EARNINGS EXEMPTIONS FOR DISABILITY ASSISTANCE IN BC: EFFECTS ON SOCIAL ENTERPRISES AND THEIR EMPLOYEES

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Abstract

People living with mental illness are underemployed in Canada. This study addresses how disability assistance in British Columbia is contributing to the financial and social empowerment of these people. My research addresses how the current $500 monthly exemption rate for beneficiaries with disabilities is contributing to their ability to gain adequate work experience and reintegrate into the labour market. My methodology includes interviews with social enterprise managers and focus groups with social enterprise employees in BC and Ontario. I find the flat exemption in BC is limiting the ability of some recipients from working to their maximum potential, and beneficiaries are not adequately informed of relevant policies and regulations. Based on key findings, I recommend that BC adopt a communication strategy in conjunction with a graduated earnings exemption. Further empirical research is needed to determine whether a straight 50 percent graduated scale or a mixed method is most cost effective.

Keywords: social enterprise - Canada; mental health; mental illness; employment; disability assistance – British Columbia; PWD; PPMB; earnings exemptions – British Columbia
Executive Summary

This study is a qualitative exploration into the employment opportunities and barriers of people living with mental illness. The policy problem addressed in this study is that the current disability assistance structure in British Columbia disadvantages persons living with mental illness from fully integrating into the mainstream labour market. In BC, there are two classifications of disability assistance: Persons with Disabilities (PWD) and Persons with Persistent Multiple Barriers (PPMB). Under both designations, recipients are permitted to earn $500 per month in addition to the benefits paid by the government, after which they are clawed back 100 percent on every additional dollar.

While there are a number of federal and provincial employment programs, literature shows that employment supports in BC are primarily geared toward people without mental illness. Social enterprise is one model that addresses employment needs for marginalized populations including people living with mental illness. Social enterprises are businesses that operate with a double bottom line, to create both financial and social returns. For this reason, I chose to use social enterprise as the sample in my study.

The purpose of this study is to address how the current assistance structure is contributing to financial and social empowerment of people living with mental illness. The research focus is two-fold. The core of the research probes the following question: In what ways do the current exemption rate of PWD and PPMB affect the operation of social enterprises and the people employed by social enterprise?

The secondary research objective revolves around the issue of security. This study investigates the real and perceived impacts on social enterprise employees if they exceed the exemption of $500. It further explores the ways that reinstatement policies affect employees’ engagement in social enterprises and other labour markets.

This study utilizes three major sources of information: key informant interviews, focus groups, and secondary data from the Canadian Centre for Policy Alternatives. I conducted key informant interviews with social enterprise managers in Ontario and BC, and facilitated focus groups with disability recipients in Ontario and BC. The main sample was people living with
mental illness in BC; however I used Ontario as a comparative jurisdiction, because they implemented a new and very different exemption structure in November, 2006.

Focus groups and key informant interviews reveal a number of key themes. The main findings can be summarized as follows:

- Representatives from three social enterprises in Vancouver suggest that the current flat rate earnings exemption in BC limits employees from working to their full potential. The $500 ceiling creates a psychological barrier and is a disincentive to work. Graduated taxation is more incentive-based.

- In both focus groups in BC, employees who wish to move off disability assistance in the future felt particularly limited by the current flat rate exemption. A flat earnings exemption of $500 is not an adequate springboard to allow employees to earn enough money to sustain their current lifestyle without government intervention. A graduated scale is more likely to allow recipients to gain the work experience needed to eventually move off disability.

- In nearly each session, respondents suggested that health constrains the number of hours worked by people living with mental illness. Most respondents work on a part-time basis, and while quite a few are restricted by the current earnings exemption and organizational capacity, a large proportion reported that their health dictates the amount of hours worked.

- An overwhelming theme heard in each of the six sessions was the issue of security. Persons living with mental illness are better able to work to their full potential, increase productivity, and experience better health when they are able to maintain the safety net of disability and its associated benefits. Mental illness is largely cyclical; therefore, a major benefit of provincial disability assistance is the permanence of status and rapid reinstatement.

- Disability recipients experience increased stress when faced with the fear of losing their disability status. There is a common perception that if a beneficiary shows earned income or earns too much, he or she will lose disability status. This creates a perceived barrier to work for this population, and many cannot work to their full potential.

- Communication and misinformation were concerns raised in nearly every session in both provinces. The method by which disability recipients are informed of major changes is inconsistent, and the knowledge of ministry staff was questioned.

- The November 2006 changes to ODSP in Ontario have had, and likely will continue to have, noticeable positive impacts on social enterprises and their employees. In particular, the $100
work-related allowance is an incentive to engage in paid employment, and the graduated scale would alleviate pressures on disability recipients who fear they will earn too much and lose their disability status.

Based on these key findings, I analyzed four policy options in light of standard criteria. The following options are intended to provide benefits to social enterprises and the individuals they employ by creating incentives to work:

I. **Status Quo** – The status quo is a two-tiered system of disability assistance that is subject to review. Recipients are able to earn $500 income per month without a corresponding deduction from their benefits.

II. **Status Quo Plus** – This option builds on the current flat rate exemption. The structure provides an additional earnings exemption of 50 percent above and beyond the $500 flat rate exemption.

III. **Graduated Exemption Structure** – This option would transform BC’s current PWD and PPMB structures in a number of ways to more closely resemble the disability structure in Ontario. This option would bring four major changes: a 50 percent graduated earnings exemption on all earnings, a $100 monthly work related benefit, a $500 employment transition allowance, and rapid reinstatement for both designations.

IV. **Communication Strategy** – This option is an overarching communication and education strategy to ensure adequate information flow and communication of policies and procedures to recipients of PWD and PPMB.

The four policy options were assessed in light of standard criteria, including equity, effectiveness, political feasibility, and cost. Based on complex analysis I recommend that the government adopt a communication and information strategy in conjunction with either the status quo plus or the graduated exemption structure. I recommend further analysis to determine the relative costs and work incentives associated with the long-run effects of each option.

The status quo plus and the graduated structure are both less costly to the province of British Columbia. Whether the status quo plus is a less costly alternative than the graduated structure in the long run is unclear. While I have weighted each criterion equally, it is up to decision makers to assign weights based on their preferences. Each option is superior to the status quo, but more detailed statistical analysis is required to differentiate between the two. This can be attained through an economic analysis of the effects of the new legislation in Ontario or a controlled experiment.
Dedication

For M & D.
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Glossary of Acronyms

AISH  Alberta's Assisted Income for the Severely Handicapped
CCPA  Canadian Centre for Policy Alternatives
CMHA  Canadian Mental Health Association
EAW   Employment and Assistance Worker
GVRD  Greater Vancouver Regional District
MEIA  Ministry of Employment and Income Assistance
ODSP  Ontario Disability Support Program
PPMB  Persons with Persistent Multiple Barriers
PSW   Peer Support Workers
PWD   Persons with Disabilities
VCH   Vancouver Coastal Health
1 Introduction

Mental illness is widespread in our society. There is a common misperception that persons living with mental illness are unable to function in mainstream society, but studies show that they are often very capable of maintaining some paid employment. Even so, over 90 percent of persons living with mental illness are unemployed in Canada—more than ten times the national unemployment rate (Kirby and Keon, 2006). The average income earned by persons living with a disability is also considerably lower than those without a disability (CCPA, 2006a). These findings are a matter of policy concern because work is valued in society at large, and research shows that employed individuals experience improved health, self-esteem, and general wellbeing.

My study is a qualitative investigation into social enterprises and their employees. This research aims to provide insight into the employment opportunities and challenges faced by persons living with mental illness. Focus groups and key informant interviews form the bulk of my data and are supplemented with primary research from the Canadian Centre for Policy Alternatives. I found that current provisions of the disability structure in British Columbia (BC) are inhibiting employees in various ways. Mainly, the earnings exemption is affecting the number of hours worked, the amount earned by recipients, and the security and wellbeing of employed individuals. I find that the two streams of disability assistance in BC, Persons with Disabilities (PWD) and Persons with Persistent Multiple Barriers (PPMB), are contributing to a lack of financial and social empowerment and are limiting beneficiaries’ work experience.

