Proposal for a National Portable Housing Benefit
National Housing Collaborative
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Table of Contents

Executive Summary

This proposal is for a national portable housing benefit ("NPHB"): a single, harmonized and co-funded federal-provincial-territorial program that provides rent assistance directly to tenants in need.

A national portable housing benefit directly addresses the Government of Canada's goals to reduce or diminish core housing need and reduce chronic homelessness year-over-year. At the same time, it will foster social inclusion, promote mixed income communities, facilitate the transition of the social housing sector and enable a more coherent and harmonized system of housing supports across the country that is responsive to the variety of rents in different rental markets.

Eligibility:

- **Households experiencing or at risk of homelessness, and also in severe core housing need**, to ensure horizontal equity and respond to the needs of those with the lowest incomes.

Key design elements:

- **Paid to the tenant**, consistent with a rights-based and person-based approach.
- **Tenant contribution rates based on household composition,** to reflect capacity to pay and control program costs.
- **Calculated based on actual rent paid** (rather than average market rent) to decrease cost and increase horizontal equity.
- **Partial gap coverage** to mitigate against rent inflation, decrease work disincentives and encourage seeking more affordable rents.
- **Minimum and maximum rent restrictions** to minimize distortion of program use and manage program costs.
- **Maximum rent set against average market rent (AMR) by Census Metropolitan Area**, adjusted annually, to account for differences among rental markets.

Funding:

- **A national program based on contributions by both federal and provincial governments**, negotiated between the federal and provincial/territorial governments.
- **Existing provincial/territorial investments** in rent supplement and housing benefit programs would count towards the provincial contribution.
- **Harmonizing** with provincially administered shelter supplement and housing support programs will repurpose provincial social service dollars, improve and equalize housing outcomes, and produce a coherent national policy.

- **A whole of government** approach should be taken by the federal government to fund the NPHB. The NPHB is not solely a housing issue and should be funded more broadly.

Delivery:

- **Through the tax system,** by application for those over 25; *and*
- **Through established provincial/municipal administrative bodies,** to obtain immediate access to the benefit for those in urgent need, such as youth experiencing homelessness, people with abrupt change in circumstance, or women fleeing domestic violence, on the principle that applicants should be presumed to be eligible until reassessment.

Transition of social housing sector

- **A phased approach:** Over time, rent-geared-to-income (RGI) subsidies for tenants in social housing will be transitioned to the national portable housing benefit, using a phased approach described in detail below.
- **EOA**: Savings from the end of operating agreements (EOA) will be reinvested into the Benefit and directed to tenants in social housing.

Outcomes

- **Depending on the design and funding available,** the NPHB could lift 400,000 households out of severe core housing need.
- **Outcomes** should be set by the federal government with clear annual progress metrics and accountability mechanisms.
- **Regular evaluation** should provide for the system to be adjusted as required.

Properly structured, an NPHB can facilitate both a system transition and a transition in the level and extent of benefit delivery.

Properly implemented, an NPHB will provide a universal, transparent and portable form of support that encourages choice in housing, contributes to poverty reduction, facilitates labour mobility, and increases equity.

Context

The Government of Canada has set out ambitious goals for National Housing Strategy: to reduce the depth or diminish the incidence of core housing need and reduce chronic homelessness. A national portable housing benefit providing direct assistance to renters is essential to meeting these goals.

The necessity for this new approach is apparent: At least 235,000 households experience homelessness in a given year (State of Homelessness in Canada, 2014). Approximately 989,000 households are in core housing need (paying over 30% of income for rent), and 400,000 are in severe core housing need (paying over 50% of income for rent). Only 10% of core housing need in Canada is a result of poor quality or inappropriate housing – the main driver of core housing need is the cost of housing relative to incomes (Pomeroy 2017).

While the overall number of households in need has remained consistent, it does not represent a static population. The majority of households who experience core housing need and homelessness do so for reasons of affordability and the experience is short-term. 72% of households who experience core housing need do so for fewer than two years (Pomeroy 2017). Most households who experience core housing need are housed in the right place: they need temporary assistance with the rent to stay there. Direct assistance to tenants would alleviate this temporary affordability crisis, and provide stability to households vulnerable to economic eviction.

Federal Budget 2017 continued the Government of Canada's commitment to federal leadership in housing. As currently designed, CMHC estimates announced investments in housing will result in 80,000-120,000 new units over ten years of the National Housing Strategy. Of these added units, 30-40% are deemed to be potentially 'affordable'. This means to reach the government's expressed goal of helping 500,000 households in housing need, new measures are required to fill the gap of approximately 450,000 households whose housing need will not be met by supply measures alone[1].

A national portable housing benefit is the most immediate and cost-effective way to address severe core housing need, alleviate core housing need, and provide assistance to households at risk of or experiencing homelessness. Supply measures are costly on an up-front per-unit subsidy basis. They also typically take from three

[1] This is calculated by subtracting 120,000 times 40% or 48,000 from the expressed goal of helping 500,000 households.

to seven years to deliver in significant numbers, and face local barriers to implementation via constrained land availability and regulatory processes. They cannot achieve the expressed National Housing Strategy goals on their own.

AN NPHB immediately addresses the central goals of the National Housing Strategy, and would serve as a vital pillar of the Homelessness Partnering Strategy, and the Poverty Reduction Strategy.

Previous leadership by the federal government in providing direct assistance to households has produced Old Age Security, the Guaranteed Income Supplement, and the Canada Child Benefit. Building on the proven effectiveness of these initiatives, a national portable housing benefit would be a natural extension of this leadership: one that would be rooted in partnership, leverage federal investment for increased impact, and provide assistance to the most vulnerable households in a way that is responsive and tailored to need.

Proposal

A national portable housing benefit, supplementing and harmonizing various housing support programs into a single federal-provincial-territorial benefit that provides rent assistance directly to tenants in greatest need.

Objectives

Primary:
- Prevent and reduce homelessness
- Reduce incidence of severe core housing need
- Reduce depth of core housing need

Secondary:
- Incent the harmonization of shelter supplement / rent support programs
- Encourage social inclusion and mixed-income communities
- Stabilize at risk households and enable self-sufficiency

Eligibility

The national portable housing benefit is a universal income and needs-based program, targeting the lowest income households in the greatest housing need. As such, it will provide targeted relief to households experiencing or at risk of homelessness, and those in severe core housing need.

The federal government should determine and set clear and measurable outcomes for a cost-shared program and ensure that households with the lowest incomes are eligible, regardless of whether that income is from employment or social assistance. Collaboration with the provinces and territories should ensure funds invested in the NPHB are not 'clawed-back' from social assistance. Final eligibility and prioritization within the defined program parameters would be subject to federal/provincial/territorial negotiation.

