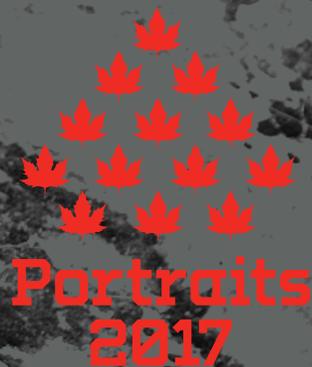


MOWAT RESEARCH #175 | OCTOBER 2018



Portraits 2017

Economic Security and the Social Safety Net

BY JORDANN THIRGOOD & ANDREW PARKIN

Mowat Centre

ONTARIO'S VOICE ON PUBLIC POLICY

MUNK SCHOOL
OF GLOBAL AFFAIRS
& PUBLIC POLICY



Acknowledgements

The Mowat Centre would like to thank a number of colleagues who provided advice on the methodology and the questionnaire, including Heather Marshall and Lucas Marshall (Mission Research), Keith Neuman (Environics Institute), Alain-G. Gagnon (Université du Québec à Montréal), Bob Wolfe (School of Policy Studies, Queen's University), Claire Durand (Université de Montréal), and Peter Loewen (School of Public Policy and Governance, University of Toronto). We would also like to gratefully acknowledge Anthony Sealey for the additional analysis he conducted for this report. Finally, the authors would like to thank Kiran Alwani, Erich Hartmann and Sunil Johal for contributing to the development of the report, and Elaine Stam and Reuven Shlozberg for their roles in producing the report.



The *Portraits 2017* survey was conducted with support from Alain-G. Gagnon, holder of the Canada Research Chair in Quebec and Canadian Studies and director at the *Centre d'analyse politique: Constitution et Fédéralisme*, based at UQAM.

Authors

JORDANN THIRGOOD

Policy Associate

Since joining Mowat in 2015, Jordann contributed to a variety of projects on fiscal federalism, the sharing economy, and the impact of technological innovation on Canada's labour market and social programs. Prior to this, she spent two years working in the financial sector and ran a pro bono policy consulting firm for non-profit organizations in the GTA. Jordann holds a Master of Public Policy degree from the University of Toronto, and an Honours degree in International Development Studies from the University of Guelph.

ANDREW PARKIN

Director

Andrew Parkin is the Director of the Mowat Centre. Andrew has previously held a variety of positions including Director General of the Council of Ministers of Education Canada (CMEC), Associate Executive Director and Director of Research and Program Development at the Canada Millennium Scholarship Foundation, and Co-Director of the Centre for Research and Information on Canada.

Portraits 2017

The *Portraits 2017* series analyzes survey data from a comprehensive study of public opinion in Ontario and Quebec. The survey focused on a wide range of subjects, including federalism, the economy, social programs, international trade, immigration and diversity, and relations with Indigenous peoples. The data provides valuable new evidence about whether and how citizens' attitudes towards one another, to the federation and to Canada are evolving at a time of considerable change and uncertainty in the wider global political context.

Mowat Centre

ONTARIO'S VOICE ON PUBLIC POLICY

The Mowat Centre is an independent public policy think tank located at the Munk School of Global Affairs and Public Policy at the University of Toronto. The Mowat Centre is Ontario's non-partisan, evidence-based voice on public policy. It undertakes collaborative applied policy research, proposes innovative research-driven recommendations, and engages in public dialogue on Canada's most important national issues.

MOWATCENTRE.CA

 @MOWATCENTRE

439 UNIVERSITY AVENUE
SUITE 2200, TORONTO, ON
M5G 1Y8 CANADA

MUNK SCHOOL
OF GLOBAL AFFAIRS
& PUBLIC POLICY



©2018 ISBN 978-1-77259-074-6

Contents

1	Introduction	1
2	Key Findings	3
3	Detailed Analysis	6
	Economic Security and the Social Safety Net	6
	Access to Social Programs	9
4	Conclusion	22
	Appendix: Methodology	23

A decade after the financial crisis of 2008, many Ontarians remain somewhat uncertain about the future, expressing concerns about job security and opportunities for economic mobility.

1 INTRODUCTION

Ten years ago, the global economy experienced one of the worst economic crises since the Great Depression. In Canada, real gross domestic product (GDP) contracted by 3.3 per cent from the third quarter of 2008 to the second quarter of 2009, while in the first half of 2009 the number of people employed fell by over a quarter of a million.¹ Three in five of the jobs lost between 2008 and 2009 were in Ontario. The number of people unemployed in Ontario rose by 40 per cent over the same period.

Ten years later, economic signals are still mixed. Underlying economic conditions are clearly much brighter: the national economy returned to growth by the end of 2009, and as of June 30, 2018, private-sector forecasters, on average, project Ontario's real GDP to increase by 2.1 per cent in 2018.² Employment levels in Ontario had returned to their pre-recession levels by 2011, and the province's unemployment rate had rebounded back to its level before the economic crisis.

At the same time, there are concerns that the recovery has not been as robust as these headline figures might suggest. Income inequality, while no longer at record levels, is higher now than it was before the turn of the century.³ The proportion of young adults in Canada (those between the ages of 20 and 24) neither working nor enrolled in education or training – which in 2016 stood at 16 per cent for men and 13 per cent for women – has not fallen significantly since the onset of the economic crisis ten years ago.⁴ The proportion of young Canadians employed in temporary rather than permanent jobs has been inching up steadily over the past 20 years, especially among those without a postsecondary education.⁵ News headlines reflect these concerns, focusing less on improving macro-economic indicators and more on the potential threat to jobs posed by new technologies such as robotics and artificial intelligence, or by the uncertainty surrounding Canada's trade with the United States in the wake of the election of a protectionist president in 2016.

1 Statistics Canada. *Canada Year Book 2010: Catalogue no. 11-402-X*

2 Ontario Ministry of Finance, *2018-19 First Quarter Finances* (August 2018). https://www.fin.gov.on.ca/en/budget/finances/2018/ofin18_1.pdf.

3 Statistics Canada, CANSIM Table 206-0033.

4 OECD <https://data.oecd.org/youthinac/youth-not-in-employment-education-or-training-neet.htm>.

5 Statistics Canada, special calculation from the Labour Force Survey.

In the context of these mixed signals, this report sets out to gauge Ontarians' perceptions of their economic security as well as the ability of government to offset economic adversity through social programs. The report analyzes the results from the Mowat Centre's *Portraits 2017* public opinion survey as they pertain to attitudes towards job security, economic mobility and government social programs in Ontario, with some comparisons to opinions in Quebec. (The survey was conducted in November 2017.)