The sample population is of interest because people living with mental illness are often able to work only periodically, as their illnesses can be cyclical or episodic. It is important to address the policy framework in BC to ensure that this population has adequate incentives to engage in paid employment and to allow people to maintain their benefits during periods of both employment and unemployment. My goal is to address innovative models that actively promote consumer empowerment through meaningful employment. While there are a number of federal and provincial employment programs, literature shows that “employment supports in BC are geared toward people without mental illness” (Morrow, 2006). Social enterprise is one model that addresses employment needs for marginalized populations. Social enterprises are businesses
that operate with a “double bottom line,” to create both financial and social returns. In Canadian society, however, social enterprises are not fully integrated and have unique concerns. Social enterprises carry a large social cost. The majority of their front-line employees have a pre-existing condition and therefore require additional financial and social supports.

1.1 Definition of Policy Problem

The policy problem addressed in this study is that the current disability assistance structure in British Columbia disadvantages persons living with mental illness from fully integrating into the mainstream labour market. Recipients of PWD and PPMB are permitted to earn $500 per month in addition to the benefits paid by the government, after which they are clawed back 100 percent on every additional dollar. In addition, this population faces a communication barrier and security concerns. Preliminary research shows that people living with mental illness lack adequate knowledge of the current assistance structure and often fear they will lose the benefits associated with PWD and PPMB when they engage in paid employment (CCPA, 2006a). Furthermore, people living with mental illness often experience complications when trying to attain PWD and PPMB status. According to Wallace et al. (2006), “the application system is now so complicated that many people need help from an advocate to successfully navigate the process.”

The purpose of this study is to address if and how the current disability structure is contributing to financial and social empowerment of persons living with mental illness. The research will specifically assess how the current exemption rate for PWD and PPMB is contributing to the ability of persons living with mental illness to work to their full potential and to gain adequate work experience. There is a stigma attached to disability assistance, and many recipients would prefer to be free of the system. In general, PWD and PPMB beneficiaries would rather generate their own means of income than rely on government intervention (Loxton, 2007; Brouwek, 2007).

Qualitative methods are used to explore the challenges associated with the $500 earnings exemption. After undertaking preliminary analysis, this study explores options for reform of the disability structure in BC to provide increased incentives for paid employment. While this problem is observed across Canada, for reasons of proximity and ready observation, I will focus on British Columbia’s policy, as observed in the Greater Vancouver Regional District (GVRD). Cases will also be drawn from Ontario to compare BC’s benefit structure to a different system.
The hypothesis of this study is that PWD and PPMB recipients would benefit from a revised exemption structure. Greater incentives for paid employment would allow people living with mental illness to reach their maximum working potential, without fear of losing their status. Furthermore, the business operations of social enterprises would be improved if employees were not faced with a monthly earnings limit of $500. As employment is highly valued in society, and research shows the direct benefits of paid employment on health, persons living with mental illness would be better able to integrate into mainstream society and would enjoy better health gains in the presence of a more suitable disability structure.

1.2 Organization of Study

My research will begin by reviewing background information on the current benefit structures in BC and Ontario. A literature review is also provided to supply a clearer snapshot of how BC’s benefit and income supports are affecting people working in social enterprises. The third section details the methodology I use to analyze social enterprises in BC. The chosen methodology is a combination of informational interviews and structured focus groups to gather data from both stakeholders and individuals working in social enterprises. The fourth section summarizes the results of the interviews and focus groups for both BC and Ontario to determine the degree to which the provincial system is affecting employment within these organizations. Findings show that BC’s two main provincial supports, PWD and PPMB, create disincentives for paid employment, thereby affecting the ability of individuals who depend on these supports to work to their maximum potential. Based on the findings, four policy options are proposed and analyzed in light of standard criteria. The policy options are intended to provide benefits to social enterprises and the individuals that they employ. Finally, the paper concludes with two recommendations that should improve the current situation in BC and help people living with mental illness to confidently engage in paid employment while reaping the full fruits of their labour.
2 Background

2.1 The Issue

According to Statistics Canada’s Participation and Activity Limitations Survey (PALS) in 2001, 2.7 percent of the working age population in BC (aged 15 to 64) reported a psychological disability, including mental illness (Kittredge, 2004). The factors associated with unemployment, including social isolation and financial need, can aggravate mental health problems. BC Partners for Mental Health and Addictions Information states that “people with mental illness are especially vulnerable. Unemployment rates for people with psychiatric disorders hover around three to five times higher than rates among people with no disorders” (2006b, 13).

The following subsection provides background on underemployment of persons living with mental illness. The next subsection gives an overview of social enterprises in BC and the ways social enterprise strive to employ people living with mental illness. The third subsection summarizes BC’s income assistance provisions for PWD and PPMB in the context of employment, and the fourth subsection summarizes the disability support structure in Ontario.

2.1.1 Employment of Persons Living with Mental Illness

Employment and income status are important determinants of health. Many studies illustrate the benefits of paid employment for persons with disabilities, including those living with mental illness. In a 2004 American nationwide survey of persons with disabilities, 97 percent of respondents reported increased self-esteem when working, and 92 percent believed working allowed them to give something back to their community (Minnesota Department of Human Services, 2003). Persons living with mental illness, however, face a range of personal barriers as a consequence of their illness, which creates challenges to achieving employment success. In addition to personal barriers, people living with mental illness may also be stigmatized and face discrimination from society, as well as failed program structures and a service system that may not adequately address their needs.

People with disabilities in BC are underemployed when compared to the general population (Morrow, 2006; Kittredge, 2004). In BC in 2003, 36.6 percent of individuals with a
disability were unemployed, totalling 170,000 individuals (Government of British Columbia, 2005). The variation between disabled and non-disabled populations is most dramatic between the ages of 25 and 54, an age bracket described by BC Stats as “the prime working age population” (Kittredge, 2004). Statistics Canada also reported in 2001, that of individuals aged 25 to 54 in BC, only 50 percent with disabilities are employed, whereas 81 percent of those without a disability are employed. Underemployment of people with disabilities creates a loss of two to four percent of potential workers’ skills from today’s labour market (Kittredge, 2004).

Of those employed, persons with disabilities earn, on average, lower incomes than persons without disabilities. In 2003, disabled individuals earned, on average, $29,600 in BC; this figure compares to an average income of $34,200 for non-disabled individuals in the province. National statistics are similar, with the disabled population averaging $30,200 while those of working age without a disability earned approximately $34,700 annually (Government of British Columbia, 2005). This suggests that while some people with disabilities are employed, they are not earning comparable wages or are working fewer hours than the non-disabled population.

2.1.2 Social Enterprises in BC

Many programs and services have been developed during the past two decades to address the employment needs of persons living with mental illness. Social enterprise is one such model. Practitioners, academics, and policy-makers have conflicting definitions of ‘social enterprise’. Human Resources and Social Development Canada (2005) provides a detailed description:

Social economy enterprises are run like businesses, producing goods and services for the market economy, but they manage their operations and redirect their surpluses in the pursuit of social and community goals. Typically, social economy enterprises grow out of broad-based community development strategies involving citizens, governments, the voluntary sector, businesses, learning institutions, and other partners (p. 6).

The National Mental Health Information Centre defines a social enterprise as “a business venture created specifically to provide employment and career opportunities for people who are unemployed, disabled, or otherwise disadvantaged” (US Department of Health and Human Services, 2003, p. 24). The Roberts Foundation Homeless Economic Development Fund defines social enterprise as “a revenue generating venture founded to create jobs or training opportunities for very low income individuals, while simultaneously operating with reference to the financial
bottom-line” (Bibb et al., 2004, p. 16). While all definitions are similar, it is clear that a universal definition has yet to be developed.

The UK-based Social Enterprise Coalition puts forth three common characteristics of social enterprise that help narrow the scope. First, social enterprises have an enterprise orientation, meaning they provide products and services to a market. Second, they operate with a social aim. The enterprise has a social, cultural, or environmental goal and may seek to achieve this goal through job creation, training, or the provision of services. In most social enterprises, revenues are reinvested into the business to continually achieve social objectives. Finally, social enterprises have social ownership. This means the enterprise is governed and owned by stakeholder groups, a board of directors, or trustees who are accountable to the wider community in which they serve (Social Enterprise Coalition, 2004).