Rationing via targeting selected sub-populations and using wait-listing both perpetuate horizontal inequities, and are less responsive to need. A universal approach provides horizontal equity and the overall scale of the NPHB can be controlled through program design, phased in or adjusted over time, and informed by periodic evaluation.

After the initial phase-in period (see 'Transition of Social Housing' below), households in need will be equally eligible for the benefit regardless of whether they rent in private market or not-for-profit/social housing.

This approach to eligibility is consistent with the Government of Canada's commitment to alleviate poverty, homelessness and core housing need.

Design Elements

The following design features would maximize the potential benefit to people and government, while minimizing potential risks such as unintended market impacts or strategic behaviours:

- **Paid to the tenant** – The portable housing benefit paid to the tenant is consistent with a rights-based and person-based approach, and mitigates the risk of rent inflation. While there may be circumstances in which the tenant's situation may be improved by delivering their benefit directly to the landlord, exceptions from the principle of delivery directly to the tenant should be rare.
- **Responsive to household composition** – Singles can bear higher contribution rates than families, as less money is needed after rent is paid with fewer people to support. Adjusting the contribution rate for household composition is a mechanism to control program costs without sacrificing coverage or equity.
- **Based on actual rent paid** – Setting the benefit amount based on actual rent paid (rather than average market rent) will decrease the overall program cost and increase the equity of the program, and is administratively feasible.
- **Partial gap coverage** – Providing a portion of the affordability gap will decrease work disincentives and encourage tenants to seek more affordable rents. Partial gap coverage will also mitigate the risk of rent inflation, and is a mechanism to control program costs without sacrificing coverage or equity.

- **Minimum and maximum rent restrictions** – Rent restrictions will ensure program costs are not distorted by large subsidies to households paying extremely low or high rents, and mitigates the possibility of rent inflation. Using minimum rents related to welfare shelter components can also minimize risk of leakage and welfare claw-backs.
- **Maximum rent set against average market rent (AMR) by Census Metropolitan Area** – Setting the maximum rent limit to equal (or equal up to a percentage of) AMR will ensure the benefit is responsive to market differences across the country, to an administratively feasible and sufficient level of detail. Maximum rents should be adjusted annually by the degree of change evidenced by the CMHC rental market survey.

Illustrative impact of NPHB on individuals

The following illustrates how significant even a small benefit can be on the after rent income of low-income households. It also illustrates the responsiveness of a NPHB as a place-based approach to alleviating poverty, as the NPHB is responsive to variations in rental rates across markets.

	New Brunswick		Quebec		Ontario		Manitoba		British Columbia	
	Edmunston	Fredericton	Trois Rivieres	Montreal	Windsor	Toronto	Portage la Prairie	Winnipeg	Chilliwack	Vancouver
	Low rent market in province	High rent market in province	Low rent market in province	High rent market in province	Low rent market in province	High rent market in province	Low rent market in province	High rent market in province	Low rent market in province	High rent market in province
Income	$ 794	$ 794	$ 1,043	$ 1,043	$ 1,443	$ 1,443	$ 1,443	$ 1,443	$ 1,443	$ 1,443
Rent Without NPHB	$ 468	$ 662	$ 469	$ 679	$ 706	$ 1,132	$ 614	$ 836	$ 679	$ 1,043
Housing Benefit Received	$ 53	$ 199	$ -	$ 118	$ -	$ 308	$ -	$ 86	$ -	$ 241
Reduction in shelter burden	7%	25%	0%	11%	0%	21%	0%	6%	0%	17%
Increase in income after rent (as %)	16%	151%	0%	33%	0%	99%	0%	14%	0%	60%

Average rents listed for cities representing low and high-rent markets in each sample province
For NB and QC the income figure is the amount of social assistance for a single disabled person in 2015. For ON, MB and BC, the income used is the current maximum OAS and GIS. It is also equal to earnings of steady work of 30.5 hours at $11.00 per hour.
Illustration based on design of tenant contribution rate of 50% of income and partial gap coverage at 75%

A single program with multiple access points

A cost-shared program will build on the strengths of each order of government. Eligible households can receive the benefit through the income tax system, similar to other federal programs like the Canada Child Benefit. To balance the need for administrative simplicity with that of targeting households in urgent housing need, recipients will have two means to access the benefit:

1. **Through the tax system** – Households may apply for the benefit through their tax filing, by entering rent information and requesting to be assessed for a benefit. People under 25 would be ineligible to apply through the tax system. Assessment of the benefit through the tax system would lag real-time circumstances, similar to the Canada Child Benefit or the G.S.T/H.S.T Credit. A household would continue to receive the benefit until the next year's

assessment. Requiring households to opt in for the benefit will naturally reduce participation, while using the tax system as much as possible, will simplify the application process for people in need.

2. **By application through established provincial/municipal administration** – Households in urgent circumstances or not eligible for the tax route may apply through existing administrative bodies at the provincial/territorial or municipal level to obtain immediate access to the benefit. Any person who is homeless, at immediate risk of homelessness, encountering a significant change of situation since their last tax filing (such as women fleeing domestic violence), or under the age of 25 can apply on the principle that the application process should be simple, presuming all those who apply are eligible for the benefit.

This approach combines the efficiency and strengths of the tax system, and the immediacy of provincial/municipal administration.

Transition of social housing

Rent-geared-to-income (RGI) subsidies for tenants in social housing can be transitioned to the national portable housing benefit, over the course of the first ten years of the National Housing Strategy. A gradual approach will unfold in three phases: first an extension of RGI as the sector transforms and prepares and an NPHB is implemented in the private market; second with two parallel systems of benefit paid to tenants; finally to a single system of support to tenants delivered through the NPHB.

For such a transition to be successful for both tenants and the social housing sector, certain principles will be essential in planning and implementation:

- Tenants currently paying an RGI rent continue to do so until they exit or voluntarily change to an NPHB.
- Where existing RGI tenants choose, or are moved to an NPHB, they do not not pay a higher contribution to rent than they would under RGI.
- Transition is seamless for the tenant.
- The transition to NPHB is based on an ability by a housing provider to access capital for refurbishment, and achieve a good state of repair.

Transition over time, enabled by investments in renewal and transformation as part of the National Housing Strategy, will contribute to the overall harmonization of housing supports. It can unfold in three phases:

Phase I: Continuity through transformation (2018-2023)

1. Ensure that current level of support for RGI is extended upon agreement expiry to assure consistent, uninterrupted support for tenants. Ensure that all federally-originated providers benefit from the extended RGI support.
2. Engage in bilateral negotiations with provinces/territories to introduce an NPHB. Allow for rolling implementation as agreements are reached. It is expected that agreements with all provinces/territories will be concluded within this period. Consider incorporating a mechanism into agreements whereby social housing providers can transition prior to the expiry of their operating agreement if they so chose, as many existing agreements do not expire until 2030 or even 2040.
3. Establish the technical resource centre for social housing transformation with a key component of the service to be delivered to prepare providers for the transition to a fully portable housing benefit.
4. Implement investments and commit resources announced in Federal Budget 2017 through the National Housing Strategy for renewal and retrofit of existing not-for-profit/social housing inventory.
5. Introduce the national portable housing benefit in provinces/territories under agreement, to eligible households in the private market.