The data suggest that, a decade after the financial crisis of 2008, many Ontarians remain somewhat uncertain about the future, expressing concerns about job security and opportunities for economic mobility. Ontarians also have mixed views about whether government programs will be there to support them in times of need. Most Ontarians expect to receive a public pension when they retire, and many expect to be eligible for Employment Insurance should they find themselves out of work. But fewer expect themselves or their families to benefit from support for child care, drug costs of postsecondary education. Moreover, expectations of receiving support are not always higher among those to whom these means-tested benefits are targeted.

While the data highlight gaps in citizens' sense of economic security, they also point to the challenge that governments face in trying to offer reassurance. Many citizens, not only in Ontario but elsewhere in western democracies, are generally feeling wary of government as an institution. Improving the design and effectiveness of social programs is not only a way of advancing specific policy outcomes (such as economic opportunity), but also of addressing these wider issues related to public perceptions of the institution of government.

2 KEY FINDINGS

- » A majority of Ontarians (61 per cent) are worried about themselves or an immediate family member getting and keeping a stable, full-time job. Among those who are currently employed full-time, the figure is 63 per cent.
- » Three in five Ontarians say that they believe both the quality of life and standard of living for young Canadians will be worse than their parents' generation – a much higher proportion than in 2003. This response does not vary significantly by age – meaning that younger and older generations are equally pessimistic.
- » The majority of Ontarians have doubts about whether talent and hard work are enough to get ahead in today's economy. Overall, 78 per cent of Ontarians agree that “what counts today is not what you can do, or how hard working you are, but whom you know and how much influence you have.”
- » Overall, most Ontarians have confidence in Canada's public pension system, with 64 per cent saying it is absolutely certain or very likely that they will receive benefits through the Canadian Pension Plan (CPP) when they retire. The proportion of Ontarians who report feeling certain that they will receive CPP upon retirement dramatically increases with age. For example, 89 per cent of those aged 60 and over, and 87 per cent of those who are retired, say it is absolutely certain or very likely that they will receive CPP; at the other end of the spectrum, only one in two of those in their 20s feel it is absolutely certain or very likely that they will receive CPP benefits when they retire.
- » Ontarians are fairly certain that they would receive Employment Insurance (EI) benefits should they fall out of work. When asked how likely it would be that they would receive benefits through Canada's EI program if they lost their job, 51 per cent of all Ontarians and 42 per cent of Ontarians employed part-time or self-employed say they felt it was absolutely certain or very likely. Given that fewer than one in three unemployed Ontarians actually receive regular EI benefits, with most part-time and self-employed workers struggling to qualify, it would appear that at least some Ontarians are overestimating their chances of receiving EI in the event that they should lose their job.

- » Overall, relatively few Ontarians expect to receive non-repayable financial support to assist themselves or a young person in their family to pursue postsecondary education. More importantly, parents in lower-income families with children under the age of 18 are no more likely than their higher income counterparts to say that they or a young person in their family are absolutely certain or very likely to receive non-repayable student financial assistance.
- » Few Ontarians feel confident that they would qualify for government subsidies to help pay for childcare and preschool education for a new baby in their family. Respondents from lower-income households with children aged 18 or under, however, are more certain than higher income households that they could benefit from subsidies.
- » Ontarians appear uncertain about whether they would benefit from a government pharmacare program to cover drug costs in the event of a long-term illness. Overall, one-third of Ontarians feel absolutely certain or very likely to benefit, and one-third feel unlikely to receive such coverage. The other third lies somewhere in the middle. Results do not differ significantly between age groups (seniors, for instance, are not more likely to expect to receive a benefit to assist with the cost of prescription drugs) or between those with higher and lower household incomes.

Ontarians' feelings towards their economic security and social safety net



Worried about themselves or an immediate family member getting and keeping a stable, full-time job



Feel it is certain or very likely that they will receive EI benefits if they lose their job



64%

Feel it is **certain** or very likely that they will receive **CPP benefits** when they retire

78%

Doubt whether talent and hard work are enough to get ahead in today's economy



20%

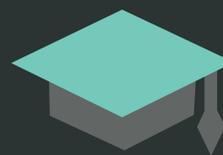
Feel it is certain or very likely that they would qualify for government subsidies to help pay for childcare and preschool education for a new baby in their family

60%

Believe the **quality of life** and **standard of living** for young Canadians will be worse than their parents' generation



Parents who feel it is **certain** or very likely that they or someone in their family **will receive non-repayable student financial assistance:**



LOWER-INCOME FAMILIES:



HIGHER-INCOME FAMILIES:



Parents with children under the age of 18

3 DETAILED FINDINGS

Economic Security and the Social Safety Net

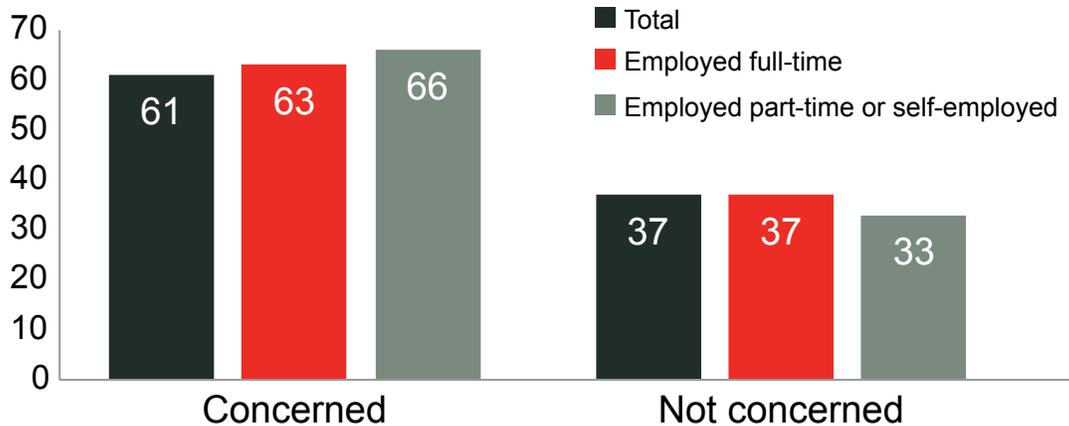
The *Portraits 2017* survey took place against a background of conflicting messages on employment. A pick-up in economic growth and a rebound in unemployment, on the one hand, combined with potential threats to stable employment posed by disruptive technologies and the protectionist stance of Canada's largest trading partner, on the other. In this context, it is perhaps not surprising that, even as the time since the last recession grows, many Ontarians remain concerned about what the future holds for themselves and their families.

This does not mean the effects of the economic recovery are not being felt. In fact, most (about seven in ten) Ontarians say that the national economy, the economy of their city or region, and their own personal financial situation have either improved or at least stayed the same over the past five years, while only about three in ten say that they have gotten worse. But this generally positive outlook notwithstanding, many Ontarians express worries about job security, about the lack of opportunity for youth, and about what it takes to get ahead and be successful in today's economy.