Given the ongoing debate around definition, this paper will proceed on the premise that social enterprises have a double bottom line. They aim to “achieve social change through the economic empowerment of individuals and groups who have been disenfranchised” and to operate a sustainable and viable business, providing products and/or services at a comparable quality and price as traditional enterprises (US Department of Health and Human Services, 2003). In many cases, social enterprises are an offshoot of a mental health provider or a non-profit organization. Most importantly, from a policy perspective, social enterprises can contribute to their local economy, while creating job opportunities for a population that often faces multiple barriers to employment (US Department of Health and Human Services, 2003).

Morrow (2006) asserts that “employment supports in BC are geared primarily toward people without mental illness” (p. 29). Social enterprises are consumer-based and geared specifically at the success of persons living with mental illness. Anne Jamieson of the Toronto Enterprise Fund says that social enterprises are particularly effective in employing this vulnerable population:

Social enterprises are very effective in employing people with a mental illness because they provide flexibility in work assignments and attendance, have a supportive culture (people feel for the first time that they are being treated like human beings), [and] are managed by people who work out an accommodation when a problem arises (unlike regular businesses) (2006, 8).

While employed, many social enterprise employees are unable to work to their maximum potential, because they are restricted by their provincial benefits. An Ontario MPP, Deb Matthews (2004), concludes that earnings clawbacks and loss of drug and dental benefits are two of the most pressing issues creating disincentives to employment. “By removing these
disincentives and lowering the barriers to work, a substantial portion of the caseload would be able to enter into the labour force with less risk” (Matthews, 2004, p. 12). As mentioned above, earnings are much lower for disabled populations. Disincentives to engage in paid work must be examined to determine reasons why persons living with mental illness are unable to work to their full potential, leading many to live below the poverty line.

2.1.3 PWD and PPMB

The Ministry of Employment and Income Assistance (MEIA) administers income assistance programs in BC. Most people living with mental illness are on income support with disability benefits, but rates of assistance vary according to category. The first category of benefits available is called Persons with Disabilities. The second is called Persons with Persistent Multiple Barriers to Employment; the benefit rates for this category are significantly lower than in the PWD designation. BC is the only province in Canada with a separate category similar to PPMB (CCPA, 2006a). In January 2007, there were 59,493 recipients of PWD, an increase of 2.2 percent from the previous year. PPMB, however, had a caseload of only 7,752 in 2007, a decline of 3.5 percent from the previous year (Ministry of Employment and Income Assistance, 2007).

PWD and PPMB have a number of administrative differences. PPMB is considered a temporary assistance category aimed at people living with medical conditions that prevent them from engaging in employment. Conversely, “PWD is aimed at people with severe physical or mental impairments, which occur continuously, or periodically for an extended period of time, that significantly restrict their ability to perform daily living activities” (MS Society of Canada, 2004, p. 13). The amount of monthly support is lower and exemptions for assets are lower in the PPMB category. “Health coverage and benefit rates are also reduced if the recipient of PPMB has a partner who is not a recipient of PPMB” (MS Society of Canada, 2004, p. 13). The following two paragraphs describe in more detail each designation.

PWD is a designation given to a person who is physically or mentally impaired and therefore is restricted in his or her ability to perform daily activities. Addiction is not explicitly excluded from the definition of PWD; however, the MEIA takes the position that people living with addiction are not eligible for PWD unless the individual has other health issues that have arisen as a result of addiction (Loxton, 2007). Recipients maintain their disability designation unless a review shows that their situation has changed. According to the Employment and Assistance for Persons with Disabilities Act, PWD includes persons with episodic illness and “acknowledges the restrictions to daily living activities can be continuous or periodic for
extended periods,” which is an important provision for persons living with mental illness (Government of British Columbia, 2006b).

In order to attain PPMB status, a person must have received social assistance under a non-disabled category for 12 of the past 15 months and meet the following criteria, according to the MEIA (2006c):

- Have severe multiple barriers to employment;
- Have taken all reasonable steps to overcome their barriers; and
- Have a medical condition (excluding addictions) that has lasted for at least one year, is likely to continue to recur frequently for at least two years and which seriously impedes their ability to search for, accept, or continue employment;

OR

- Have a medical condition (excluding addictions) that has lasted for at least one year, is likely to continue to recur frequently for at least two years and which, by itself, precludes their ability to search for, accept, or continue employment.

For a single person without dependants, the standard monthly rate for PWD is $531.42. The rate for PPMB is significantly lower at $282.92. Shelter benefits are also available for those who qualify. Rates for shelter are based on rent or housing payments, to a maximum of $325.00 for both PWD and PPMB recipients. Rates increase depending on number of people in a household and number of dependants a recipient has under their care. In addition, PWD and PPMB recipients may apply for a range of additional benefits, including transportation and leisure. Various health assistance benefits are also available, including dental coverage, denture services, and diet allowance, as well as funds for medical equipment, prescription drugs, and general health care services (BC Coalition of People with Disabilities, 2006). BC has a $3,000 asset limit for those applying to disability. If a person exceeds this limit, he or she is not permitted to receive PWD or PPMB. Recipients do have the option of creating a trust, which can be used for goods and services relating to their disability. Otherwise, if a recipient of PWD or PPMB exceeds this limit, he or she is suspended from receiving benefits until assets are depleted and recipients return within the limits (BC Coalition of People with Disabilities, 2006).

It should be noted that in the February 2007 provincial budget, following the period of study for this research, the Government of BC announced a $50 increase in the shelter allowance for social assistance and disability recipients.
2.1.3.1 Earnings Exemptions in BC

Disability recipients are not required to seek work in BC, and, according to CCPA, the province provides little to support employment (2006). Recipients of PWD and PPMB who do engage in paid employment are eligible for a $500 monthly earnings exemption after three months of assistance - unlike regular social assistance in BC, which does not include an earnings exemption. All income must be reported to the MEIA, and once an employed individual earns more than $500 in any given month, incremental income is clawed back at a rate of 100 percent. The $500 exemption was implemented in March 2006, an increase from previous levels of $400 for PWD and $300 for PPMB (BC Coalition of People with Disabilities, 2006).

There are regulatory restrictions with respect to paid employment; but reinstatement policies within the PWD and PPMB designations are not necessarily consistent between individual Employment and Assistance Workers (EAW) and between regional offices. When an individual reaches a certain level of earned income, he or she no longer receives disability assistance. For example, a single person without any dependants can earn $1,356 per month (the sum of the $531 monthly PWD benefit, the $325 monthly shelter allowance, and the $500 earnings exemption), after which he or she will not receive assistance. In a given month, if an individual reports this level of income, he or she is considered a ‘medical-only’ file and will not receive a monthly allowance cheque (Loxton, 2007). If this individual is unable to work in a given month thereafter, there is a three-week wait period for reinstatement of the benefits. Also, new applicants are unable to use the exemption for eligibility and must endure a three-month wait period before the earnings exemption comes into effect (Loxton, 2007).

The uptake of the $500 earnings exemption in BC is relatively low. CCPA obtained information from the MEIA through a Freedom of Information Request. The data covers caseload statistics for PWD and PPMB from September 2000 to July 2006. Figure 1 shows the percent of PWD and PPMB cases claiming earnings exemption in BC. This information reports beneficiaries who reported any amount of monthly earnings, up to $500. There has been a steady increase in the uptake for both designations since March 2003. The most notable finding, however, is the rapid increase in uptake in April 2006, which coincides with the exemption increase for both designations to $500 per month (CCPA, 2007).