Phase II: Two parallel systems (2023-2028)

6. Transition rent support in not-for-profit/social housing from the provider to tenant, corresponding with an increase in rent to within a range of average market rent. Current RGI tenants should receive the full gap coverage equivalent to RGI. This will enable providers to improve overall viability by charging economic rents, without differentiating the rents of RGI versus 'market rent' units.
7. From this point onwards, tenants and providers will transfer from traditional RGI to the tenant-based model automatically as operating agreements expire.
8. Invest any savings from the expiry of operating agreements into the expansion of the direct-to-tenant housing benefit program within not-for-profit/social housing[2]. New social housing recipients who enter the program should receive the same partial gap coverage offered to private market recipients.
9. Continue not-for-profit/social housing sector transformation and inventory renewal/retrofit.
10. Evaluate and adjust the (private market) national portable housing benefit based on experience to date.

[2] 36% of tenants in social housing at currently in core housing need (CMHC 2016). Reinvesting potential EOA savings into a tenant-based benefit within social housing will both strengthen the sector and improve outcomes for tenants.

Phase III: Integration to a single system (2028 and beyond)

11. Integrate not-for-profit/social housing recipient tenants into full portability, realizing a single national portable housing benefit for all eligible households regardless of landlord.
12. Negotiate with provinces/territories and the not-for-profit/social housing sector to transition remaining providers to new system prior to the expiry of remaining operating agreements.
13. Evaluate and adjust national portable housing benefit based on experience to date.

Not all social housing providers exiting agreements will be able to transition to a new model of rent support without putting in place additional provider supports. This includes, but may not be restricted to, housing with particular mandates to serve hard-to-house and very low income populations, supportive housing and housing with specialized mandates (urban Indigenous communities, northern communities). Further discussion with provinces/territories is required to negotiate a specific set of agreements for this type of housing.

A Federal/Provincial/Territorial program

Built in collaboration across orders of government, the national portable housing benefit will improve and equalize housing outcomes and streamline administration of housing supports across the country. While challenging to establish, a fully federal/provincial/territorial program is the best way to vertically integrate the objectives of the National Housing Strategy and Poverty Reduction Strategy, and to harmonize provincially administered shelter supplement and housing support programs into a single coherent national policy.

The federal government should engage from the outset in negotiations with provinces/territories towards the realization of a national, cost-shared and jointly administered program. These discussions must address:

1. The capital requirements of the current provincial affordable housing stock;
2. Calculation of savings from baseline social housing funding at EOA;
3. The opportunity to align provincial housing support programs;
4. The opportunity to leverage provincial investment towards a cost-shared national portable housing benefit;
5. Delivery options.

Negotiations should ensure the process is able to move forward with early adopters acting before agreements with all provinces are reached. Some provinces will be better able to come to agreement and to move quickly to implement the benefit.

Expanding the benefit as agreements are reached with provinces/territories will enable learning and adjustment as the program is scaled.

Funding the benefit

The impact of the national portable housing benefit will have positive effects across multiple government priority areas, such as: housing, justice, health, poverty reduction, infrastructure, women's and indigenous issues. A whole of government approach should be taken by the federal government to fund the benefit. The benefit should not be funded from housing dollars alone.

There is also solid rationale to support a provincially/territorially co-funded program. The provincial/territorial investments in existing rent supplement and housing benefit programs (outside of the shelter component of welfare) would count towards the provincial contribution to the national portable housing benefit program. Doing so would recognize the important role the provinces/territories play as partners in housing and poverty reduction, while encouraging the harmonization of provincial rental assistance programs with the NPHB.

Detailed costing and modeling is required. Two preliminary approaches are provided in Appendices A and B, as proxies and for example only.

The following variables can be adjusted to influence overall program cost. These can also be readjusted as the program grows to fine-tune and control costs. The following options are the preferred design variables to control program costs, listed in descending order of desirability:

- Differential contribution rates for singles and families;
- Overall tenant contribution rates as percentage of income;
- Per cent of affordability gap provided through the benefit;

Timely, innovative policy

AN NPHB has the potential to anchor the National Housing Strategy and the Poverty Reduction Strategy, while transforming outcomes for households facing poverty and homelessness. A national portable housing benefit is consistent with a rights based approach to housing, promoting autonomy and choice, and allowing households to choose place-based options that fit their needs and provide the greatest opportunity. Designed and implemented in partnership with provinces/territories, the national benefit could encourage greater equity for Canadians through national policy harmonization.

A national portable housing benefit would address many of the goals of the National Housing Strategy. Ultimately, it is the most immediate and cost-effective method of addressing severe core housing need and homelessness.

Appendix A: Assessing potential cost of proposed NPHB – using NHS 2011

Prepared by Steve Pomeroy, Focus Consulting, for the National Housing Collaborative

In order to develop a rough cost estimate for planning purposes, this analysis draws on the 2011 NHS data file. Custom tabulations were generated for some base parameters. This is a preliminary cost assessment: once the 2016 Census data (for income and shelter costs) is released in October these estimates should be updated and refined.

The proposed approach suggests a universal coverage, initially targeting those in severe core need (paying greater than 50% of income for rent). In 2011, the NHS identified just under 400,000 renter households in core housing need and paying over 50% for rent.

The benefit would be designed with a percent of gap formula (here 75% of the gap is covered, but this can be varied) and differentiates singles and families. The latter is assigned a lower contribution rate (e.g. 30%) to reflect broader demands on income from multiple family members (require larger dwelling and more persons to feed and cloth), compared to singles (e.g. set at a 40% contribution).

The costing analysis should therefore use two percent of gap formulas to determine the benefit amount:

- Singles receive a benefit equal to 75% of the difference between actual rent, (up to a maximum) and 40% of their income;
- Families receive a benefit equal to 75% of the difference between actual rent, (up to a maximum) and 30% of their income.

A caveat on this costing exercise

Calculating the benefit at these (30% or 40%) contribution rates creates a serious issue of leapfrogging and causes a significant vertical inequity. Even with a 75% of gap a 30% contribution rate generates a PHB amount that, for households with incomes above and rents just below the averages for eligible households, would reduce their post benefit shelter to income ratio well below 50%.

To model the parameters correctly a HB amount should be calculated at the household level with the benefit amount truncated once it represents a 50% shelter to income ratio (STIR). Once calculated at the individual household scale, all household PHB amounts can be aggregated to develop an overall estimate of cost.