Job Security

Portraits 2017 finds that a majority of Ontarians (61 per cent) are worried about themselves or an immediate family member getting and keeping a stable, full-time job. Among those who are currently employed full-time, the figure is 63 per cent.

Not surprisingly, those who feel that the national economy has gotten worse over the past five years are more likely to express concerns about job security (70 per cent); however, even a majority of those who say the economy is improving remain concerned. Concerns are also higher than average among younger Ontarians (74 per cent among those age 18 to 24), visible minorities (74 per cent), and women (66 per cent). There is no significant difference between the views of those who are employed full-time and those who are employed part-time or who are self-employed.

FIGURE 1**Concern about job security**

How concerned are you about yourself or a member of your immediate family finding or keeping a stable, full-time job? (Results shown for very or somewhat concerned and not very or not at all concerned)

Concerns around job security are higher now than they were prior to the last recession. In 2002, only 35 per cent of Ontarians said they were worried about themselves or an immediate family member getting and keeping a stable, full-time job.⁶ Interestingly, the unemployment rate was actually higher in 2002 than in 2017 – sitting at 5.9 and 5.0 per cent, respectively – though it did rise sharply in the wake of the 2008 recession only to fall again from 2010 onwards.

It may be that the impact of the recession continues to shape Ontarians’ attitudes towards future job prospects – that there is a natural time lag between improvements in the unemployment rate and improvements in outlook. As mentioned, however, there has also been extensive research and public dialogue recently about the future of work and what the labour market might look like in the context of

increasing globalization, rapid technological change, evolving employer-employee relationships, growing work precarity and the emergence of the “gig economy.”⁷ Time will tell, then, whether the greater degree of concern about job security in Ontario will abate as the economic recovery gels, or whether it will persist as the “new normal” in the context of continuing changes to the nature of work.

Intergenerational Mobility

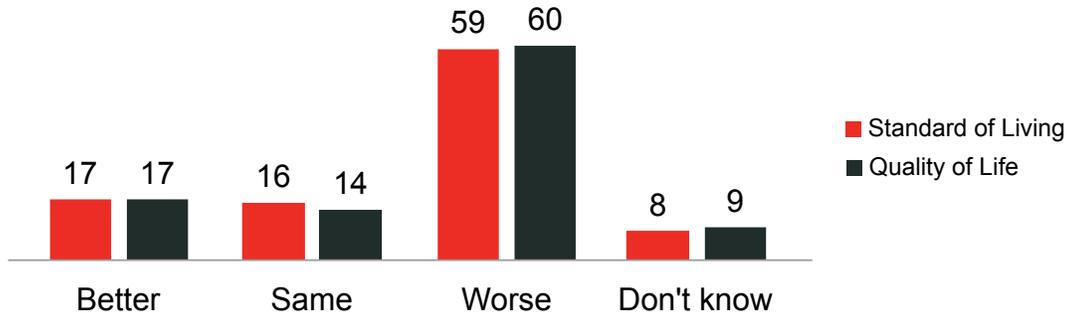
Looking towards the future, Ontarians are particularly pessimistic about what lies ahead for today’s young adults. When asked about intergenerational mobility, three in five say that they believe both the quality of life and the standard of living for young Canadians will be worse than their parents’ generation – a much

6 CRIC survey on the Charter of Rights and Freedoms, 2002; Ontario n = 400.

7 The Mowat Centre has been a leading voice in this public conversation. See Sunil Johal and Jordann Thirgood, *Working Without a Net* (2016). Mowat Centre. <https://mowatcentre.ca/working-without-a-net/>; Sunil Johal and Armine Yalnizyan (2018). *Race to the Top*. Mowat Centre. <https://mowatcentre.ca/race-to-the-top/>.

FIGURE 2

Will Young Canadians Be Better Off Than Their Parents?



Which of the following statements comes closest to your own view?

When they get older, today's young Canadians will have a **BETTER** standard of living / quality of life than their parents did

When they get older, today's young Canadians will have a **WORSE** standard of living / quality of life than their parents did

When they get older, today's young Canadians will have the **SAME** standard of living / quality of life as their parents did

Note: half of the survey sample was asked about the standard of living, while the other half were asked about the quality of life.

higher proportion than in 2003.⁸ This response does not vary significantly by age – meaning that both younger and older generations are equally pessimistic. It also does not vary significantly by gender, education, income, whether or not one has young children, or whether one was born outside of Canada.

Views on intergenerational mobility are particularly sobering among those whose family has recently immigrated to Canada. For example, 71 per cent of second generation Canadians (i.e. those born in Canada but both of whose parents were not) say that the quality of life for younger generations will deteriorate. This concern has also become significantly more pronounced over time: in 2003, only 24 per cent of second generation Ontarians felt that quality of life for youth would be worse than their parents' generation.⁹

These results from *Portraits 2017* echo those reported in previous surveys in Canada. A survey of Torontonians conducted in 2014 for the United Way of Toronto found that over half think the next generation will be worse off than they are, 25 years from now.¹⁰ A more recent study by the Angus Reid Institute found that 43 per cent of Canadians, including 46 per cent in Ontario, say their own kids will be worse off than them in terms of their overall financial situation, compared with 32 per cent nationally and 31 per cent in Ontario who say they will be better off.¹¹ Regular studies by EKOS Research suggest that these results are neither new nor unique to either Toronto or Ontario – that most Canadians have had a similarly pessimistic

8 CRIC New Canada survey, 2003; Ontario n= 745.

9 In the case of first generation immigrants, the proportion saying that the quality of life for younger Canadians will be worse than that of their parents rose from 22 per cent in 2003 to 50 percent in 2017.

10 United Way Toronto, *The Opportunity Equation: Building Opportunity in the Face of Growing Income Inequality* (Toronto: United Way Toronto, 2014), p. 8; <https://www.unitedwaygt.org/document.doc?id=285>.

11 Angus Reid Institute, *What Does Poverty Look Like in Canada?* (July 17, 2018); <http://angusreid.org/poverty-in-canada/>.

outlook for some time.¹² Results from international studies point to similar findings in other western countries.¹³

This consistent pattern of findings is concerning, particularly when read alongside the previous findings about job security. Many people might find economic uncertainty for themselves to be acceptable if they had a sense that it was a stage on a journey that was leading to a better future for their children. The results from *Portraits 2017* and other surveys suggest that this is not necessarily the case.