2 Changes to the classification names for PWD and PPMB came into effect on September 30, 2002. This figure treats the previous classification of Disability I (DBI) as though it is the same as the current classification of PPMB and treats the previous classification of Disability II (DBII) as though it is the same as the current classification of PWD.
Goldberg and Wolanski (2005) explore the links between mental illness and poverty in BC and found that the average annual welfare income for someone with a PWD designation meets only 44 to 60 percent of BC’s minimum living costs. Social assistance structures vary between provinces. British Columbia and Ontario have slightly higher exemption rates than other provinces. Many argue that allowing a person living with mental illness to earn only an additional $500 creates a disincentive to engage in paid employment (Morrow, 2006). “The issue of work incentives and disincentives within disability income programs is at the centre of the current policy debate about how these programs should be designed and delivered” (Council of Canadians with Disabilities, 1998, 100). Another pertinent issue is that many people receiving assistance fear they will lose their disability status if they partake in training or paid work. As noted by the Council of Canadians with Disabilities, “Concerns about losing entitlement to a disability income program altogether are the most significant work disincentive for many persons with disabilities” (1998, 101).

3 The definition of ‘minimum living costs’ included food, household supplies, transportation, clothing, child care, and personal care. Measures were derived from a variety of reports and are detailed in the original source.
2.1.4 Ontario Disability Support System (ODSP)

Ontario has an earnings exemption and employment support structure that contrasts with BC’s system for disability assistance. In November 2006, the Ontario Disability Support Program (ODSP) underwent a reform. This section briefly discusses the previous and current structures in Ontario, which are considered further in Section 5 as an alternative policy option for BC. ODSP defines eligibility based on the following five criteria (Ministry of Community and Social Services, 2006):

1. individuals must qualify financially
2. individuals must have a substantial physical or mental impairment that is recurring and is expected to last one year or longer
3. the physical or mental impairment must make it difficult for the individual to care for him or herself, and participate in community life or paid employment
4. individuals must be at least 18 years of age
5. individuals must not be currently detained in a correctional institution

Prior to November 1, 2006, ODSP recipients were eligible to earn up to $160 per month from paid employment, without clawback and were taxed 75 percent on earnings above $160. The revised structure is more streamlined and deducts 50 percent of all earnings from benefits. The new policy also provides a $100 monthly allowance to individuals who access employment (paid to a beneficiary with any earnings during a month), as well as a $500 employment transition benefit designed to cover the costs related to a new job. The new legislation offers rapid reinstatement for individuals who have left ODSP and wish to return to disability upon re-occurrence of illness. Finally, continued access to medical and dental supports is provided for individuals who wish to move off disability assistance (Community and Social Services, 2006). The new policies are designed to encourage ODSP recipients to access employment with a long-term goal of moving off disability and into the mainstream labour market (Matthews, 2004).

2.2 Literature Review

Extensive research shows that persons with disabilities are often faced with significant disincentives to engage in paid work and public policies and public expenditures must be directed more towards providing work incentives. In a key report, Stapleton and Erickson (2004) examine why employment outcomes for those receiving support from disability programs differ from
outcomes of other clients of state vocational rehabilitation agencies. Their sample was drawn from 30 states and followed a total of 8,500 participants from 1995 to 2000. They found that, of clients who were not achieving employment outcomes, nearly 12 percent more were on disability than those not receiving assistance.

The study examined differences in personal characteristics and differences in economic incentives; my review will focus on the latter. When personal characteristics were held constant, beneficiary clients typically had less economic incentives to make substantial income, compared to non-beneficiary clients. In this study the exemption level was $500 per month, and beneficiaries would lose their benefits entirely if they earned above this level. The only exception was for beneficiaries who engaged in a trial work period, much like the training component in many social enterprises. During this period, a beneficiary was able to earn substantial income for nine out of 60 consecutive months before they would lose their benefits. Furthermore, the study found that rehabilitation counsellors reinforced the effects of disincentives, because they, too, believed “it is in the client’s best interest to maintain benefit eligibility.” An agency, then, “might invest fewer of its scarce resources in a beneficiary client than a non-beneficiary client” (Stapleton and Erickson, 2004, p. 3). These findings emphasize the need for a modified exemption structure as well as increased education for support staff to enforce the permanence of beneficiary status and to properly inform recipients of their rights as a beneficiary.

One of the main disincentives for engaging in paid employment among persons with disabilities is the perceived fear of losing their medical benefits if they show earnings. The Minnesota Department of Human Services conducted a longitudinal study from 1999 to 2003, which evaluated a program implemented to improve work incentives for persons with disabilities. The Medical Assistance for Employed Persons with Disabilities (MA-EPD) is a buy-in program that allows people with disabilities who are employed to continue their medical coverage while earning an income. While the American context is much different from the Canadian context in terms of medical benefit structures, the study finds that fewer people who fear they will lose their medical benefits return to work than do those without such concerns (Minnesota Department of Human Services, 2003).

Findings from this study show that while employment can positively impact quality of life for persons with disabilities, less than one-half of one percent of persons on disability assistance, as a result of significant disability, returns to work. The MA-EPD program operates as a work incentive program, and the evaluation was positive. Those enrolled in the program increased their earnings, on average, from $359 per month to $415 per month; this is a 16 percent
increase in earnings when a recipient was assured there would be no loss of benefits based on gainful employment. Furthermore, 83 percent reported increased levels of available spending money as a result of the incentive program. The study concludes that the lower the clawback rate for earnings, the higher the incentive for paid employment (Minnesota Department of Human Services, 2003).

This study also reported additional findings that are relevant to the present research. It was stated that 53 percent of the respondents identified a need for more information about how their health insurance benefits affect their ability to engage in paid employment. This shows that while certain programs may posit a "permanent" status, recipients are often unaware of the terms and conditions and therefore have a perceived fear that they will lose their benefits. Forty-three percent of the respondents felt concerned they would lose their cash benefits as a result of working, and 45 percent felt that it would be hard for them to re-qualify if they did lose their benefits. This illustrates the need for increased communication to recipients from their EAW with respect to reinstatement policies (Minnesota Department of Human Services, 2003).

The New Brunswick Association for Community Living (NBACL) has also studied the effects of medical benefits on paid employment. The organization released a report in 2004 addressing labour market participation strategies for persons with disabilities. In New Brunswick, the provincial income assistance system is often the only source of income for persons with disabilities. Unfortunately, there are many disincentives associated with employment for beneficiaries. Studies show that if a person becomes ineligible for income assistance as a result of earning too high an income through paid employment, he or she is likely to lose his or her health benefits. This is extremely detrimental for a population that relies on costly medications and supports. The report asserts, "People with disabilities often fear being financially worse off if they rely on earning enough money through employment instead of the income support system. They also fear losing their benefits and health coverage" (New Brunswick Association for Community Living, 2004, p. 9).

In response to these findings, the NBACL recommends allowing persons with disabilities to keep their health coverage while working if they fall below the Low-Income Cut Off, as determined by Statistics Canada. This would allow persons with disabilities to remain in the mainstream labour market while maintaining their health coverage. The study also recommends "rapid reinstatement" which would allow those with a disability to have their income support benefits reinstated within 24 hours without re-application if they become unable to work after reducing reliance on income supports. Finally, the report recommends a higher earnings
exemption to encourage more individuals to enter the workforce (New Brunswick Association for Community Living, 2004).

Chatterjee and Mitra (1998) explored labour force participation and earnings of persons living with disabilities in the United States. This study also shows that “people adapt their work behaviour to suit economic incentives given to them” and therefore earning caps and the threat of losing medical benefits create work disincentives for people receiving benefits (Chatterjee and Mitra, 1998). The study concludes that there has been too little support given to promote work incentives, and alternatives are posed to increase such supports, including a sliding rate of compensation and income transfers to employed persons living with disabilities.

In addition to work incentives, Chatterjee and Mitra (2006) also discuss economic, cultural, and psychological factors that affect the labour force participation of persons living with a disability. The authors advocate vocational training to improve a person’s success in the workforce, and suggest there are clear benefits to training this population. The study finds that “additional programs are not necessary, rather, additional investments in efficiency enhancing categories such as education, assistive technology, job search, accommodation expenditures, and job-work matching methodologies are required to increase the work potentials of persons with disability” (p. 361). From this research, I conclude that increasing the working potential of this population will require greater investment in participation programs.