The NHS data file being used in this appendix was generated to calculate the affordability gap at the individual record level, but it does not allow the individual record level manipulation necessary to correctly cost the proposed approach. It is only possible to use the average rents and average incomes to develop some broad estimates that might bracket potential costs. A correctly costed assessment will require custom tabulations, which will take 4-6 weeks, so it is preferable to await 2016 data release and update this cost analysis at that time.

Additional simplifying assumptions/parameters used in this costing analysis

The ultimate design will add a minimum rent such that for households paying less than the minimum (but still paying over 50%), the benefit is calculated at the difference between 30% (families) or 40% (singles) of gross income, and the minimum rent.

And similarly the benefit is capped using a maximum rent, so that the formula is adjusted to deduct the percent of income from the lesser of actual rent or the maximum local rent for their household size.

In this analysis minimum and maximum rents are not applied and as a result, the estimates represent an over-estimate of total cost.

Another necessary refinement is the minimum rent when assisting households whose main source of income is welfare. All but three jurisdictions (Sask, Que and NB) specify a distinct housing component as part of their overall welfare calculation. Beneficiaries of welfare are eligible to receive up to this shelter component, except where their actual rent is less. To avoid a conundrum in calculating the PHB and to minimize any claw backs from the welfare program, a minimum rent for welfare households should be set at the maximum shelter component of welfare. The PHB would then effectively be a top up on the base shelter amount paid by welfare.

This will typically mean that the PHB amount will be less than if calculated using the percentage of income formula noted above (because the shelter component is higher that 30 or 40% of the total benefit). As a consequence the overall cost of the PHB for welfare households will be lower than the generalized estimates developed below (but the degree to which it will be less cannot be determined from the dataset). Accordingly the overall cost of the PHB will be lower than the estimates developed here.

It is also assumed here that 100% of potentially eligible households participate. Depending on the application process and generosity of the PHB, participation rates are unlikely to achieve 100%. However, if enrolment is facilitated via the annual tax filing participation rates are likely to be very high and could approach 100% (with multiple benefits including the Child Benefit and GST/HST paid via the tax system, tax filer rates are over 95%).

Finally, the dataset used does not distinguish age of household so the effect of setting a minimum age at 25 years (with those under 25 required to apply directly as a way to exempt students) and as such includes all under age 26 households that were identified as separate households in the census/NHS.

Together these assumptions, or lack of data elements, mean that the estimates tend to estimate a maximum cost – the actual cost will be somewhat lower.

That said, because the data are from the 2011 NHS (which captured 2010 incomes) and have not been inflated to $2017 dollars, there a partial offset against the overestimation.

Estimating potential volume of beneficiaries

Table 1 presents some national level data to provide some insight into who would be captured based on severe core need paying over 50%. The proposed design includes all households regardless of income source, so welfare households are included here. They are however separately enumerated to highlight the scale of overlap with welfare and because, as noted above, for such beneficiaries, the actual cost will be moderated by imposing a minimum rent set at the maximum shelter component of welfare.

Table 1: Nested data sets from NHS 2011 (Renters only)	
	Households
All renters hhs (regardless of need)	3,750,105
Renters in core need	989,385
In core need paying over 50%	**399,610**
Non senior	323,100
Senior (65+)	76,515
Core pay over 50%, non senior, welfare proxy	
Total - Household size	200,160
One-person household	108,250
Two-person household	41,300
Three-person household	26,400
Four-or-more-person household	24,215
Source NHS 2011, welfare proxy means majority of income from government transfers.	

In examining this group nationally these 400,000 represent 40% of renter core need, and would encompass:

- 323,000 non-senior and 77,000 senior households;
- All but 8,000 of the senior households are single persons (89%);
- Among the 323,000 non-seniors, 54% are single person households;
- Combining senior and non-senior, single person households total 243,000 households representing 61% of the universe of potential beneficiaries. So differentiating the contribution rate with singles paying 40% has a significant impact on overall cost.
- Among the 323,000 non-seniors 200,000 (62%) are identified as relying on government transfers for income.

Looking across the potential beneficiaries, by household size, it is clear that as household size increases, so does income (additional workers in 2+ person hhs) and shelter cost (require more bedrooms).

However, these are disproportionate increases – rents increase more than income such that the average affordability gap is far larger among larger households. Despite this, it is remarkable that in all cases the average shelter-to-income ratio (STIR) is so consistent, close to 67% of pre tax income.

Table 2: Income and shelter costs of target population

	# hhs	Ave $ Income/yr	Ave $ rent/mo	Shelter-to-income ratio (%)	Ave $ afford gap at 30%
One-person household	242,605	14,261	780	66.9	2,769
Families					
Two-person household	81,325	18,009	969	66.5	4,484
Three-person household	41,720	20,161	1,085	66.6	5,569
Four-or-more-person household	33,970	23,210	1,254	66.9	6,747
Total	399,610	16,400	890	66.8	3,748

Using the average income and shelter cost characteristics the potential upper boundary of cost and impacts can be estimated.

Estimating potential program cost

Table 3 presents costs estimates assuming that the suggested 30% (families) and 40% (singles) contribution rates are used, with no truncation at the 50% STIR threshold. It generates a total potential cost of $1.47 billion in the first year, inflating annually thereafter.

Table 3: Potential cost of PHB (30/40%) contribution and 75% of gap

	# hhs	Contribution (singles 40%, families 30%)	Ave rent/mo	75% gap/month	Total cost $ millions
One-person household	242,605	475	780	228	665.2
Families				-	
Two-person household	81,325	450	969	389	379.7
Three-person household	41,720	504	1,085	436	218.1
Four-or-more-person household	33,970	580	1,254	505	206.0
Total	**399,620**				**1,469.0**

However this is an upper range cost estimate because it does not adjust for min max rents, does not factor higher contributions from the large number of welfare households, and does not truncate individual benefits once the STIR falls below 50% (which will occur for households below average rent and above average income). By specifying the design and generating a customized tabulation from statistics Canada these effects can however be quantified).

Table 4 shows how the PHB reduces the severity of core need. With these contribution rates it reduced the affordability gap and associated STIR from 67% down to 55% for the average single and to 51% for an average family. These leave the household in severe core need, but with a reduced level of severity.

Table 4 also illustrates the leapfrogging issue of vertical equity. This uses two sample households that would be eligible because their pre-assistance STIRs are over 50% but they are above average (for hh size) in income and below average in actual rent. The result of calculating their HB amount is to lower their effective post assistance STIRs to 43.5% and 46.2%. Thus they become better off than households paying 43% to 49.9% who are ineligible.