What it takes to succeed

The majority of Ontarians have doubts about whether talent and hard work are enough to get ahead in today's economy. Overall, 78 per cent of Ontarians agree that "what counts today is not what you can do, or how hard working you are, but whom you know and how much influence you have." This is up from 63 per cent in 2003.¹⁴

12 Ekos Politics (2017) "Through a Lens Darkly: Shifting Public Outlook on the Economy and Social Class" http://www.ekospolitics.com/wp-content/uploads/through_a_lens_darkly_october_10_2017.pdf.

13 See, for instance, results for Great Britain from the Sutton Trust, "What the Polling Says: Sutton Trust Polling by Ipsos MORI –July 2017;" https://www.suttontrust.com/wp-content/uploads/2017/07/Social-mobility-polling-and-appendix- WEB-VERSION_FINAL.pdf: "In 2003...43% of the public believed 'today's youth' would have a better quality of life than their parents' generation. However, by 2011, in the aftermath of the financial crisis, this figure had plummeted to 23%, with 35% believing the new generation would have a lower quality of life. In line with the increased polarisation of British politics, 2017 has seen a diverging trend. While optimism among a certain proportion of the population has rebounded slightly to 29%, pessimism has also substantially increased, with almost half of people now agreeing that today's youth will have a worse life than their parents." See also Bruce Stokes, *Expectations for the Future*, Pew Research Center (September 28, 2018); <http://www.pewglobal.org/2018/09/18/expectations-for-the-future/>.

14 CRIC New Canada survey, 2003; Ontario n= 745.

In the 2017 survey, the view that it's not what you know how to do, but whom you know, that determines your success is slightly more common among those aged 18 to 24 (83 per cent), those who are concerned about the security of their employment (84 per cent), and those who feel that the national economy has gotten worse over the past five years (84 per cent).

Access to Social Programs

In terms of assessing how developments as wide-ranging as the last recession, the changing nature of work and uncertainties relating to international trade might be affecting outlooks on the future, one question of interest is whether Ontarians feel they have access to support in the form of different social programs. It is easier to face an uncertain future if there is some certainty that specific types of benefit are available should they be needed.

Employment Insurance

The case of employment insurance is particularly interesting. On the one hand, this is arguably one of the key planks of Canada's social safety net at a time when job security appears to be on the decline. On the other hand, the program has become much less accessible to unemployed Ontarians over the past few decades. The proportion of unemployed Ontarians eligible for regular EI benefits has been declining as a result of both changes to the program (e.g. significant reforms by the federal government in the 1990s) and changes in the labour market over time (e.g. increased self-employment, part-time work and

FIGURE 3

How likely do you think it would be that you would be able to receive benefits from the following social programs in Canada if you needed them?

	Absolutely certain	Very likely	Somewhat likely	Not too likely	Not at all likely	Don't know
 Employment insurance if you lost your job	21	31	22	10	12	5
 The Canada Pension Plan when you retire	36	28	19	8	5	3
 A government pharmacare program to help pay for the cost of drugs if you had a long-term illness	12	21	26	22	13	6
 A non-repayable student grant to help pay for tuition if you or a young person in your family went to college or university	6	14	19	26	25	11
 A government subsidy to help pay for childcare and preschool education for a new baby in your family	5	15	23	20	23	13

longer duration of unemployment).¹⁵ In 1976 for example, 68 per cent of unemployed Ontarians received regular EI benefits. As of July 2018, that proportion had fallen to only 29 per cent.¹⁶

Portraits 2017 finds that Ontarians are in fact fairly certain that they would receive EI benefits should they fall out of work. When asked how likely it would be that they would receive benefits through Canada’s EI program if they lost their job, 51 per cent say they felt it was absolutely certain or very likely. Fewer than one in four say it is not too or not at all likely.

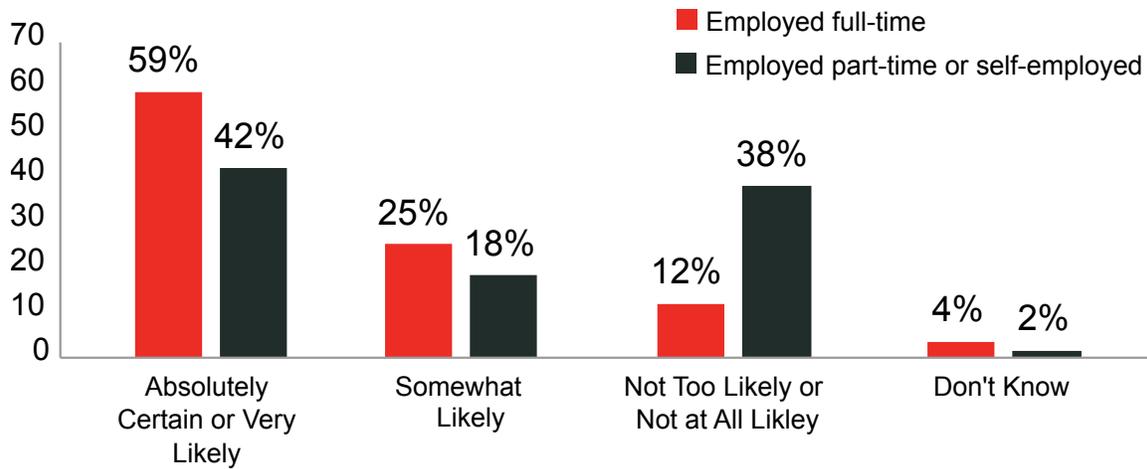
Those who are employed on a full-time basis are more confident than part-time and self-employed individuals about qualifying for EI payments (59 per cent, compared with 42 per cent). This is not surprising as the existing EI system is largely designed for workers engaged in a standard employment relationship with permanence and full-time hours. Part-time workers are typically less likely to qualify for EI than full-time workers, even in the case of someone working multiple part-time jobs that add up to full-time hours. The EI system also largely overlooks self-employed individuals, who are eligible for special EI benefits if they choose to opt in – such as parental, sickness, or compassionate care benefits – but who are not eligible for regular EI benefits as they do not pay the premiums.

15 Mowat Centre (2011) “Making it Work: Final recommendations of the Mowat Centre Employment Insurance Task Force” https://mowatcentre.ca/wp-content/uploads/publications/43_making_it_work.pdf.

16 Author’s calculations. Tables CANSIM 276-0001, 14-10-0011-01 (formerly CANSIM 276-0022), 14-10-0287-03 (formerly CANSIM 282-0087).

FIGURE 4

Likelihood of receiving EI benefits in the event of job loss, by employment status



How likely do you think it would be that you would be able to receive benefits from the following social programs in Canada if you needed them?