According to Morrow et al. (2006), there is a need to expand consumer initiatives and employment programs for persons living with mental illness in order to create opportunities for empowerment and training. This study of community-based mental health services in BC identifies the need for government to “support and fund consumer-led initiatives and community economic development models that allow consumer-run businesses to thrive using models developed locally and in Ontario and Nova Scotia” (Morrow, 2006, p. 31). Morrow suggests that the provincial benefit structure and income supports are doing little to improve the working conditions for persons living with mental illness. The current system is less focused on community-based services and is centred mainly on acute and hospital-based care. The study concludes by stating that “the government has ignored its responsibility to develop a mental health strategy for the province that offers income and housing supports as part of comprehensive mental health care” (Morrow, 2006, p. 29).

Exemption rates are a concern in all jurisdictions. The Alberta Association for Supported Employment (AASE) released a position statement regarding Alberta’s Assisted Income for the Severely Handicapped (AISH), which concluded that current exemption rates are creating
increased poverty and disincentives for paid employment. The report used Statistics Canada Low-Income Cut Offs to illustrate that the incidence of poverty for persons with disabilities was significantly higher than non-disabled populations. In Alberta, individuals subsisting on AISH in large urban centres, like Calgary and Edmonton, were living approximately $9,000 below the annual poverty line. Additionally, AISH is not promoting further income generation by way of paid employment, because the current exemption is $200. Over and above this amount, AISH recipients are clawed back at 75 percent. The study concludes:

Many individuals with disabilities do not accept employment that would afford them more than this monthly income exemption. This practice contributes dramatically to the under-employment of persons with disabilities and limits their degree of workforce participation, which, in turn, limits any type of 'Career Development' they might incur. The AASE views this low exemption amount as a disincentive that not only limits workforce participation, but also increases an individual’s reliance upon AISH (McEwan and Jones, 2004, p. 4).

AASE’s study recommends the exemption be raised to $750 in Alberta, in order for AISH recipients to be “brought up to the poverty line” (McEwan and Jones, 2004, p. 4). The study further addresses the issue of poverty and employment in disabled populations. High poverty rates contribute to increased medical concerns for this population, increased likelihood of homelessness, and increased social problems related to poor self-esteem, including substance abuse, violence, and conflict with the law. Employment opportunities afforded by a higher exemption rate would encourage increased workforce participation and would, in turn, contribute to increased economic gains for the province (McEwan and Jones, 2004).
3 The Current Study

3.1 Research Objectives

One aim of this study is to identify how PWD and PPMB affect the ability of persons living with mental illness to work to their full potential, while focusing on employees of social enterprises. In a 2006 interview, Anne Jamieson of the Toronto Enterprise Fund has discussed the restrictions for those working in Ontario. She reported that many people living with a mental illness, who are receiving disability assistance, tend to work only part-time for two reasons: their health does not permit full-time employment, and the social assistance earnings exemption structure limits the amount that these people can work before they are clawed back (Jamieson, 2006). The current study investigates the system in British Columbia, to determine the degree to which the current $500 earnings exemption provides an incentive for people to engage in paid employment. The research also investigates the new disability assistance legislation in Ontario. While the impacts of the change are still uncertain, Jamieson and others (Social Enterprise Kitchen Manager, 2006; Social Enterprise Office Manager, 2006) expect positive results.

The current research focus is two-fold. The core of the research probes the following question: In what ways do the current exemption rate of PWD and PPMB affect the operation of social enterprises and the people employed by social enterprise? The secondary research objective revolves around the issue of security. Focus groups and interviews are used to investigate the real and perceived impacts on social enterprise employees if they exceed the exemption of $500; they further explore the ways reinstatement policies affect employees' engagement in social enterprises and other labour markets.

The ultimate goal of this study is to propose alternative ways to structure BC's disability assistance to better suit employees working in social enterprises. For persons living with mental illness, in particular, the social enterprise model is most effective as a permanent employment option (Jamieson, 2006). Based on preliminary research, four main assumptions have guided this study's research:

- Social enterprises reduce burden on government by providing employment opportunities, training, and transitional programming.
• If PWD and PPMB had a revised exemption structure, persons living with mental illness would have greater incentives to engage in paid employment.

• If PWD and PPMB recipients were not limited by a $500 earnings exemption, the operation of social enterprises would benefit.

• If people living with mental illness were better able to work to their full potential, without fear of losing their disability status and corresponding benefits, they may experience improved health gains and be better able to socially integrate into mainstream society.

3.2 Methodology

This study utilizes three major sources of information: key informant interviews, focus groups, and secondary data from the Canadian Centre for Policy Alternatives. Primary data were derived through semi-structured interviews with social enterprise managers and through focus groups with social enterprise employees in British Columbia. Because the population of social enterprises that employ persons living with mental illness is relatively small in the GVRD, and participation was not 100 percent, I also conducted interviews and focus groups in Ontario, where there is a different disability assistance structure. This investigation will supplement the information gathered in BC and is used in later sections when discussing policy alternatives. In addition, secondary data from the Canadian Centre for Policy Alternatives' (CCPA) Economic Security Project was also used to supplement findings. CCPA conducted a series of interviews with social enterprise managers in the GVRD, many of whom employ persons living with mental illness. Rather than duplicating CCPA’s investigation, I built upon their data in order to gain further insight into the effects of the exemption rate, an issue largely unexplored by CCPA. Findings from interviews and focus groups were used to determine both organizational and individual impacts of BC’s current exemption structure.

This methodology has been developed in response to a similar study by Marina Morrow. Morrow (2006) conducted a review of the health care system in BC and examined income supports available to persons living with mental illness using secondary literature. She complemented her findings by conducting 20 interviews with representatives of Vancouver Coastal Health and with a range of individuals providing community-based mental health services, advocacy, and legal supports to persons living with mental illness. This research also included three focus groups with housing and income support workers to discuss how individuals access their services as well as the barriers to access (Morrow, 2006).
The findings from my study cannot be generalized to all social enterprises. Based on the participation rate and qualitative methods used, along with substantive CCPA literature, the findings do yield insight into the opportunities and challenges faced by persons living with mental illness. The following sections describe the sampling frame and the two qualitative approaches used to gather primary data for this study.

3.2.1 Sampling Frame

It was my initial intention to conduct interviews with all relevant social enterprise managers in the GVRD. There are only four social enterprises that operate with a primary social mission to hire persons living with mental illness. Three of these enterprises operate out of the Coast Foundation Society Clubhouse and therefore are all represented by one main manager. The fourth operates via the Canadian Mental Health Association, and while I sought to obtain a meeting with the manager of this social enterprise, the representative declined to participate. I, therefore, amended my sampling frame to include a fifth social enterprise in Vancouver. This business operates with a mandate to hire “at risk” residents of the Downtown Eastside of Vancouver, some of whom are living with mental illness (Potluck Café Society, 2005).

The second component of the methodology was structured focus groups with small groups of social enterprise employees receiving PWD or PPMB. Participants for the focus groups were recruited through managers of the social enterprises. Broad criteria for inclusion in the study were as follows: (a) being a person who receives either PWD or PPMB; (b) being an employee of a social enterprise that employs persons living with mental illness since February 2006; and (c) being willing to participate in the study. There were limitations to this initial sampling frame, however. I initially anticipated participation of over 25 Coast Foundation Society employees in three focus groups; however enterprise employees from all three social enterprises were limited to one focus group, thereby reducing the sample significantly. There were too few employees receiving PWD and PPMB to generate a useful focus group in the fifth enterprise. Finally, the representative from the social enterprise operating out of the Canadian Mental Health Association also declined participation entirely on behalf of her employees.

The second criterion was then altered to (b) being an employee of a social economy organization since February 2006, and data were gathered by alternative means. Peer support workers employed by Vancouver Coastal Health engaged in a second focus group. This allowed for a larger sample of individuals receiving PWD and PPMB, to better analyze the effects of disability assistance on employment. Furthermore, as will be discussed in later sections, peer
support workers work with newly diagnosed clients of the mental health system, and therefore act as an information source and ease the often complex process of applying and maintaining PWD and PPMB. By learning more about the challenges and opportunities associated with this job, I was better able to make recommendations around communication and information sharing. While the sampling frame did change over time, semi-structured questions remained constant throughout data collection. I discuss these measures in the following two subsections.