Table 4: Potential impact of PHB (30/40%) contribution and 75% of gap

	Pre PHB			Post PHB	
	Income	Rent	STIR	New income	New STIR
One-person household (HB calculated at 40%)	14,261	780	66.9	17,003	55.1
Families (HB calculated at 30%)					
Two-person household	18,009	969	66.5	22,678	51.3
Three-person household	20,161	1,085	66.6	25,390	51.3
Four-or-more-person household	23,210	1,254	66.9	29,274	51.4
Illustrating leap frog effect					
Sample single (HB calculated at 40%)	20,000	900	0.54	24,800	43.5
Sample family (HB calculated at 30%)	24,000	1,200	0.60	31,200	46.2

Lower bound cost estimate

If the 30% and 40% differential contributions are set aside and the estimate developed based on reducing all households only down to 50% STIR, the estimated total cost is revised down to $745 million in year one.

As noted these are general estimates, based on an imperfect methodology. Refined estimates should be developed once 2016 census data is available, later this fall.

Appendix B: Assessing potential cost of proposed NPHB – using the Survey on Housing Spending

Prepared by Marion Steele, University of Guelph, for the National Housing Collaborative

Portable Housing Benefit Designs

This report describes the modelling of four alternative PHB designs to obtain cost estimates for Ontario and comments on the results. The base design is termed here the Classic Housing Benefit—I will refer to it as the Classic design. Its central element is 75% of the housing affordability gap, i.e. 75% of the difference between the rent the recipient pays and the amount deemed affordable. The other three designs are alternative simplifications. The Classic design is [3]

PHB = 75% of (Rent – b*Income) (1)

Except that if Rent is greater than the set maximum rent, Rmax, actual rent is replaced by the maximum rent in the calculation of the affordability gap:

PHB = 75% of (Rmax – b*Income) (2)

And if b*Income is less than a set minimum rent contribution, Rmin

b*Income is replaced by Rmin. (3)

The parameter b is set equal to 30% for all recipients except for singles living alone. For the latter, b is 40%. The ratio 30% is used in Canada Mortgage and Housing Corporation's affordability calculations for all household sizes; 40% is used here for singles because the reason that unaffordable housing is a problem is that too little income remains to cover food, clothing and other expenditures. But one person needs less food than two: then if 70% of income is deemed appropriate for these non-housing expenditures in the case of recipient couple, something less is needed for a recipient who is single.[4] This argument suggests that 60% of income left after rent for a single is enough to be equitable relative to 70% for couples and families. In addition, empirical studies also show that single-person households at low

[3] The Classic design is coded in Stata as
In terms of code in Stata, this is g HA=.
replace HA=0.75*(RHBM-b*IHBM) if (RHBM<=Rmax) & (b*IHBM>Rmin)
replace HA=0.75*(RHBM-Rmin) if (RHBM<=Rmax) & (b*IHBM<=Rmin)
replace HA=0.75*(Rmax-b*IHBM) if (RHBM>Rmax) & (b*IHBM>Rmin)
replace HA=0.75*(Rmax-Rmin) if (RHBM>Rmax) & (b*IHBM<=Rmin)

[4] The general advice from the equivalence scale literature is consistent with this: two adults need only 1.4 as much as 1 adult to achieve the same standard of living.

incomes typically devote a much higher percentage of their income to rent than larger households (Steele, 1985).

The second actual rent design eliminates the minimum rent contribution constraint, (3); so that the design reduces to (1) and (2). The two remaining two designs eliminate actual rent, with average market rent (AMR)—which is also maximum rent in the actual rent designs--replacing it so that the first of the AMR designs consists of (2) and (3). The second is given by (2). Note that average market rent, maximum rent and minimum rent vary by family size.

Many variants of these designs are possible. First the percent of the affordability gap need not be 75%: Quebec uses 66.7% for its Allocation Logement; British Columbia uses a percent of gap that is variable, depending on the income of the recipient. Similarly, the contribution rate set at a flat 30% here for families and couples may vary with income. Secondly the minimum rent contribution may vary and in fact here is only about half the amounts set as the maximum shelter allowance in Ontario Works, the social assistance program for Ontario's able-bodied recipients. [5]

Summary of the estimation (tables are placed at the end)

The modelling provides estimates for Ontario for four different designs as indicated above and

- Uses the 2010, 2011, 2012 and 2013 Survey of Household Spending, (SHS) expressing values in 2015 dollars. Almost all the SHS income data are derived from Canada Revenue Agency (CRA)tt files.
- Uses as its basic recipient unit the Main Spending Unit rather than the household. The MSU includes the Reference Person (RP) and spouse, if there is one, and children under 18
- Allows for sharing by identifying Secondary Spending Units. The SSU includes independent adults in the household who are neither the RP nor spouse and includes those 25 or over living with their parents).
- Defines income as total income and thus includes Child Benefits in income
- Drops from the samples used in all cost estimates those renters living in government -subsidized housing who pay 30% or less of their income in rent
- Defines rent as gross rent (contract rent plus payments for utilities). The Average Market Rents (AMR) used in the third and fourth designs, like the maximum rents used in the first two designs, are CMHC average rents for rental buildings of three or more units. They vary by family size.

[5] This creates an obvious overlap in assistance that is important given that most of Ontario's OW recipients receive the maximum shelter amount.

- Students are excluded from the estimates. Students are proxied by age (under 25) and full-time work under 18 weeks.
- Social assistance recipients are proxied for a two-person family by receipt of at least $3,000 in social assistance income in the prior year and for a single person, by receipt of at least $2m000.
- A crude but simple way to estimate the total number of sharer beneficiaries is to add to the number of SSU beneficiaries one half that number. The addition of one-half accounts for the MSUs who share with the SSUs. The use of one-half is based on the presumption that Main Spending Units that have a SSU in their household are better off than the SSSUs. The assumption is that only half the MSUs that share with SSUs qualify for a housing benefit.

Comments on the estimates

The estimates here indicate that about 400,000 recipients (Table A) would receive a housing benefit in Ontario if the lowest-cost design of those costed here was implemented and there were 100% participation of eligible. The total cost would be over $900 million, or under more realistic participation assumptions, over $700 million (all dollars here in 2015 terms).

This is the least costly design of all those considered here—except for the low percentage-of-gap version shown on the last row of Table A.

What underlies the great increase in the number of eligibles and in expenditure as the housing benefit design changes towards one that is based on the average market rent with no minimum rent (see Table A)? The answer is in large part the great increase in the number of eligibles. This increase reveals how very wide is the distribution of rents that low income renters pay. A substantial number of them pay rent that is below even the low minimum rent[6] used in the first housing benefit design set out above. These rents are far, far below market rents. At the same time many low-income renters – including social assistance recipients – pay rent that is above the maximum rent.

Many do not pay even the low minimum rent: the estimates show that when the design drops the minimum rent there is an increase of over 20% in the number of eligibles (compare Table A, col. 4, row 2 to row 1).

