

Single Person – The Annotated Story from: Why is it so tough to get ahead?

One of the Somali young people that I interviewed over the last two years attended two focus group sessions. This youth is now a young adult. For the purposes of this essay, we will call him Ali.

Ali lived in subsidized housing as he grew up with his parents and younger sister and brother. The family has been in Canada since 1994. Ali's family receives Ontario Disability Support Plan payments as his father is disabled. His mother works part time but makes very little.¹ They came from the Refugee camps in Kenya.²

Ali had dreams of going to school full time after graduating from high school. He had had a part time job since he was 17 and (as a child) none of his earnings reduced the family's ODSP payments³. He was able to help a bit with household expenses from his earnings.

When Ali turned 18, the family lost the \$105 or so monthly payments from the (exempted) federal Canada Child Tax Benefit⁴. The family needed this money and Ali was able to make it up by getting more hours where he worked.

As the fall approached, Ali and his family realized that it was not going to be possible for him to attend school full time. It was not just the absence of savings or the loss of the \$105 in child benefits. He just needed more money to make a go of it. He also discovered that 50% of his net earnings of about \$600 a month would now be deducted from his father's ODSP cheque (as Ali was now no longer a dependent child and was no longer in secondary school)⁵.

At the same time, the Housing authority notified Ali's parents that their rent would be increasing given that Ali was over age 16, had graduated from secondary school, was not going to school full time, and was making over \$75 a month.⁶ The rental increase (effective immediately) was another \$90 a month⁷. The cumulative loss of \$490 a month in lost child benefits, deducted earnings, and increased rent was too much to lose so he made new plans to go to school part time and perhaps make some more money to make up the losses.

Ali anticipated correctly that his OSAP entitlement would go down due to his part time status but he worried that he had to input his gross income earned on the OSAP application.⁸

¹ The fact that Ali's mother has earnings means that she receives a TCHC (SHRA) exemption on her earnings that then does not apply to her son's earnings – This is explained in TCHC guidelines and in case examples. See: http://www.toronto.ca/housing/social_housing/rgi/rgi-guide-july2005revision.pdf in section 6-3.

² Focus group members often likened refugee camp life to the regimented lifestyle of subsidized housing.

³ http://www.e-laws.gov.on.ca/html/regs/english/elaws_regs_980222_e.htm#s38

⁴ <http://www.cra-arc.gc.ca/benefits/cctb/menu-e.html>

⁵ Reg. 38-4 http://www.e-laws.gov.on.ca/html/regs/english/elaws_regs_980222_e.htm#s38

⁶ See footnote 1 above for reference

⁷ The cumulative marginal effective tax rate on Ali's part time earnings of \$600 a month was at least 69.9%. (1.4% EI, 4.5% CPP, 15% rent, and 50% ODSP)

⁸ See page 8 of OSAP form: <https://osap.gov.on.ca/eng/PDF/0708/07-08%20OSAP%20Application%20Form%20FINAL%20June%202007.pdf>

But did OSAP know that ODSP deducted 50% of his net pay? Did they take into account the rental increase? There is nowhere on the OSAP form to note that you are in public housing. How would OSAP know about the rental charge? When he tried to ask, he was told to submit his application and he would get an answer in due course. OSAP simply doesn't answer these questions.

At the end of the summer, Ali came to the reluctant realization that he could not remain at home with almost \$300 of his net pay coming off his family's ODSP payment along with the \$90 increase in rent. Like so many others in his situation, Ali moved out and established his legal residence at a friend's house.

He became what is known by many public housing kids as a 'couch rider', named after the place where they normally sleep in their friends' homes. The good news: Ali's father's ODSP cheque went up by a net amount of \$112 the next month and the rent went down by a net amount of \$90. Ali's best possible contribution to the family home at this point had been to leave.

From his friends, Ali learned about some new special programs for work and study that were only available to young adults in public housing⁹ but as he pointed out: "I would have had to go back to live with my family and they would have taken 50% of my earnings off my father's cheque and raised the rent again – so none of this works". Ali also discovered that additional rent would be charged over and above the \$90 charge because rent is charged on part time student aid¹⁰.

In the ensuing months, couch riding did not prove too conducive to studying and working at the same time so Ali gave up his courses and started to look for another part time job to cobble together with his existing job.

Just about the time he got a letter demanding that the small amount of OSAP that he received be repaid with interest¹¹, his mother got a letter from 'housing' noting that without Ali in the house, the family was 'overhoused'¹² and no longer qualified for their apartment and that the family would have to leave. She had turned down two moves to much smaller apartments because of the stress of moving her disabled husband and her two children during the school year. One more refusal and the family would be evicted.

⁹ Many references: see <http://www.servicecanada.gc.ca/en/audiences/youth/education.shtml>

¹⁰ Note that Ali is still a dependent adult under the ODSP, SHRA and OW legislation. See (for example) http://www.e-laws.gov.on.ca/html/reggs/english/elaws_regs_010298_e.htm#s49s4

¹¹ https://osap.gov.on.ca/eng/not_secure/repay_howwhen_12.htm

¹² See Footnote 1: Definition of overhousing is provided by TCHC and in SHRA at http://www.e-laws.gov.on.ca/html/reggs/english/elaws_regs_010298_e.htm#s27s1 and http://www.e-laws.gov.on.ca/html/reggs/english/elaws_regs_010298_e.htm#s33

She begged Ali to come back. Ali thought long and hard. He would come back for a short period to get the housing reinstated but he would move out again after about a month and let Housing catch up to them. He would arrange a leave from his job for a month so that ODSP would not reduce the cheque and use his small savings from 'couch riding' to pay off OSAP and not lose his credit cards¹³ (like so many of his friends).

Ali is a smart young guy and you can see it in his eyes. He did what so many do and just kind of disappeared from the scene. He roomed with some friends for a couple of years while helping his family with the housing authorities to move into a smaller apartment. He went back to school (with no OSAP) and is working towards a diploma while continuing to work. He bought his first car last year.

The fear in telling Ali's story is that people will say "Look, he's making it", but Ali believes himself to be in a minority. Many more do not make it. Ali was the first to ask a variation on the title I used for my report when he asked "Why do they make it so tough to get ahead?"

¹³ For Example, see: <http://sfas.mcmaster.ca/gradosap.html#defaults>