3.2.2 Key Informant Interviews

The first measure used in this study was semi-structured, open-ended interview questions (Appendix B and Appendix D). I conducted investigative interviews in the early stages of research to generate an understanding of the scope of the issue and to determine gaps in government policy as it relates to social enterprises. Interviewing is a preferred method of data collection to complement secondary sources where published resources and government information are incomplete. This is a generally unstudied topic in BC, and therefore social enterprise managers were best able to discuss both the individual and organizational effects of PWD and PPMB.

Two informants comprised the bulk of the interviews in BC, representing four social enterprises. Two informants also discussed the current situation in Ontario, representing one social enterprise. Table 1 summarizes the participants.
Table 1: Key Informants

<table>
<thead>
<tr>
<th>Title</th>
<th>Organization</th>
<th>Total Social Enterprises</th>
<th>Total Employees Receiving Disability</th>
<th>Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clubhouse Manager</td>
<td>Coast Foundation Society</td>
<td>3</td>
<td>71</td>
<td>BC</td>
</tr>
<tr>
<td>Staff Support Coordinator</td>
<td>Potluck Café Society</td>
<td>1</td>
<td>2</td>
<td>BC</td>
</tr>
<tr>
<td>Social Enterprise Office Manager</td>
<td>Causeway Foundation</td>
<td>1</td>
<td>13</td>
<td>ON</td>
</tr>
<tr>
<td>Social Enterprise Kitchen Manager</td>
<td>Causeway Foundation</td>
<td>1</td>
<td>13</td>
<td>ON</td>
</tr>
</tbody>
</table>

The interview questions were designed to stimulate discussion on the current issue, determine the key areas of concern, and discuss possible solutions to best address the problem. Questions included such investigative topics as:

- March 2006 earnings exemption increase
- Factors affecting employees’ ability to earn $500 per month
- Organizational barriers
- Factors affecting scheduling
- Rapid reinstatement
- Financial security
- Incentives to engage in paid employment

Each interview was conducted in-person, recorded, and transcribed, to ensure all pertinent information was retained for careful analysis. Participants were permitted to make additions to interview transcripts but could not amend the original information. Generally, participants were candid and willing to share information about the enterprise they represent. In some cases, information was incomplete, and participants were asked to follow up with supplementary information to ensure robust results.
3.2.3 Focus Groups

The second measure used in this study was semi-structured focus groups, administered on-site with recipients of PWD and PPMB. This methodology is a more attractive alternative to individual surveys because it gives employees living with mental illness the opportunity to comprehensively and candidly respond to questions in a group setting in which they feel comfortable. Surveys were considered as an alternate option, but exploratory discussions show that many individuals would require one-on-one attention to complete the survey, which was an infeasible option considering the limited resources.

One main focus group with 11 participants comprised the bulk of the data related directly to social enterprises and their employees. Participants are social enterprise employees from the three Coast Foundation Society enterprises. Each participant is living with a persistent mental illness and is a recipient of PWD. Table 2 summarizes the three focus groups conducted in both provinces.

Table 2: Focus Group Participants

<table>
<thead>
<tr>
<th>Employer</th>
<th>Total Participants</th>
<th>Total Receiving PWD</th>
<th>Total Receiving PPMB</th>
<th>Total Receiving ODSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coast Foundation Society</td>
<td>11</td>
<td>11</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Vancouver Coastal Health</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Causeway Work Centre</td>
<td>9</td>
<td>N/A</td>
<td>N/A</td>
<td>9</td>
</tr>
</tbody>
</table>

Focus groups are consumer-centred and allow for ground-level feedback from benefit recipients. The data gathered helped to determine individual impacts of the exemption structure, as well as other challenges faced by social enterprise employees. More importantly, focus groups probed employee perceptions of reinstatement policies. PWD and PPMB have permanent status designations, but the research tests whether or not this status is maintained in practice. Only the employees themselves can report on how the reinstatement policies affect their engagement in social enterprises.
Focus group questions were semi-structured and open-ended. Topics of discussion included behavioural aspects of social enterprise employees, hours worked and wages as affected by government policy, consistencies and inconsistencies between government policies and social enterprise culture, social enterprise work environment, medical and dental benefits, and challenges and opportunities faced by employees with respect to benefit structures and employment. The interview schedule for BC is attached in Appendix C, and for the interview schedule for Ontario is attached in Appendix E.

Focus group participants vary in the degree to which they can participate in paid employment. Respondents were very diverse in the number of hours worked per week and the amount earned per month. The current study is limited in two ways. First, I did not administer focus groups with unemployed recipients of disability assistance. This limits the ability to speculate on the reasons why some people are not working at all, therefore restricting the analysis to currently employed recipients. The second limitation is the low participation rate of people with PPMB status. Two interview participants were able to discuss the impacts of PPMB, but all of the focus group participants were receiving PWD. The breakdown was merely circumstantial based on the employees working in each social enterprise. This is not a substantial concern because the majority of disability recipients in BC are of PWD status in general. The methodology was designed to identify the most pertinent issues facing social enterprise employees and to determine barriers faced by employees in reaching their maximum working potential. Recommendations are based on ways to improve the opportunity to work and create incentives to work for the portion of the population who is currently employed and individuals who wish to engage in paid employment.
4 Descriptive Results

The following subsections present the main findings from two interviews and two focus groups conducted in BC and one interview and one focus group conducted in Ontario. Supplementary information is derived from primary data generated by the Canadian Centre for Policy Alternatives and made accessible for this study.

4.1 Key Informant Interviews in British Columbia

I conducted two interviews with managers of four social enterprises in BC. The first interview yielded valuable information about three relatively large social enterprises that employ over 70 individuals living with mental illness. Seventy-five percent of their employees are living with mental illness, while 25 percent are not necessarily living with a mental illness and were initially hired to fill managerial and/or leadership positions. The main findings from this interview are summarized in Table 3.

Table 3: Major Interview Findings from a BC Social Enterprise Manager

<table>
<thead>
<tr>
<th>MAJOR FINDINGS</th>
<th>RELEVANT COMMENTS</th>
</tr>
</thead>
</table>
| The current $500 earnings exemption plays a role in the hours worked for many social enterprise employees. While some employees exceed the earnings exemption, many employees feel limited by the $500 ceiling and cease work past this point. | • 85 percent of landscaping employees "are capable of making that $500, and do make it."
• "Very few will work over those hours, because they will get clawed back, and they see it as working for free."
• "They see themselves working for free, so after they hit the $500, they don’t want to work anymore. The fear that if they work more, and go off disability, they can’t get back on."
• "When the exemption went from $200 to $400 to $500, people were able to pick up those extra hours. The ability to work was there. The limitation is what they’re able to make."
• "One sewer takes the lead and has to reduce his production accordingly."
• "People say they want to work more, but don’t want to get paid over the table." |
<table>
<thead>
<tr>
<th>MAJOR FINDINGS</th>
<th>RELEVANT COMMENTS</th>
</tr>
</thead>
</table>
| The March 2006 exemption increase had positive effects on employment for individuals and for the enterprise. | • The March 2006 exemption increase “had a real positive effect on how much they could and did work. In landscaping, people have asked for more work.”  
• “It also helped us schedule people. Schedule with less people, more competent. Our regulars could work more hours, instead of having to fill in with a lot of new people all the time. Upping revenue, productivity, and quality of work.”  
• “It actually solved a huge problem of having a lot of people to fill those jobs.” |
| There are no examples of employees losing their disability benefits for working past a certain point, but many are concerned that they will lose their status if they work too much. | • Two people in catering were reaching the $500 earnings exemption each month. “They were making up to $1400 extra per month and they reported it, and their worker ensured they wouldn’t be cut off.”  
• “They lose their benefit dollar for dollar, but they didn’t lose their status.”  
• The ability to maintain medical and dental benefits is “the main concern of most of our clients. They are afraid of going off, of making too much money, and having their worker say ‘you are independent now’ and cutting off their benefits. This is not a real concern, just a perceived concern.” |
| People living with mental illness experience increased health and self-esteem while maintaining the disability safety net during a period of employment. | • “When they are allowed to be treated like any other worker, make that income, and have money to buy better food and improve their housing situation…it’s going to increase their self esteem and also going to decrease their dependency on the government. They just need that safety net there.”  
• If employees were allowed to keep all monies earned and were taxed back at the end of the year, “some would go to work full time. As long as they didn’t have to worry about their disability cheque to get cut off.”  
• “If there’s that safety net still there, that’s the main barrier that they’ll lose their safety net. If you know you can get sick – well you probably won’t even get sick. That’s one less stress.” |
The second interview generated less useful information, as the social enterprise employs only one PWD recipient and one PPMB recipient. The key informant had some knowledge of a former Vancouver-based social enterprise, which worked with a strict mandate to employ persons living with mental illness. Although limited, a few relevant findings enhance the more detailed information from the first interview. First, each employee receiving disability assistance works part-time. Health is a major determinant of scheduling, and the $500 earnings exemption is not perceived as a main reason why employees do not work full time. The March 2006 exemption increase was considered a positive change, as employees now have “more opportunity to spend more money” (Staff Support Coordinator, 2006). One employee “goes through spurts” and therefore this change is “a good thing because he can work a lot at one time, when he’s healthy” (Staff Support Coordinator, 2006). This interviewee was able to compare disability assistance to regular social assistance in BC, as she had experience working with recipients of both. The presence of an earnings exemption is considered positive because it is an incentive to work and make additional money to supplement the assistance benefit. To conclude, the interviewee suggested that a higher exemption for PWD and PPMB recipients would be beneficial; however, the current exemption is not limiting her employees directly.