Further examination of the tables shows that a high percentage of low-income non-family renters achieve these low rents by sharing accommodation. Secondary spending units, almost all single persons, makes up almost 20% of all estimated recipients of the first design. When the estimated number of recipients among those

[6] The minimum rent parameter is at the same time both the minimum rent contribution and the minimum rent that a recipient must pay in order to qualify as a recipient.

they share with (see Table B1, Supplementary estimates, row 1) is added to the SSUs, the number is over 75,000 for the two big cities, a number equal to 75% of the number of recipients who neither have a child under 18 nor share. The incidence of sharing is far lower outside the two big cities.

It is clear from the high average benefit received by SSUs in Toronto and Ottawa—$235 monthly (Table B, 3rd col., 5th row and Table A, row 1, col.5) in the cheapest plan, that they have very low incomes. As a consequence, when the most expensive plan (the fourth), replaces the first one, their monthly benefit increases by 60% while the mean family benefit increases hardly at all.

It is very important for any housing benefit design to take careful account of sharers.

Detailed description of the modelling and estimation: Survey of Household Spending (SHS) microdata files

The SHS is a desirable data source because of its detailed income information for each person in the survey, taken in almost all cases from the Canada Revenue Agency's files. It also has detailed expenditure information including that for rent, making it straightforward to identify Rent-Geared-to-Income tenants living in government -subsidized housing. The SHS is an annual survey so that its latest survey results are quite recent. The 2012 and 2013 surveys use incomes from 2011 and 2012, respectively, years when Canada's and Ontario's unemployment rates were still high but were much less than in 2009 and 2010. Its major disadvantage is the relatively small number of its observations. The big advantage of the National Housing Survey is its large number of observations but NHS income data do not come from CRA files and its income data relate to 2010, a high unemployment year.

The solution to the SHS problem of a relatively small number of observations in any single survey is to pool four different years of data—2010, 2011, 2012, 2013[7]—with CPI indexing to put different years' dollar amounts on the same footing. In the pooled datafile the housing benefit is computed year by year using current dollar values, the housing benefit payments are put into 2015 dollars and then costs are found, where each observation is weighted by its household weight in the datafile. (These weights are intended by Statistics Canada to make it possible to estimate unbiased values for the whole population in a given year. They need to be divided by four here to account for the fact that data from four annual surveys are used.)

The recipient: the spending unit and the applicant unit

It is usual in affordability analysis to focus on *household* affordability. This makes sense because data are often available only at the household level. In addition, the household is the group of people occupying a dwelling unit, so together they are financially responsible for the total rent. However, often, especially for those with

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[7] The 2014 SHS is also now available.

low incomes, several adults may economize by sharing accommodation; for example a couple and a single person may live together. It is reasonable to assume that the couple makes its spending decisions separately from the single person. In this report the couple and the single would be treated as two different *spending units*.

The spending unit that includes the Reference Person (RP) (similar to the household head in surveys of a few decades ago) is termed the Main Spending Unit (MSU). Other adults are lumped together into what is termed the Secondary Spending Unit (SSU). [8] Children under age 25 of the RP are included in the MSU as are those under 25 who are living with an RP who is a substantially older relative, possibly a grandmother.

A family applicant consists of parents plus all children less than 18. If the family does not share its accommodation, rent is the dwelling unit rent. If the family shares its rent with a SSU, the rent is split; the number in the family for the purpose of the *pro rata* allocation is the number in the applicant unit <u>*plus*</u> youths (18 to 24) in the family.

The income of the MSU is taken as the total income of the RP and the spouse, if there is one. This is consistent with Canada Revenue Agency's definition of family income. The income of children under 25 is ignored. It is clear that in the case of parents living with their children and no others --so that the MSU and the household are the same – household income will be higher than family income so long as any children age 15 or over earn income. This means that if the housing benefit application uses income tax data, the spending unit concept should yield a better estimates of the cost of the program than does the household concept.

Single adults age 25 or older who are not RPs and are living with others are classed as a SSU, whether related to the RP or not. Those under 25 who are living with a RP who is neither their parent nor a distinctly older relative are also defined to be members of a SSU.

The rent of the dwelling is split between the MSU and the SSU on a *pro rata* basis. For example if a MSU includes a couple, two children under 18 and one age 20, and the RP also has a child age 30 sharing the housing, the rent attributed to the MSU would be 5/6 times the unit rent. For the SSU, made up of the 30-year-old, the attributed rent would be 1/6 the unit rent. In the data sets used it is fairly straightforward to do these computations because there is a Person file as well as a

[8] In principle there should be as many spending units as there are singles and couples in the household but for convenience all adults not in the MSU are lumped together. In fact in most cases SSUs consist of only one single person or one couple, so this treatment of two or more people in the SSU should have little effect. .

Household file and, in the first of these, income components taken from CRA tax records are available for each person.[9]

The income definition

For many benefit programs income is Adjusted Family Net Income (AFNI), as defined by CRA, while here income is total income. One major difference is the inclusion of Child Benefits in total income but not in AFNI. A rationale for the use of total income is that Child Benefits are intended to provide for children and one of the needs of children is housing so that one expects that some of Child Benefits will be used for rent.

The treatment of Rent-Geared-to-Income tenants in social housing

Social housing often includes a mix of RGI and non-RGI tenants. Non-RGI tenants are eligible for all the PHB designs but RGI tenants are not. For this reason, RGI tenants were dropped from the sample. This was done by identifying respondents in social housing (i.e. those reporting that they paid a reduced rent because their housing was government-subsidized) and dropping them if their household rent was less than 30% of their family income.

Originally it was intended to apply this only to the modelling of Average Market Rent (AMR) designs (the third and fourth designs described above) because it was reckoned that RGI tenants would by eliminated from the actual rent designs by the payment formula. This turned out not to be the case—partly presumably because of the difference between rent defined to be for a spending unit and that for a household, similar income income differences, and partly because RGI rents change from month to month – rather than from year to year as the calculation assumes. (In the data rent is on average approximately mid-year rent and income is for the prior year.)

In view of this finding, in order to place the AMR and actual rent models on the same footing, RGI tenants were dropped for the costing of all models.

Actual rent, AMRs and maximum rent

Actual rents are gross rents, that is, contract rent plus the cost of various utilities paid by the tenant.

The modelling required is an essential component maximum rents and AMRs. The Toronto and Ottawa CMAs are distinguished from other areas in the province, a strategy guided by examination of average rents given in CMHC's Rental Market Survey. These indicated that Toronto CMA rents are the highest in the province and

[9] The technical procedure is merging the Household datafile with the Person one, coding, and then changing the merged file to "wide" form from "long" form.

Ottawa CMA rents are close behind; the next highest-rent CMA has rents distinctly lower.

There is an argument for implementing just a few geographic distinctions for simplicity, for possible incentive reasons and to follow a well-established example, British Columbia's. BC distinguishes only the Vancouver Regional District from the rest of the province in its housing allowance programs, instead of adopting the fine-grained approach of the US Housing Choice Voucher.