Employment insurance if you lost your job

Finally, those who are concerned about themselves or a member of their immediate family finding or keeping a stable, full-time job are less certain that they would obtain EI benefits in the event of job loss: 56 per cent of this group say it is absolutely certain or very likely that they would obtain EI, compared with 65 per cent of those who are not concerned about finding or keeping a job. That said, even among those concerned about job security, a majority remains fairly confident that they would be caught by this part of Canada’s social safety net should they lose their job.

The key question raised by the survey findings, however, is whether this confidence in the EI program is misplaced, given that fewer than one in three unemployed Ontarians actually receive regular EI benefits. It is notable that 42 per cent of Ontarians employed part-time or self-employed feel certain or very likely to

be covered by EI, even though most part-time and self-employed workers struggle to qualify for EI. Among Ontarians employed full-time – the group most likely to be covered by EI – confidence in the program is stronger (only 59 per cent feel certain or very likely to qualify for EI benefits, while 37 per cent feel somewhat likely, not too likely or not at all likely to qualify).

It would appear, then, that at least some Ontarians are overestimating their chances of receiving EI in the event that they should lose their job. While this may not be ideal, it is not clear whether the answer is to educate Ontario workers as to the thinness of EI coverage in practice – something which might only exacerbate feelings of insecurity. A better alternative could be to engage the federal government in the need for continued improvements to the program.

Most importantly, the federal government should update entrance requirements, eligibility criteria, benefit duration ranges and the weekly benefit formula to make them better suited to an era where many workers, especially younger ones, are changing jobs more frequently, working multiple jobs, or working jobs on short-term contracts.¹⁷ Other steps to improve Ontarians' confidence in the EI system can include creating a nationally standardized support system for the unemployed (e.g. introducing a single national entrance requirement, benefits duration range and weekly benefits formula), as well as changes to associated active employment measures (e.g. funding labour market programs through general-revenue transfers to provinces, eliminating EI eligibility as "precondition" to accessing skills development and training initiatives).¹⁸ There is also room for improvement with respect to reintroducing input and oversight from workers and employers – an element of the EI system that has been eroded over time.¹⁹

17 Sunil Johal and Jordann Thirgood (2016), *Working Without a Net*, Mowat Centre. <https://mowatcentre.ca/working-without-a-net/>.

18 For a full suite of recommendations for EI reform, see Mowat Centre EI Task Force series: <https://mowatcentre.ca/ei-task-force/>.

19 For more on the expropriation of EI from business and labour, see: Donna Wood (2017), *The Seventy-Five Year Decline*. Mowat Centre. <https://mowatcentre.ca/the-seventy-five-year-decline/>.

Canada Pension Plan

Overall, most Ontarians have confidence in Canada's federal public pension system, with 64 per cent saying it is absolutely certain or very likely that they will receive benefits through the Canadian Pension Plan (CPP) when they retire. The question of attitudes towards the public pension plan is important, since studies show that the majority of Canadians are not saving for their retirement through other savings vehicles.²⁰

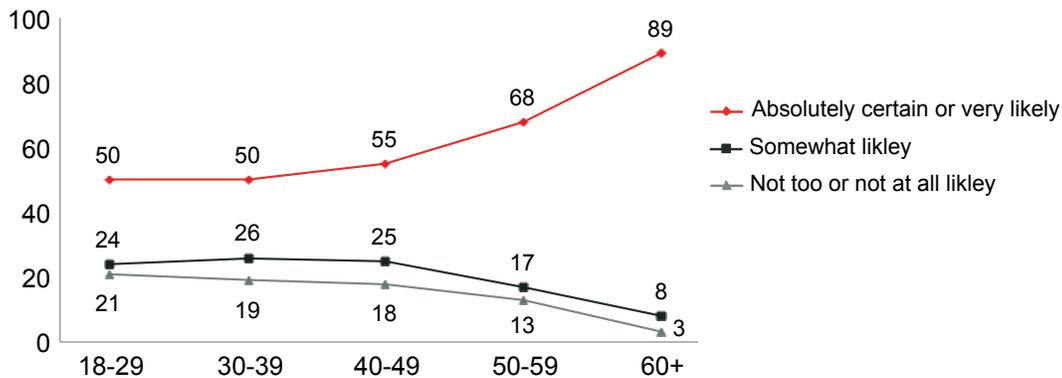
The proportion of Ontarians who report feeling certain that they will receive CPP upon retirement dramatically increases with age. For example, 89 per cent of those aged 60 and over, and 87 per cent of those who are retired, say it is absolutely certain or very likely that they will receive CPP – responses that reflect the fact that most are actually receiving the benefit already. At the other end of the spectrum, only one in two of those in their 20s feel it is absolutely certain or very likely that they will receive CPP benefits when they retire, though a further 24 per cent say it is somewhat likely, and only 21 per cent say it is not too or not at all likely (see Figure 5).

Most Ontarians, therefore, progress through their working lives with the sense that it is at least somewhat likely that they will receive a public pension. This proportion increases noticeably after age 50, when the prospect of retirement begins to come into focus.

20 Royal Bank of Canada (2017) "When the Dots Don't Connect: Canadians Living Longer in Retirement but Preparing Less – RBC poll" <http://www.cbc.ca/news/business/royal-bank-retirement-1.3981758>; Ipsos Global (2015) "Only One Half (48%) of Canadians are Saving for their Retirement" <https://www.ipsos.com/en-ca/only-one-half-48-canadians-are-saving-their-retirement>.

FIGURE 5

How likely is it that you will get CPP when you retire? By age group



How likely do you think it would be that you would be able to receive benefits from the following social programs in Canada if you needed them?

CPP when you retire

Targeted or Means-Tested Social Programs

The *Portraits 2017* survey also asked about the likelihood of receiving several other benefits, all of which are traditionally available only to those who meet specific eligibility requirements. In these cases, what is of interest is less the overall number of people who expect that they might receive the benefit, but rather whether the proportion that expects that they might receive the benefit is higher among those in the targeted groups.

STUDENT GRANTS FOR POSTSECONDARY EDUCATION

Need-based student grants have been a staple of Ontario’s Student Assistance Program (OSAP) for many years. OSAP provides both grants and loans based on an assessment of financial need. Since the mid-2000s, student grants in Ontario have been more directly tied to family income, meaning that students from families below a given income threshold who

apply for OSAP have been eligible for a non-repayable grant designed to facilitate their access to postsecondary education.

Overall, relatively few Ontarians expect to receive non-repayable financial support to assist themselves or a young person in their family in pursuing postsecondary education. One in two (51 per cent) Ontarians say it is not too or not at all likely that they – or a young person in their family – would receive a non-repayable student grant to help pay for college or university if they needed it. Only one in five (20 per cent) say it is absolutely certain or very likely that they or a family member would benefit.