4.2 Focus Groups in British Columbia

The first focus group conducted in British Columbia yielded valuable information and experiences from employees of three social enterprises. Participants were vocal about the challenges and opportunities associated with PWD and PPMB, and the session generated a number of key findings, summarized in Table 4.

Table 4: Major Focus Group Findings from Three BC Social Enterprises

<table>
<thead>
<tr>
<th>MAJOR FINDINGS</th>
<th>RELEVANT COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial remuneration and social benefits were both cited as reasons people chose to work in a social enterprise.</td>
<td>• “The money isn’t important. The experience is something to put on my resume.”</td>
</tr>
<tr>
<td></td>
<td>• “More money, more freedom, more respect for yourself, more security.”</td>
</tr>
<tr>
<td></td>
<td>• “...To get experience and learn new sewing skills.”</td>
</tr>
<tr>
<td></td>
<td>• “Structure during the week.”</td>
</tr>
<tr>
<td></td>
<td>• “Part of it is that some of us are isolated in our lives so it’s a way to meet other people and work in a team.”</td>
</tr>
<tr>
<td>MAJOR FINDINGS</td>
<td>RELEVANT COMMENTS</td>
</tr>
<tr>
<td>----------------</td>
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</tbody>
</table>
| Over half of participants would like to work more hours in their current job. One social enterprise does not have the capacity to increase hours worked. In two other social enterprises, employees would like to work more but are held back by the current exemption. | - "It's good for our self-esteem."
- "Some of the clients you work for are starting to introduce themselves to me. I have personal contacts with some of them almost daily. Good for the confidence. Your job is rewarding. Feels good."
- "Understanding of our limitations. Sometimes you need a break or take some time off, and still be able to come back to the job."

| The March 2006 exemption increase yielded positive benefits for many employees. | - "I would rather work more hours. There doesn't seem to be a lot of work for us lately."
- "It would be ideal to have the same amount every month. With the [sewing] business, it can vary to make the full $500 to not making anything at all some months. It depends."
- "I have people who have worked with me in the clubhouse, members who I have worked with who are not here, but many of them would like to have more hours and more pay, but are not able because they have to keep it under $500."

| The flat $500 exemption structure does not cater to PWD and PPMB recipients who would like to work their way off disability assistance. | - "For me, I'm trying to get to a point to get off it, but if the $500 is trying to act as a springboard to help us get off disability, it's a big joke. It's not enough; it's a grey area."
- "It's not enough to get people independent to get off.
- "It's hard to move from $500 a month to working full time."
- "It's easier to work yourself off welfare if you have a graduated scale."
- The $500 earnings exemption "helps, but it only half helps. You stagnate to a certain level but can't reach the next level. Not enough to get off on your own afterward."

| Disability recipients experience less stress and better health when they feel secure in their ability to earn money while maintaining disability benefits. | - "It's a disincentive to go off welfare if you have to pay for your own medicare/pharmacare."
- "For me, the biggest source of stress is to not have the security because of lack of money."
- "It's like a security blanket for us - all the benefits."
- "[Medicare] is a big consideration, because a lot of us have huge bills to pay for medical bills, and so you'd have to make a lot of money to cover that."
Housing is a major source of tension for disability recipients. There is a lack of adequate subsidized housing and any increase in shelter allowance is reflected in a rent increase.

- "I think if you had shelter, housing, it could be a lot easier. Subsidized housing so you can pay less, and have money to survive on. But if you don't have housing, and you pay that much money, you're suffering."
- "A lot of money goes to room and accommodation."
- "If they don't give people extra money for work, they should give them money for housing."
- "If you have a mental health problem, and your next door neighbour is a drug dealer or a criminal, they can compromise you."

The second focus group conducted in BC provides supplementary information to the first. While participants were not social enterprise employees, they were recipients of PWD employed by a non-profit organization in the GVRD. This group faces similar challenges with respect to earnings exemptions, contact with the MEIA, and stresses associated with particular policies. Many findings were common to both focus groups. Most notably, the focus group participants in the second session reinforced the communication issues associated with information sharing. Disability recipients were very unclear on policies and feel there is little clarity from their EAWs. In addition to communication and misinformation, the following key findings emerged:

- PWD recipients are afraid to show income for fear of losing their benefits. Two participants in this focus group reported incidences of disability recipients receiving payment "under the table". Some employees will get paid in cash when their earnings exceed the exemption limit because there is no incentive to report income.
- A $500 earnings exemption acts as a barrier and a disincentive to work as much as is permitted by one's health. Some participants engage in more than one job, therefore even if organizational capacity is low, people can find other means to make money.
- In certain jobs, employers will not agree to schedule an employee based on PWD restrictions. Therefore, the higher the exemption allows a recipient to take home, the more disposable income he or she will have.
- The current structure is a disincentive to save money and earn interest on savings.
The current system is hard to navigate, and disability recipients do not trust the MEIA and MEIA staff, including EAWs.

The cost of clothing is a concern for many recipients. Clothing and work equipment carries a large cost, which many recipients cannot meet at their current salary.

The housing allowance is a large incentive to stay on PWD. There is a lack of subsidized housing. Recipients fear that if they lose their benefits, they will be unable to pay rent.

4.3 Key Informant Interviews in Ontario

In response to the recent changes to the ODSP benefit structure, I conducted interviews with two social enterprise managers in Ottawa, Ontario, in mid-December, 2006. The changes took effect on November 1, 2006, so the respondents had limited knowledge of the impact of the changes to date. The findings suggest that social enterprises and their employees face similar challenges across provinces, as respondents noted many related issues to those in BC. The key findings can be summarized as follows:

- Hourly wages of front-line staff are a reflection of funding. In the past, the enterprise used a pay grid, but funding from multiple sources has since been cut, and therefore new employees earn minimum wage.

- Lack of funding also affects the number of employees on-duty at any given time. In a job that could once accommodate five trainees, the enterprise is now able to accommodate only two employees. On this topic, one respondent said, “We had that extra money to support and train. Now we cannot do that. Now, if we hire five employees, it would outweigh what we’re actually making.”

- Employees with more responsibility, like drivers, earn a slightly higher wage, and are in high demand because few applicants have valid driver’s licences. Currently, the driver is the only front line employee exceeding $500 on a monthly basis.

- The November 1, 2006, change to the ODSP benefit structure has allowed recipients to become “less panicked” about the permanence of their disability status. People are willing to work more and are less worried that they will lose their benefits if they show increases in income. One respondent explained, “I have noticed that people have stopped
talking about being afraid to work and losing their money.” In addition, “there have been less complaints about ODSP.”