Initially medians were estimated from the dataset and these revealed Ottawa medians are quite similar to Toronto's. For operational reasons these were replaced by CMHC rent survey averages for buildings of three units or more, by number of bedrooms. These turned out to exceed medians by only a trivial percentage and they are available much sooner than medians.

The average CMHC rents, by bedroom number are used as both the maximum rents in the actual rent designs and as the rents in the AMR design. The rent of a bachelor unit is assigned to a single person spending unit, that of a one-bedroom unit to two persons, two bedrooms to three or four persons and three bedrooms to larger numbers.

The proxy for students

Students, unless they are parents, are not eligible for the housing benefit. The SHS does not have a variable indicating student status and so the student category is proxied by a RP or spouse who is both under age 25 and worked full time for less than 18 weeks in the year. Any MSU with a proxy full-time student RP or spouse is ineligible, unless they have a child less than 18.

Full-time students are not excluded from SSUs, because there is insufficient information in the SHS person file to proxy them.

Identifying social assistance recipients

SHS includes as a separate variable, social assistance income plus provincial income supplements, reported to CRA on T5007. So far as I am aware there are no Ontario income supplements—two possible candidates, the Trillium Benefit and the Ontario Child Benefit are put in other categories—so social assistance income for Ontario is uncontaminated in the CRA files.

Many low income people go on SA when their precarious job ends and then go off it when they find another job. This makes identifying SA recipients problematic because there is the issue of how long they should be on SA to designate them SA recipients. What was done here was to label any SU with two or more people and more than $3,000 in SA income or with one person only and more than $2,000 in SA income as a recipient. This arbitrary definition seems to work quite well, with mean SA income, among those identified as recipients, much higher than the cutoffs.

Estimation so far indicates that the number of SA recipients (by this criterion) who would be eligible for a housing benefit is well below half of the total housing benefit eligibles in the two big CMAs but proportionately substantially higher outside those cities. This seems consistent with the high occupancy of RGI housing by SA recipients, in the two big cities.

Crude estimates of the number of sharing MSU who are eligible for the housing benefit

While SSUs are sometimes referred to as sharers, it is well to remember that SSUs are not the *only* sharers. For every SSU, there is, by definition a sharer MSU. But only some of these are eligible for the PHB. For example, suppose a sharer is a 28 year-old-living with his renting 65 year old father and 63 year-old mother, and the 65-year old is the RP. The young person is classed as a SSU and the older couple is the MSU. We compute the eligibility of the two spending units for the PHB. The 28 year old is likely to be eligible but the parents are likely to be too well off to qualify, remembering that actual rent is computed by splitting the total rent of pro rata between the two spending units.

Consider a quite different case: two 28-year-olds share a dwelling unit; one must be the RP and MSU and one must be the SSU. It seems fairly unlikely that the two young people have radically different economic circumstances, so that if the SSU is an eligible recipient the MSU will likely be as well.

Most SSU beneficiaries are in situation like the second case but a substantial number are like the first. For this reason the "Supplementary estimates" of the total number of sharer beneficiaries is obtained simply by taking half the number of SSUs as a crude estimate of the number of sharing MSUs that are beneficiaries. This is a conservative estimate.

Table A. Comparison of estimates for Ontario from five different models

Design	Est. number of recipients: Families	Other house-holds	Secondary spending units (SSUs)	Total	Average monthly benefit: Toronto & Ottawa Families	Toronto & Ottawa Oth hhlds	Toronto & Ottawa Sharers	Rest of On Families	Est total expeniture: 100% participation	Less than 100% par.
					2015$	2015$	2015$	2015$	m. of 2015$	m. of 2015$
Actual rent up to max										
Low min rent	109,534	220,016	75,163	404,713	279	204	235	177	949	725
No min rent	111,280	294,909	82,890	489,078	287	207	281	180	1,201	898
Average mkt rent										
Low min rent	145,592	306,435	125,580	577,607	301	254	346	203	1,696	1,258
No min rent	146,296	392,000	140,024	678,320	310	263	375	209	2,073	1,516
Actual rent up to max										
Low min rent and 37.5% of aff gap	109,534	220,016	75,163	404,713	139	102	118	89	475	362
Increase of cost of Average Market Rent model over cost of model using Actual Rent up to a maximum										
Low min rent (%)	33	39	67	43					79	74
No min rent (%)	31	33	69	39					73	69

Notes: 1. All designs except that in the last row use use 75% of the affordability gap. 2. Strictly, "families" and "other households" refer to Main Spending Units, but in most cases they are in fact complete households. They are not equivalent whenever sharers are present. "Families" consist only of those main spending units which include children of 17 or less. 3. For less than 100% participation, the family rate is assumed to be 95%, the main spending units without a child less 18, 70%, and secondary spending units, 60%.

Source: Tables B.1, B.2, B.3. B.4

Table B.1 Classic Housing Benefit model with total income as defined by StatsCan and a minimum rent contribution; seniors are included but (estimated) students are not

		Four years weighted frequencies	Average annual payment 2015$	Average monthly payment 2015$	Estimated number of eligibles	Est'd expenditure At participation rate: 100% (m of 2015$)	<100%[b] (m of 2015$)	sd of payment 2015$
Families	Tor CMA+Ott CMA	261,644	3,347	279	65,411	219		2,138
	Rest of Ontario	176,493	2,128	177	44,123	94		1,443
	Total, family MSUs				109,534	313		
MSUs[a] without a child under 18	Tor CMA+Ott CMA	508,197	2,443	204	127,049	310		1,838
	Rest of Ontario	371,867	1,557	130	92,967	145		1,198
	Total, non-family MSUs				220,016	455		
SSU[a] sharers	Tor CMA+Ott CMA	205,077	2,826	235	51,269	145		1,940
	Rest of Ontario	95,574	1,528	127	23,894	37		1,207
	Total, SSU sharers				75,163	181		
	Grand total				**404,713**	**949**	**725**	
	Tor CMA+Ott CMA				243,730	674		
	Rest of Ontario				160,984	275		

Supplementary estimates, sharers	Number of estimated eligible sharers	SSUs	MSUs (Crude estimates)	Total (Crude estimates)	Crude estimate, number of non-sharing, non-family MSUs
	Tor CMA+Ott CMA	51,269	25,635	76,904	101,415
	Rest of Ontario	23,894	11,947	35,840	81,020
	Total sharers, all Ontario			112,744	182,435

Total number of household observations rounded to nearest 10 is 400

a. MSU refers to "main spending unit" ; for most households the MSU is the same as the household. SSU refers to "secondary spending unit." MSUs in a household with a SSU, as well as SSUs themselves are termed "sharers."

b. Participation rates are assumed to be 95% for families, 70% for non-family MSUs, and 60% for SSUs.