More importantly, Figure 6 shows that parents in lower-income families (those with an annual household income under \$75,000) with children under the age of 18 are no more likely than their higher income counterparts to say that they or a young person in their family are absolutely certain or very likely to receive non-repayable

student financial assistance – only one in five hold this view. One in two of these lower-income parents (50 per cent) say it is not too or not at all likely that they or their children would qualify.²¹

These findings come as important changes to the Ontario student grant program began to take effect. As of 2017, the grants were being made more visible, by being tied to the cost of average university tuition in an arts and science program in the province, and by being provided “up front” to students so as to remove the need for those who qualify to pay tuition at all – thus allowing the program to be characterized as amounting to “free tuition” to students from low-income families. The survey results point to the importance of this move, as recognition of the availability of student grants appears to be low, even among lower-income families. It

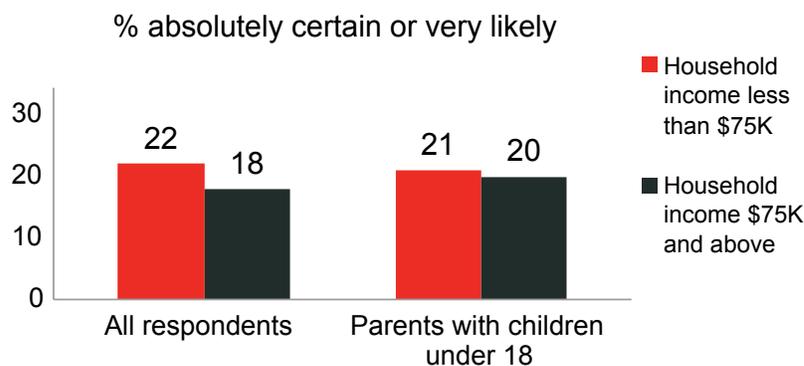
will be important to revisit this question in the coming years to measure the impact of the move to make the grants more visible.

CHILDCARE

Much like student grants for college or university, subsidies for childcare services in Ontario are based on financial need. Families can apply for the Ontario childcare subsidy if their child is under the age of 13 (or 18 if their child has special needs) and is enrolled in a licensed child care program, a before- and after-school program operated by a school board, or an approved recreation program.²³ The amount received is dependent on the family’s adjusted net income, subtracting any federal payments from the Canada Child Benefit. While not dedicated to child care specifically, low-income families in Ontario also receive financial support through the Canada

FIGURE 6

How likely is it that you or a young person in your family will benefit from a non-repayable student grant to help pay for college or university tuition? By household income²²



How likely do you think it would be that you would be able to receive benefits from the following social programs in Canada if you needed them?

A non-repayable student grant to help pay for tuition if you or a young person in your family went to college or university

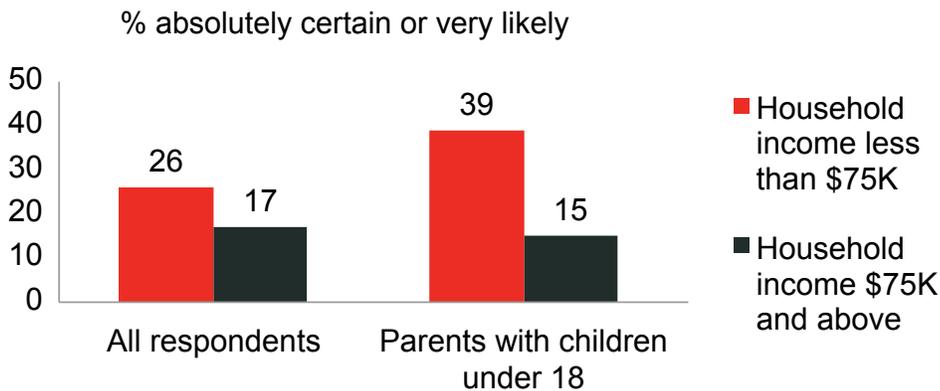
21 At the same time, one in two (53 per cent) of those surveyed who are currently students say it is absolutely certain or very likely that they will benefit from a non-repayable student grant to help pay for tuition, though the sample size of this subgroup is relatively small (n=91).

22 The sample size for respondents in Ontario with children under 18 is 279.

23 <https://www.ontario.ca/page/child-care-subsidies>.

FIGURE 7

How likely is it that you will benefit from a government subsidy to help pay for childcare and preschool education for a new baby in your family? By household income²⁵



How likely do you think it would be that you would be able to receive benefits from the following social programs in Canada if you needed them?

A government subsidy to help pay for childcare and preschool education for a new baby in your family?

Child Benefit and Ontario Child Benefit to assist with the costs of raising a child under the age of 18.²⁴

Overall, few Ontarians feel confident that they would qualify for government subsidies to help pay for childcare and preschool education for a new baby in their family. In fact, 43 per cent feel that they are not too likely or not at all likely to benefit from such a program if they needed it, and only 20 per cent say it is absolutely certain or very likely that they would.

Respondents from households earning below \$75,000 with children aged 18 or under, however, are more certain than higher income households that they could benefit from subsidies. Specifically, 39 per cent of those earning under \$75,000 with children under 18 feel absolutely certain or very likely to receive a government subsidy for childcare, compared

with only 15 per cent for those with young children earning above \$75,000. Conversely, fewer than one in three (31 per cent) of lower-income parents say it is not too or not at all likely they would receive a subsidy, compared with more than one in two (54 per cent) higher income parents. Overall, as a subsidy system that's geared to income, the program seems to be providing a greater sense of security to its intended clients.

PHARMACARE

Until recently, public prescription drug coverage in Ontario had only been provided for seniors, those with low incomes and those spending a disproportionate amount of their income on prescription drugs. Coverage is administered through the Ontario Drug Benefit (ODB) program, which automatically provides coverage for those aged 65 and over. Ontarians can qualify for prescription drug coverage before this age if they are living in a long-term care home, or if they are eligible for Ontario Works, Ontario Disability Support Program, Home Care or the Trillium Drug Program.

²⁴ Both the Canada Child Benefit and Ontario Child Benefit are tax-free monthly payments geared to income and provided per child, funded by the federal and provincial governments, respectively. Both programs are administered by the Canada Revenue Agency.

At the time in which the *Portraits 2017* survey was conducted, the Ontario government had announced a public prescription drug coverage program for Ontarians aged 24 and under (OHIP+), although the program had not yet been implemented (the program took effect at the beginning of 2018). In the summer of 2018, the newly elected provincial government made changes to this program, adopting a more targeted “gap-filling” approach in which coverage is provided to Ontarians 24 and under who do not receive coverage through a private insurance plan. However, both the coming into effect of the original OHIP+ program and the subsequent changes came after the *Portraits 2017* survey was conducted.

