



# Poverty and Mental Illness

November 2007

## Introduction

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People with mental illness often live in chronic poverty. Conversely, poverty can be a significant risk factor for poor physical and mental health. The relationship between poverty and mental illness is both straightforward and complex in its pervasive reach. Understanding this broader context is key to addressing poverty in order to promote mental health and support the recovery of persons with mental illness.

## What Is Poverty?

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Poverty is often defined as the lack of sufficient income to provide for the basic necessities of life, consistent with the norms of the society in which one lives.<sup>1</sup> This backgrounder adopts the broader definition of poverty used by the Policy Research Initiative, a research institute providing advice to Human Resources and Social Development Canada: “Nationally and internationally, there is growing recognition that poverty involves more than just income deprivation. It can also extend to (or result from) exclusion from essential goods and services, meaningful employment and decent earnings, adequate and affordable housing, safe neighbourhoods with public amenities, health and well-being, social networks, and basic human rights.”<sup>2</sup>

Statistics Canada’s Low Income Cut-Off (LICO) is most often used to measure poverty. This is unofficially referred to as “the poverty line.” The LICO defines an income threshold below which a family is likely to spend significantly more of its income on food, shelter and clothing than the average family. A family with an income below the cut-off is considered to have low income.<sup>3</sup> According to 2006 LICO figures, an individual with an income of less than \$18,260 living in a mid-sized community is living in poverty, as they would have spent at least 20% more on the necessities of life than other individuals. In the absence of an adequate income, acquiring all the essentials of life, such as food, housing, employment, and education, is virtually impossible.

The depth of poverty is measured by how far individuals and households fall below the poverty line and by the number of years they stay poor. Some populations, such as those with a disability, are more at risk than others of chronic poverty.<sup>4</sup> People at risk include individuals with a mental illness.

## Why People with Serious Mental Illness Often Drift into Poverty

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People with serious mental illness face many barriers over their lifetime, including stigma and discrimination, which may prevent them from securing adequate education and employment. Experiencing a mental illness can seriously interrupt a person’s education or career path and result in diminished opportunities for employment. A lack of secure employment, in turn, affects one’s ability to earn an adequate income. As a result, people may eventually drift into poverty.<sup>5</sup>

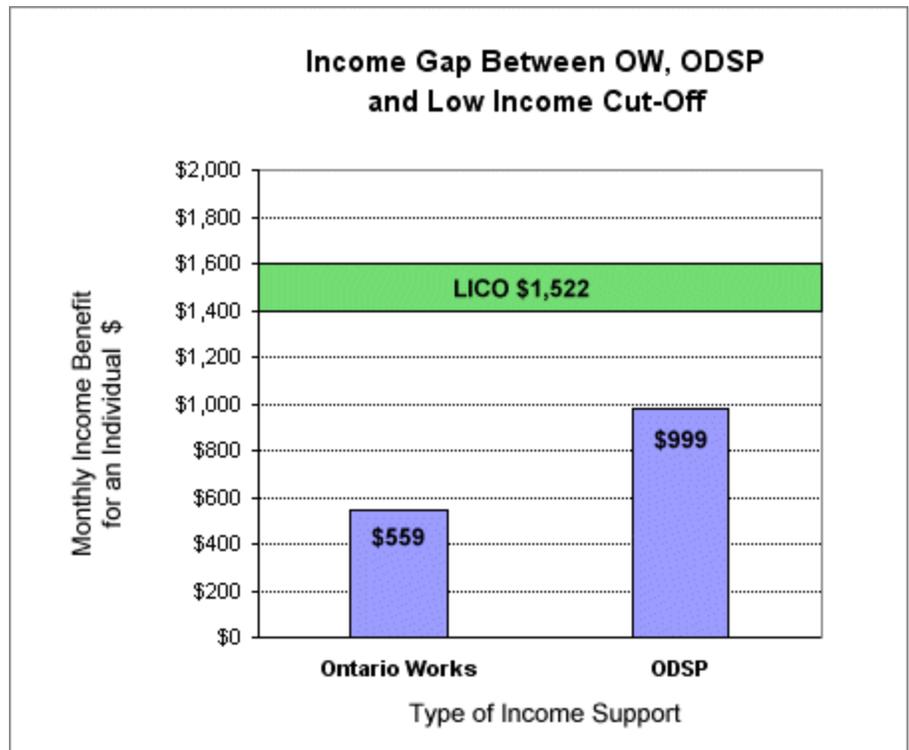
Moreover, individuals with serious mental illness are frequently unable to access community services and supports due to stigma, gaps in service and/or challenges in system navigation. Lack of sufficient primary health care and community mental health services, shortages of affordable housing, and

inadequate income support further alienate them from life in the community. Exclusion from these social and economic supports results in social isolation, significantly increasing their risk of chronic poverty.

**Income**

Individuals with work-limiting disabilities are nearly three times as likely to be poor and four times as likely to be in receipt of social assistance as individuals without a disability.<sup>6</sup>

Many people with disabilities rely on social assistance as their primary source of income. In 2006, there were 77,430 people receiving income support through the Ontario Disability Support Program (ODSP) with a serious mental illness, representing 1 in 3 ODSP recipients.<sup>7</sup> Yet, ODSP rates are significantly lower than what is needed to cover the cost of basic necessities, such as food, clothing, and housing. Many people with mental illness access Ontario Works (OW), the publicly funded income support program for those in temporary financial need, while waiting to be granted ODSP benefits. OW recipients receive roughly half the amount provided to ODSP recipients.



The accompanying chart illustrates that income support for a single person on ODSP or OW is far below a subsistence level. Individuals on ODSP are 34% below the poverty line, while those on OW are 63% below.