Source: estimates from computer modelling of Marion Steele using the confidential Survey of Household Spending (SHS) microdata files for 2010,2011, 2012, 2013. The minimum rent contribution is set low -- just 30% of the Ontario Works maximum total assistance (max shelter allowance plus basic needs). Suggestions from Karen Myers, Thomas McManus and Max Palomar are gratefully acknowledged. The support of the funders of Statistics Canada Resarch Data Centres and analyst Pat Newcombe-Welch is also gratefully acknowledged.

Table B.2 Classic Housing Benefit model with total income as defined by StatsCan and no minimum rent contribution;seniors are included but (estimated) students are not

		Four years weighted frequencies	Average annual payment 2015$	Average monthly payment 2015$	Estimated number of eligibles	Est'd expenditure At participation: 100% m of 2015$	<100%[b]
Families	Tor CMA+Ott CMA	265,480	3,441	287	66,370	228	
	Rest of Ontario	179,639	2,160	180	44,910	97	
	Total, families				111,280	325	
MSUs[a] without a child under 18	Tor CMA+Ott CMA	679,460	2,484	207	169,865	422	
	Rest of Ontario	500,174	1,691	141	125,044	211	
	Total, non-families				294,909	633	
SSU[a] sharers	Tor CMA+Ott CMA	224,345	3,367	281	56,086	189	
	Rest of Ontario	107,213	2,008	167	26,803	54	
	Total, SSUs				82,890	243	
	Grand total				489,078	1,201	898
	Tor CMA+Ott CMA				292,321	839	
	Rest of Ontario				196,757	362	

Supplementary estimates, sharers	Number of estimated eligible sharers:	SSUs	MSUs (Crude estimates)	Total (Crude estimates)	Crude estimate, number of non-sharing, non-family MSUs
	Tor CMA+Ott CMA	56,086	28,043	84,130	141,822
	Rest of Ontario	26,803	13,402	40,205	111,642
	Total sharers, all Ontario			124,334	253,464

Total number of household observations rounded to nearest 10 is 470

a. MSU refers to "main spending unit" ; for most households the MSU is the same as the household. SSU refers to secondary spending unit. MSUs in a household with a SSU, are termed "sharers," as are SSUs themselves

b. The family participation rate is assumed to be 95%, the rate for non-family MSUs, 70% and SSUs, 60%.

Source: estimates from computer modelling of Marion Steele using the confidential Survey of Household Spending (SHS) microdata files for 2010,2011, 2012, 2013. The support of the funders of Statistics Canada Resarch Data Centres and analyst Pat Newcombe-Welch is gratefully acknowledged.

Table B.3 Average rent Housing Benefit model with total income as defined by StatsCan and a minimum rent contribution; seniors are included but (estimated) students are not

		Four years weighted frequencies	Average annual payment 2015$	Average monthly payment 2015$	Estimated number of eligibles	Est'd expenditure At participation rate: 100% m of 2015$	<100%[b]
Families	Tor CMA+Ott CMA	361,446	3,617	301	90,362	327	
	Rest of Ontario	220,922	2,433	203	55,230	134	
	Total, family MSUs				145,592	461	
MSUs[a] without a child under 18	Tor CMA+Ott CMA	782,029	3,042	254	195,507	595	
	Rest of Ontario	443,710	1,719	143	110,928	191	
	Total, non-family MSUs				306,435	786	
SSU[a] sharers	Tor CMA+Ott CMA	344,669	4,147	346	86,167	357	
	Rest of Ontario	157,651	2,342	195	39,413	92	
	Total, SSU sharers				125,580	450	
	Grand total				577,607	1,696	1,258
	Tor CMA+Ott CMA				372,036	1,279	
	Rest of Ontario				205,571	417	

Supplementary estimates, sharers	Number of estimated eligible sharers	SSUs	MSUs (Crude estimates)	Total (Crude estimates)	Crude estimate, number of non-sharing, non-family MSUs
	Tor CMA+Ott CMA	86,167	43,084	129,251	152,424
	Rest of Ontario	39,413	19,706	59,119	91,221
	Total sharers, all Ontario			188,370	243,645

Total number of household observations rounded to nearest ten is 550

a. MSU refers to "main spending unit" ; for most households the MSU is the same as the household. SSU refers to "secondary spending unit." MSUs in a household with a SSU, as well as SSUs themselves are termed "sharers."

b. Participation rates are assumed to be 95% for families, 70% for non-family MSUs, and 60% for SSUs.

Source: estimates from computer modelling of Marion Steele using the confidential Survey of Household Spending (SHS) microdata files for 2010,2011, 2012, 2013. The minimum rent contribution is set low -- just 30% of the Ontario Works maximum total assistance (max shelter allowance plus basic needs). Suggestions from Karen Myers, Thomas McManus and Max Palomar are gratefully acknowledged. The support of the funders of Statistics Canada Resarch Data Centres and analyst Pat Newcombe-Welch is also gratefully acknowledged.

Table B.4 Average rent Housing Benefit model with total income as defined by StatsCan and no minimum rent contribution; seniors are included but (estimated) students are not

		Four years weighted frequencies	Average annual payment 2015$	Average monthly payment 2015$	Estimated number of eligibles	Est'd expenditure At participation: 100%	<100%[b]
						m of 2015$	
Families	Tor CMA+Ott CMA	364,263	3,719	310	91,066	339	
	Rest of Ontario	220,922	2,502	209	55,230	138	
	Total, families				146,296	477	
MSUs[a] without a child under 18	Tor CMA+Ott CMA	980,701	3,157	263	245,175	774	
	Rest of Ontario	587,298	1,914	160	146,824	281	
	Total				392,000	1,055	
SSU[a] sharers	Tor CMA+Ott CMA	376,846	4,494	375	94,212	423	
	Rest of Ontario	183,248	2,575	215	45,812	118	
	Total, SSUs				140,024	541	
	Grand total				678,320	2,073	1,516
	Tor CMA+Ott CMA				430,453	1,536	
	Rest of Ontario				247,867	537	

Supplementary estimates, sharers	Number of estimated eligible sharers	SSUs	MSUs (Crude estimates)	Total (Crude estimates)	Crude estimate, number of non-sharing, non-family MSUs
	Tor CMA+Ott CMA	94,212	47,106	141,317	198,069
	Rest of Ontario	45,812	22,906	68,718	123,918
	Total sharers, all Ontario			210,035	321,988

Total number of household observations rounded to nearest 10 is 630

a. MSU refers to "main spending unit" ; for most households the MSU is the same as the household. SSU refers to secondary spending unit. MSUs in a household with a SSU, are termed "sharers," as are SSUs themselves

b. The family participation rate is assumed to be 95%, the rate for non-family MSUs, 70% and SSUs, 60%.

Source: estimates from computer modelling of Marion Steele using the confidential Survey of Household Spending (SHS) microdata files for 2010,2011, 2012, 2013. The support of the funders of Statistics Canada Resarch Data Centres and analyst Pat Newcombe-Welch is gratefully acknowledged.