According to the Conference Board of Canada, around 5.6 million Ontarians (40.2 per cent of the population) were eligible for public coverage in 2017 – with coverage much higher among fully-eligible seniors than youth or core working-aged adults.²⁵ Around 8.8 million Ontarians (63 per cent of the population) were eligible through private insurance – a figure that includes all beneficiaries of a plan, such as the primary cardholders, spouses, and dependants. Most of these private plans are provided by an employer through a group plan.²⁶ However, around 13.2 per cent of Ontario’s population remained uninsured and ineligible for either public or private insurance, representing a significant share of the proportion of Canadians without insurance coverage.

FIGURE 8

Proportion saying it is absolutely certain or very likely that they would receive support from government programs, by household income and family type

	Household Income more than \$100 K 	Household Income less than \$50K 	Families With Children Under 18 
 Employment insurance if you lost your job	57	49	51
 The Canada Pension Plan when you retire	67	62	50
 A government pharmacare program to help pay for the cost of drugs if you had a long-term illness	31	36	33
 A non-repayable student grant to help pay for tuition if you or a young person in your family went to college or university	20	23	18
 A government subsidy to help pay for childcare and preschool education for a new baby in your family	16	26	23
	N=456	N=562	N=279

25 <http://innovativemedicines.ca/wp-content/uploads/2017/12/20170712-understanding-the-gap.pdf>.
 26 <http://innovativemedicines.ca/wp-content/uploads/2017/12/20170712-understanding-the-gap.pdf>.

Against this backdrop, the *Portraits 2017* survey asked about the likelihood of receiving a benefit from a government pharmacare program to cover drug costs in the event of a long-term illness. The results suggest that Ontarians appear uncertain about whether they would benefit from a government pharmacare program in these circumstances. Overall, one-third of Ontarians feel absolutely certain or very likely to benefit, and one-third feel unlikely to receive such coverage. The other third lies somewhere in the middle, being either somewhat certain or saying they don't know.

The most important finding is that results do not differ significantly between age groups (seniors, for instance, are not more likely to expect to receive a benefit to assist with the cost of prescription drugs) or between those with higher and lower household incomes (see Figure 8).

Relationship with Views on the Impact of Governments

An important backdrop to these views as to the availability of various social benefits is attitudes to the institution of government more generally. The *Portraits 2017* survey finds that Ontarians are more likely to say that governments have a negative impact on people's lives (49 per cent) than they are to say that this impact is positive (30 per cent). Nine per cent say that governments don't have much impact on most people's lives, and 11 per cent have no opinion.

Interestingly, views on the impact of government are only somewhat linked to policy preferences. Those who favour smaller government or less government intervention, perhaps not surprisingly, are more likely to see governments as having a negative impact.

For example, two-thirds of those who say that cutting taxes should be a high priority say that governments have a negative impact on people's lives. But even those who favour more government action – for instance, those who say that spending more on health care or education is a high priority – are more likely to say that governments have a negative impact than they are to say that their impact is positive. In other words, while the view that governments' impact is negative is more pronounced among those who favour less government intervention, Ontarians are generally more likely to say that governments' impact is negative rather than positive, regardless of their policy preferences.

What does appear more important in terms of views on the impact of governments is economic outlook: 78 per cent of those who feel that Canada's economy has gotten worse over the past five years have a negative view of the impact of governments, compared with only 31 per cent of those who say the economy has improved.²⁷

This finding is important because, across all the questions relating to the likelihood of receiving benefits through different social programs, there is a clear relationship with views on the impact of governments. Consistently, those who say that governments have a positive impact on people's lives are more likely to

²⁷ Additional analysis conducted for this report indicates that economic outlook in fact has the strongest effect on attitudes towards the impact of government, and that this relationship remains very strong even after controlling for the effect of other factors such as education and region. On the whole, once the effect of each factor is examined in a manner that controls for that of others, economic outlook emerges as having the strongest influence on attitudes towards government, although education and region also remain significant. This analysis was conducted for the Mowat Centre by Anthony Sealey, a graduate student in the Department of Political Science at the University of Toronto. The Mowat Centre gratefully acknowledges his contribution.

say it is certain that they will receive various benefits, compared with those who say that governments have a negative impact. What the survey cannot say is which of these factors causes the other: do citizens lack confidence that they will benefit from social programs because they have a negative view of governments, or does their negative view of governments stem from their sense they that are unlikely to benefit from social programs? It is possible too that both views – a negative view of the impacts of government and a lack of confidence in social programs – stem from a third factor, such as economic insecurity.

Regardless, the relationship is important because it points to the difficulties that governments face in implementing program reforms. Changes to social programs, such as the recent improvement to the CPP or to student grants, are intended to reassure those facing economic difficulties that they can

FIGURE 9

Perceived likelihood of receiving benefits, by views on impact of government on people's lives and well-being

Program	(% saying absolutely certain or very likely to receive benefit)	
	Governments Have a Positive Impact	Governments Have a Negative Impact
Employment Insurance	60	45
Canada Pension Plan	75	58
Pharmacare coverage	40	28
Student grant	27	16
Childcare subsidy	26	16

count on a robust social safety net to see them through. However, the ability to improve the sense of security through successful program reform is made much more difficult when the starting point for the roll-out of these changes is a situation in which many citizens already question the impact of governments or are feeling economically at risk.

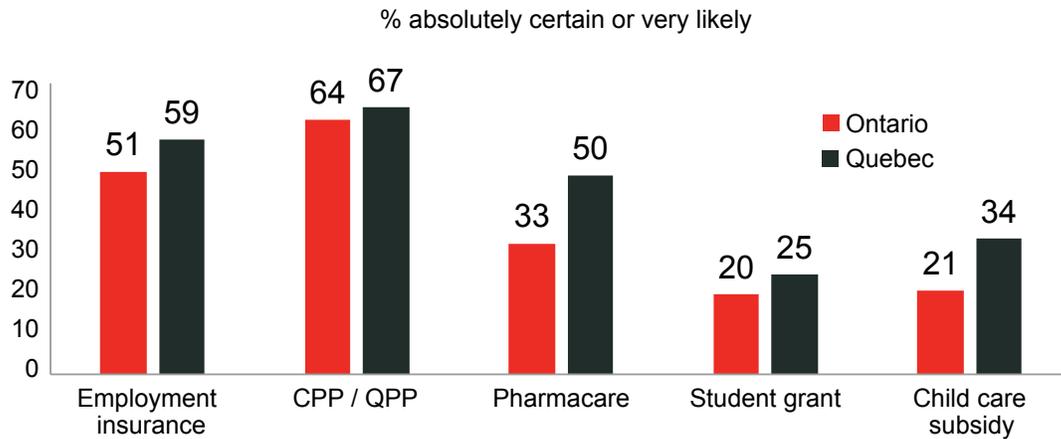
Confidence in the Social Safety Net: Ontario vs. Quebec

With the exception of EI and (outside Quebec) the CPP, most elements of the social safety net fall under provincial jurisdiction and are largely designed and delivered separately by provincial governments. This discussion provides a brief comparison of the survey results from the two provinces covered in this survey, namely Ontario and Quebec.