**Education**

People with disabilities have, on average, a lower level of education than those without disabilities. In the case of individuals with mental illness, lower levels of education may be attributed to the fact that mental illness often strikes in adolescence and early adulthood, when formal education is being undertaken.<sup>8</sup> Interruptions in education have consequences that reduce opportunities to acquire better jobs. Supported education programs need to be made more accessible to provide the accommodations and support adult learners need to achieve their educational goals.

**Employment**

Work provides a sense of self-esteem and social meaning, in addition to providing a means of financial support. However, for people with serious mental illness, career development and long-term employment interruptions are common. According to the Canadian Community Health Survey, 30% of

people with a diagnosed mental illness in Ontario did not work in 2003.<sup>9</sup> This is a conservative figure because the survey did not include persons with a diagnosis of psychosis who were unemployed.

The cyclic nature of mental illness can make job retention a challenge.<sup>10</sup> Nonetheless, research has shown that work is central to recovery for many people, despite a disruptive employment history, and that supported employment programs and workplace accommodations increase the likelihood of successfully finding and keeping work.<sup>11</sup>

### Housing

Safe and affordable housing is pivotal to a person’s recovery. It provides the stability required to pursue other activities, such as employment. Since the 21% cut to social assistance in 1995, housing costs have continued to rise and are now 30% higher than they were during the mid-nineties. Rent supplements and public housing are available to fewer than half of ODSP recipients, leaving 54% of ODSP recipients to pay full market value for their rental housing.<sup>12</sup> This leaves little or nothing to cover the costs of nutritious food, clothing and other necessities.

The Canadian Mental Health Association’s *Framework for Support* document affirms that income, education, housing and work are vital to the recovery of persons with a serious mental illness.<sup>13</sup>

## Why Poverty Can Lead to Poor Mental Health

### Poverty Stats and Facts

- 1 in 5 Ontarians within a given year experience mental illness (Offord, 1996)
- 35% of ODSP clients have a mental illness (Ontario, Ministry of Community and Social Services, 2006)
- 14% of working Ontarians live in poverty (Statistics Canada, 2001 Census)
- 21% of persons with disabilities in Ontario live in poverty (Canadian Council on Social Development, Urban Poverty Data)
- Ontario is the province with the largest share of food bank recipients: 330,491 (Hunger Counts, 2006)
- 1 in 5 people with a disability work for low pay (Statistics Canada, 2001 Census)-
- The current minimum wage of \$8 an hour keeps a full-time worker \$3,700 below the poverty line.
- 275,317 persons in Ontario with a serious mental illness are unemployed (Statistics Canada, Canadian Community Health Survey, Cycle 2.1, 2003)

People experience economic hardship as a result of a variety of difficult life situations, such as divorce, a death in the family, loss of job, etc. The resulting loss of income may lead to poverty in other essential resources, such as housing, education, and employment. Evidence indicates that “poverty—and the material and social deprivation associated with it—is a primary cause of poor health among Canadians.”<sup>14</sup> As a result, one’s quality of life is compromised, which has an impact on mental health. Depression and anxiety (in particular) often follow this route of stress and strain.<sup>15</sup>

For persons who are poor and predisposed to mental illness, losing stabilizing resources, such as income, employment, and housing, for an extended period of time can increase the risk factors for mental illness or relapse.

### Education

Higher levels of educational attainment create an advantage in acquiring better employment opportunities in today’s workforce. Better employment opportunities in turn lead to higher income, which significantly lowers the risk of poverty.

Persons with lesser education or outdated job skills often remain trapped in low-income jobs that perpetuate the cycle of poverty, further blocking their access to the resources they need to provide for themselves.

To improve the educational level among adult workers, and subsequent access to good jobs, Ontario needs to follow the lead of other countries and create workforce policies that will give workers paid leave to pursue skills and educational upgrading.<sup>16</sup>

### **Employment**

Jobs in today's labour market are increasingly temporary and/or part-time, often with no benefits and inadequate pay. A decent salary also allows one to build assets, so that individuals are not living paycheque to paycheque. A national poll indicates that almost half of all Canadians (49%) feel they are always just one or two missed paycheques away from being poor.<sup>17</sup>

According to the Task Force on Modernizing Income Security for Working-Age Adults, "the minimum wage no longer pays enough to enable people to realistically meet their costs of living."<sup>18</sup> It takes a wage of \$10.50 to cover the cost of living in major urban areas. The Canadian Centre for Policy Alternatives recommends raising the minimum wage to at least \$10 per hour—the estimated amount needed to enable an adequate standard of living.

### **Housing**

Today's expensive market rents keep those on limited incomes poor. A recommended guideline is that no more than 30% of a household's income should be allocated for housing.<sup>19</sup> Yet 2001 Census data indicates that 42.2% of Ontario renters are spending more than 30%.<sup>20</sup>

The inability to access affordable housing increases a person's risk of homelessness. Being homeless, in turn, increases a person's risk of developing mental illness.<sup>21</sup> More affordable housing is part of the solution to alleviate poverty among Ontario's poorest citizens.

## **Current Activities**

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CMHA, Ontario is active in supporting persons with mental illness to reduce their risk of drifting into poverty. We do this by advocating for increases in supportive housing, more employment support programs, and raising income support to reflect the actual cost of living. In addition, we promote mental health by identifying public issues and recommending options that can create supportive environments, and by advocating for healthy public policies that address the broad determinants of health.

Documentation of recent and current activities of CMHA, Ontario is available on our website at [www.ontario.cmha.ca](http://www.ontario.cmha.ca).

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