return in nine months or more.

Table 13 *Returners less than (<) or greater than (>) 9 months by reason for assistance*

	Inability to obtain Employment	Emergency Assistance	Pending income	Disabled/ temp ill health	Separated with Dependants	Other	Total
Returners < 9 months	68.4% 2,720	71.6% 424	72.2% 200	60.4% 195	69.4% 186	69.7% 278	68.6% 4,003
Returners > 9 months	31.6% 1,254	28.4% 168	27.8% 77	39.6% 128	30.6% 82	30.3% 121	31.4% 1,830
Total	100% 3,974	100% 592	100% 277	100% 323	100% 268	100% 399	100% 5,833

Notes: Chi-square: 14.67; P=0.012; Cramer's V =0.05

The majority of all returners (68%) returned due to an inability to obtain employment. This category includes all clients who are not working, claim that they are seeking work and are not pending another income. Clients returning to OW due to ill health were only 5.5% of the total returners. This category also had the greatest percentage of clients who did not return to OW until a later date: almost 40% of clients applying with ill health had been on OW more than nine months earlier. The chi-square value of 14.67 indicates statistical significance in the data and we can reject the null

hypothesis. The measure of association indicates a weak relationship between the reason for assistance and when a client returns to OW.

People return to OW for many reasons; for about two thirds of the clients in this study, it was an inability to obtain employment. The 1997 Alberta study found that the reason for most clients to return to assistance was not employment related but rather reasons related to health, personal problems or looking after children. In comparison, this would account for approximately 17% of the returning Waterloo clients. The 2005 Toronto study results may be closer to the Waterloo reality, where 55% of Toronto clients left OW for employment reasons (Herd et al.). Their return to OW coincides with job or employment income related reasons. With the increase in 2009 unemployment rates, lack of permanent jobs and a loss of manufacturing positions, it is natural to link the recent recession to the 68% of clients that returned to OW due to an inability to obtain employment. Further study would be required to understand other reasons why clients cannot find work: lack of job skills; mental health reasons; life skills; and lack of resources to support work activities.

Summary of Data Analysis

The data does not present one picture of a true leaver or a single profile of a returner. During the period of this study 52.1% of clients returned to OW; though it is predicted that the true percentage of recidivism is higher as the data only captures data from the Region of Waterloo. Fifty-five percent of males returned and 34% of returners were 17 to 24 year olds. Having a grade 12 or post secondary education was a marginal factor in helping clients remain independent as 51.7% of returners had grade 12 or more. Returners were likely to be single, with 67.9% of singles returning to OW. Eighty-five percent of returners were in market rent

accommodation. Almost two thirds of people returning to OW in Waterloo did so due to an inability to obtain employment; this reason accounted for 68% of returners.

The data indicates that approximately two thirds of clients return to OW in less than nine months (68.6%). The two thirds ratio is consistent with the review of the independent variables with a minor variation in the return to OW based on family composition: approximately 75% of those with dependent children return in less than nine months. Similar to most research reviewed, the Region of Waterloo's data illustrates that there is no distinctive data that identifies a person who will return to OW.

Chapter 7: Conclusions and Recommendations

Conclusions

This study began with the question: why do clients return to Ontario Works after exiting? The data reviewed indicated that in Waterloo, a high school diploma or post secondary education does not determine whether clients return to OW or not; nor does it determine their rate of return. More single clients returned to assistance than other family compositions though the reason for this was not fully explored. Where other studies indicated that a change in family size or composition indicates a high rate of return to assistance, this was not evident in this study. Assisted housing was not a factor in recidivism where 83% of clients in this study rented accommodation at market rent and only 7.4% were in subsidized housing. Approximately half of those clients in subsidized housing returned to OW after exit. The review of the reason for reapplication is understood in light of the economic conditions of 2008 to 2009: clients return to OW in the Region of Waterloo due to an inability to obtain employment.

Further to the reason for reapplication, understanding why clients return to assistance is complicated. The literature is inconclusive on the value of pre-employment programs and suggests that these programs move clients to low paying and unstable employment (Herd et al., 2005). It is clear that in order to support clients to move towards independence long term supports are required and pre-employment programs, that only seek to end OW quickly, are not effective. But simply reviewing two years of quantitative data will not provide a definitive answer.

Ontario Works does not help people stay independent of the system; benefits that assist clients while on OW are not available to them when they exit.

Despite its negative perceptions to date, reentry may not necessarily be a bad event. Viewed in a more positive light, continual reentry shows that a recipient is making a good faith effort to leave the program. The family may just need a bit more support before it can become completely self-sufficient (Barber, Bruce & Thacher, 2003, p. 2).

Financial supports for municipalities to support clients while they are off assistance would assist clients while moving forward in developing job skills and maintaining employment. Clients return to OW as the employment environment changes around them and as their circumstances change. They need the support of the local government to continue to move forward.

Recommendations

While the SDMT data provided an opportunity for the researcher to review quantitative information on OW clients in the Region of Waterloo, it does not provide a complete picture of the recidivists. The research done in Toronto and Alberta included surveys with clients who had left assistance and gained both qualitative and quantitative data. To gain a full understanding of the Waterloo OW returners, it is recommended that another study be conducted that includes speaking directly to those clients who have left and those who have returned. The factors that lead to the very struggles that clients have when they leave the social safety net of OW would be key to understand: number of hours worked; wages paid; other income received; eligibility for benefits; ability to meet housing costs, etc. When the Region has a full understanding of the OW returner, then recommendations that look at the whole client system can be made.