EI is a federally-administered program. Perhaps not surprisingly, then, responses in the two provinces regarding this program are virtually the same. In each province, just over one in two people say it is absolutely certain or very likely that they would receive EI should they be unemployed.

Ontarians are eligible for the CPP, delivered by the federal government, while Quebec administers its own parallel program through the Quebec Pension Plan (QPP).²⁸ In each province, about two in three say it is absolutely certain or very likely that they will receive a public pension benefit when they retire.

²⁸ For a brief breakdown of differences between the programs, see <https://www.ceridian.ca/en/resources/compliance-centre/canada-pension-plan-cpp-qpp/index.html>.

FIGURE 10**Likelihood of receiving government benefits, by province**

How likely do you think it would be that you would be able to receive benefits from the following social programs in Canada if you needed them?

In the case of student financial assistance, attitudes in the two provinces are again more similar than different. In each province, only a minority (20 per cent in Ontario and 25 per cent in Quebec) say it is absolutely certain or very likely that they or a young person in their family would receive a non-repayable grant to help pay for college or university.

The fact that Quebecers are only slightly more certain that they or a young family member would receive a student grant is perhaps surprising, as historically grants have formed a more visible component of the Quebec student aid system. That said, among parents with children under the age of 18 – who may be more attentive to the costs of education and the means of paying for it – there is a bigger difference between the two provinces, with 35 per cent in Quebec saying that getting a grant is absolutely certain or very likely, compared with 18 per cent in Ontario.²⁹

Quebec’s subsidized child care program has been highly visible in the province since its creation and is often held up as a model for other provinces. Quebec’s universal daycare system is geared to income, with reduced contributions as low as \$7.75 per day to register children into licensed care spaces. While not without its critics – especially in terms of cost – universal childcare has been linked to greater labour market participation among women with children.³⁰ It is perhaps not surprising then that there is much more certainty in Quebec than in Ontario that it would be possible to receive a subsidy to help pay for the cost of child care. While only one in five (21 per cent) Ontarians say it is absolutely certain or very likely that they would benefit from government subsidies for their child’s preschool education or care, one-third (34 per cent) of Quebecers say the same. Again, the differences are greater when looking specifically as those

29 The sample size for parents with children under the age of 18 in Quebec is 144.

30 Sunil Johal and Thomas Granofsky (2015) “Growing Pains: Childcare in Canada” Mowat Centre. https://mowatcentre.ca/wp-content/uploads/publications/RCSA_Growing_Pains.pdf.

with children under the age of 18 – in this case, 51 per cent of Quebec parents say it is absolutely certain or very likely that they would receive a subsidy, compared with 23 per cent of parents in Ontario.

As with childcare, there is generally more confidence in the availability of government pharmacare in Quebec. Quebec residents are required by law to obtain some insurance coverage for prescription drug costs. If a resident is ineligible for private insurance through their employer, he or she must register for publicly provided insurance through Régie de l'assurance maladie du Québec. Perhaps as a result, half (50 per cent) of Quebec respondents report feeling absolutely certain or very likely that they would receive prescription drug coverage in the event of long-term illness, compared with only one-third (33 per cent) of Ontarians.

**This uneven pattern
of confidence in the
social safety net
comes at a time when
many citizens, not
only in Ontario but
elsewhere in western
democracies, are
generally feeling
wary of government
as an institution.**

4 CONCLUSION

Ten years after the financial crisis of 2008, many Ontarians continue to feel uneasy about their economic future. While headline employment and growth figures are trending in a positive direction, there are very real prospects of new disruptions, whether driven by technological change, uncertainties relating to international trade, or growth in the precarious nature of work arrangements. In this context, the *Portraits 2017* survey finds that many Ontarians continue to express concerns about both their own economic security and about the prospect of upward mobility for the younger generation.

In times of such uncertainty, the social safety net can help provide support for those in need and a sense of reassurance for all. The survey suggests that, in this regard, some elements of Ontario's social safety net are working well. Most Ontarians expect that the public pension system will support them upon retirement, with this expectation naturally becoming stronger as they approach retirement age.

Most working Ontarians also expect that they would benefit from EI were they to lose their job. In this case, however, the Employment Insurance program may be providing a false sense of security to some Ontarians, especially those employed part-time or self-employed, as the program's decades-old approach means less than a third of unemployed Ontarians actually receive EI support.

In other cases, however, Ontarians are less sure of the availability of support. Expectations regarding eligibility for benefits such as childcare subsidies, pharmacare coverage and student grants – all of which have important implications for those with lower incomes or raising children – are not quite as high. And expectations are not always higher among those to whom these means-tested benefits are targeted.

This uneven pattern of confidence in the social safety net comes at a time when many citizens, not only in Ontario but elsewhere in western democracies, are generally feeling wary of government as an institution. This in itself poses a potential challenge to all governments – federal, provincial and municipal – as they seek to advance policy initiatives and reforms designed to help citizens face the future with optimism and confidence.

APPENDIX

METHODOLOGY

Portraits 2017 is a public opinion survey undertaken by Mission Research on behalf of the Mowat Centre. Survey data were collected between November 1 and November 14, 2017 from within randomly-selected, representative samples of residents of Ontario (n=2,000) and Quebec (n=1,000) aged 18 and older.

Sample frames were drawn from opt-in market research panels and hence cannot be technically characterized as random probability samples. Still, as a guideline, appropriate margins of error for traditional samples of the sizes of the Ontario and the Quebec samples are +/- 2.2% and +/-3.1% respectively, 19 times out of 20. For the overall sample (n=3,000) the corresponding margin of error is +/- 1.8%, with a 5% error rate. All data are weighted according to the most recent Census figures for age, gender and region;³¹ in turn, findings from the survey are representative of the adult population aged 18 and older in both Ontario and Quebec.

To address the question of whether attitudes have changed over time, the survey drew extensively from previous studies, including those conducted between 1998 and 2006 by the Centre for Research and Information on Canada (CRIC). In comparing data between the earlier surveys and the current one, readers should note the evolution in survey mode (from telephone to Internet), which in turn often entails small adjustments to question wording and format. Readers should also note that the Ontario sample for other national surveys is typically much smaller than the sample of 2,000 Ontarians surveyed in *Portraits 2017*.

31 The sample in Quebec is also representative in terms of language spoken at home.