A number of studies reviewed speak to the lack of work experience of the welfare client. This could be an essential factor when the client is unable to find work, is only able to obtain temporary jobs or is unable to maintain employment. It may also be the key struggle for youth in finding employment. The data from the OW technology does not get to this lack of experience. In a 2008 service delivery change in the Region of Waterloo, an Individual Service Plan (ISP) was created to capture soft skills and work history of clients. It is recommended that the Region seek to create reports from the ISP data base to obtain the information that details the lack of work experience of clients, in conjunction with age and education. With this information the Region could purchase or seek to develop programs that enhance skills, experience and education. The Region currently offers “experience matters” and community participation programming and further exploration of client needs could enhance the current programming.

This study did not review the reasons why clients left OW; it looked at the profile of the client and the reasons why he or she reapplied for OW. This was a defect in this study. Based on other Canadian studies, this researcher concludes that this is an important relationship to explore. The high percentage of singles that exit only to return speaks to lower OW entitlement, transient population or system terminations. Knowing that ten percent of clients return to OW to request emergency assistance, a greater understanding of their return would occur if the administrator knew why the clients exited. The SDMT data could provide this data if the correct query was completed.

A number of the American studies were long term studies (Bane & Elwood, 1986) and the 1994 Blank and Ruggles study was criticized for only being 28 months in

length. The 2003 Canadian study by Marc Frenette and Garnett Picot spanned ten years. The 1996 Cao study spanned 14 years. The two years worth of data reviewed here provided rich quantitative data for this study; however, it lacked substance in providing a complete picture of the OW trends in Waterloo. The data was influenced by a worldwide economic downturn and only eight months of the earliest data reviewed the time period where the Region was still in a robust economy. More realistic trends may be found in reviewing ten years of data. Considering that the Province of Ontario is moving to another service delivery technology in 2013, it may be advantageous for the Region to conduct another study that spans a greater length of time prior to the upcoming change.

Most of the other literature reviewed indicated that many clients returned to social assistance within one year of exit. The data here indicated that two thirds of clients returned in less than nine months though this may be a direct result of the recent recession. This quick return to OW leads to two recommendations: one that speaks to job retention services; and a second one that speaks to case management strategies. The Region of Waterloo introduced job retention services in 2008 and is currently completing a review of these services. It is recommended here that these services need to be augmented. A 'whatever it takes' approach is suggested that supports clients when they find themselves in temporary or emergency need for assistance. It is recommended that the Region advocate to the province of Ontario for recognition of this need and for financial resources to support this critical area. Secondly, the relationship with the OW Caseworker is critical in helping clients understand why they have returned to assistance. In the first meeting upon their return, the client can best articulate what supports are required to help them to move forward to self sufficiency. In the coaching and mentoring model currently supported

by OW training, the Caseworker can have an impact on moving the client forward before they are entrenched in the welfare cycle. Staff require additional tools, techniques and resources to help the client remain independent.

In a model that suggests continuing evaluation and improvement it is recommended that the Region gather information from clients on a regular basis upon their re-entry to OW. Regular surveys when a client returns to OW as well as annual surveys to determine where a client is after exit would assist in an understanding of clients who leave as well as those who return. It is recommended that EIS use the support of the Social Planning, Policy and Program Administration Division to create a survey that can be given to each returning client and have these regularly input into an ongoing database. A budget allocation is recommended to conduct annual telephone surveys with those clients who have exited OW to determine the supports they require to remain independent. This recommendation would support the Division's desire to seek a model of continued improvement.

The evidence that youth have a higher rate of unemployment, lack of work experience and a high rate of return to OW is clear. It is recommended that the Region conduct a study of the needs of youth on social assistance to determine how best to support their move to independence. The province of Ontario's Learning, Earning and Parenting (LEAP) model is an expensive yet successful model of support for young parents. The Region of Waterloo introduced an intensive case management program in 2008 that currently supports youth, not in school, in a model similar to LEAP. In 2009 EIS reported that 15.4% of the caseload was between 18 years and 24 years of age and our studies indicated a 94% recidivism rate in this age

group. More can be learned about this population and with appropriate supports the cycle of welfare dependency can be broken.

It is recommended that EIS work with the Waterloo Region Housing Division to determine common needs of mutual clients. The studies reviewed indicated little knowledge of the impact of assisted housing on an individual's return to social assistance. The study of TANF leavers did indicate that people in assisted housing remained in poverty longer than those who were not in assisted housing and that their rate of recidivism was much higher after 18 months (Lieberman et al., 2003). There is little data to suggest supporting clients to move to a system that may set them into a cycle of poverty (ibid). The data in this study illustrated a minimal impact of subsidized housing on returners.

The numerous recommendations here are not a definitive list that will end recidivism. They are meant to prompt discussions of what the Region of Waterloo can improve upon to understand and support clients who return to OW. This study was a preliminary review of two years worth of data that has prompted more questions, but that has also indicated some avenues for reducing OW recidivism.

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