- Respondents raised concerns that ODSP did not release information of the change in a direct manner. One respondent said, “I think it’s the fault of the information coming from the government to the agencies.” In addition, communication between recipients and the ministry has been questioned. Often, a casual/on-call employee will not produce a pay-stub for a two-week period if he or she did not work during the time. However the ministry is quick to assume this person is not reporting earnings, and will send a letter saying that their cheque is cut off. “The paperwork is a little infuriating...People with mental illness get confused. Their forms are very confusing,” said one respondent. Social enterprise managers described a number of instances where they “spend half [the] day calling and trying to make [the ministry] understand that these people didn’t work and they need their cheque, and that’s limiting because people get scared...and then they don’t want to work.”

- The $100 monthly work-related allowance is an incentive to engage in paid employment. Interview respondents claim that it is “motivating people to even get out there and get employment. Because once you’ve worked one hour in one month, you get an extra $100, so at least it’s getting people to attempt to work.” The $500 work-related allowance also helps to pay for costly equipment and clothing required for many jobs.

- The new ODSP structure does not put a limit on the number of hours a recipient can work. This is beneficial to employees working for employers that may not be as flexible to alter the number of hours to accommodate an earnings exemption. Within social enterprises, however, the organization and scheduling is highly flexible and compliant to the needs of people living with mental illness, so that this is not as noticeable a benefit to enterprise employees.

- In general, the changes have been received in a positive light. Respondents did not think the 50 percent clawback structure limits employees in any way. While employees do not like “losing” half their wages, they have the incentive to work as many hours as their health permits. In addition, respondents believe perceptions will change based on the new clawback structure; “just saying they get half instead of 25 percent sounds better.” Finally, the new formula is easier to understand, clients are less confused, and therefore not as scared to work as before the change.
4.4 Focus Group in Ontario

The featured social enterprise in Ottawa is a catering enterprise similar to two featured in BC. The entire enterprise employs 13 people living with mental illness, nine of whom participated in the focus group. Findings suggest truth to the proverb, “the grass is greener on the other side.” Many respondents expressed desire for a flat disability earnings exemption structure similar to that in BC. This particular social enterprise has organizational challenges associated with capacity, and a number of its employees work fewer hours than employees in BC. In such a situation, a flat $500 exemption would allow for higher take-home salaries than the structure in Ontario for these part-time individuals. The following is a summary of key findings from this focus group:

- In general, while the November 1, 2006, changes have not been very influential to date, respondents believe that the ODSP system is “better than it used to be.” It creates more of an incentive to work, and respondents are less worried about getting cut off, thereby reducing stress levels substantially.

- The $100 work-related allowance has been well received. It allows recipients to catch-up financially, and acts as an incentive to work. One participant said, “A little money in the pocket just encourages you to do it.”

- Participants believe that the earnings exemption is “better than not having anything.” Some suggested that the 50 percent clawback is excessive, and employees would benefit from a lower clawback rate from the first dollar earned. Suggestions were made to allow for a flat exemption up to a certain amount before employees are taxed on earnings.

- There is a disincentive to save money. There is a maximum savings level of $5,000, after which recipients do not receive their ODSP cheque. Participants report that many recipients will not report their savings to the government.

- Reassessment of disability status is a very stressful process. Each participant agreed on this point.

4.5 Summary of Key Findings

This study uses qualitative exploration to investigate the effects of the current earnings exemption on PWD and PPMB recipients, while examining an alternative system to determine the benefits and costs of a graduated exemption scale. These sources reveal clear barriers and
disincentives to engaging in paid employment associated with the current structure in BC. They also suggest more suitable ways of structuring the exemption system that would benefit social enterprises and employees. Appendix A contains an illustration of the key findings in all focus groups and interviews in both provinces. The columns represent the 19 most commonly noted themes, and the rows identify the occurrence of each theme. The following subsections briefly describe the key economic and social findings and provide the rationale for alternatives proposed in the next section.

4.5.1 Economic Considerations

The following key findings relate to financial considerations of beneficiaries and social enterprises, including specific results relating to earnings exemptions:

- Representatives from three social enterprises in Vancouver suggest the current flat rate earnings exemption in BC limits employees from working to their full potential. The $500 ceiling creates a psychological barrier and is a disincentive to work. Graduated taxation is more incentive-based. Based on findings in Ontario, the 50 percent graduated earnings exemption creates incentives to work because employees are not bound by an earnings cut-off.

- A number of respondents discussed the incentives created by the earnings exemption. When compared to social assistance, the $500 earnings exemption available to recipients of PWD and PPMB was viewed favourably. Managers and employees in both provinces, however, suggest that the current clawback is too high. Fifty and 100 percent taxation rates were not viewed favourably, suggesting the need to alter the current structure.

- In BC, respondents in each section discussed the impacts of the March 2006 exemption increase. By increasing the amount disability recipients are allowed to earn, employees were better able to work to their full potential and experience increased purchasing power.

- In both BC focus groups, employees who wished to move off disability assistance in the future felt particularly limited by the current flat rate exemption. A flat earnings exemption of $500 is not an adequate springboard to allow employees to earn enough money to sustain their current lifestyle without government intervention. A graduated scale is more likely to allow recipients to gain the work experience needed to eventually move off disability.
• In three out of the six sessions, respondents reported the existence of an underground economy. Both managers and employees assert that recipients are earning unclaimed income and failing to report personal savings in response to strict policies associated with earning and saving money. Furthermore, employees of the Ontario social enterprise and the non-profit group in Vancouver suggest that the current disability policies are a disincentive to save money and earn interest in a savings account.

• As mentioned in earlier sections, the November 2006 changes to ODSP have had, and likely will continue to have, noticeable positive impacts on social enterprises and their employees. The structure provides increased incentive to work for three reasons: a) a graduated earnings exemption eliminates a perceived barrier, provides incentive to work as much as allowed by one’s health, and alleviates pressures on disability recipients who fear they will earn too much and lose their disability status; b) a $100 work-related allowance provides incentive to work on a monthly basis; and c) rapid reinstatement policies promote feelings of security for recipients, particularly if they choose to leave disability for paid employment.

4.5.2 Social Considerations

The following key findings relate to social impacts of the status quo on the health and livelihood of beneficiaries and the operation of social enterprises:

• In both focus groups in BC, employees who wish to move off disability assistance in the future felt particularly limited by the current flat rate exemption. A flat earnings exemption of $500 is not an adequate springboard to allow employees to earn enough money to sustain their current lifestyle without government intervention. A graduated scale is more likely to allow recipients to gain the work experience needed to eventually move off disability.

• In almost all sessions, respondents suggested that health constrains the number of hours worked by people living with mental illness. Most respondents work on a part-time basis, and while quite a few are restricted by the current earnings exemption and organizational capacity, a large proportion reported that their health dictates the amount of hours worked per week.

• While the landscaping enterprise is thriving, many other social enterprises do not have the capacity to accommodate the scheduling requests of their employees. A number of social enterprise managers and employees suggest that organizational capacity, including
contracts and other market factors, affect the number of hours worked. Furthermore, while the social enterprise in Ontario cited funding as a determinant of wage rates, four social enterprises in Vancouver suggested that hourly wage is a reflection of organizational factors and the market value of labour.

- An overwhelming theme heard in each of the six sessions by innumerable participants is the issue of security. Persons living with mental illness are better able to work to their full potential, increase productivity, and experience better health when they are able to maintain the safety net of disability and its associated benefits. Mental illness can often be cyclical; therefore, a major benefit of provincial disability assistance is the permanence of status and rapid reinstatement. Employees experience improved health when they feel confident that they can fall back on their benefits in the event of illness.
- Five out of six sessions reiterated that disability recipients experience increased stress when faced with the fear of losing their disability status. There is a common perception that if a disability recipient shows earned income or earns too much, he or she will lose disability status. This creates a perceived barrier to work for this population, and many cannot work to their full potential. In addition, the threat of reassessment is a major cause of stress among disability recipients. Those who have experienced periods of reassessment have voiced their discontent and frustration with the process, and many fear they will be at heightened risk for reassessment if they show high earnings.

### 4.5.3 Communication and Information Considerations

Concerns over communication breakdown and misinformation were raised in nearly all focus groups and interviews conducted in both provinces. The method by which disability recipients are informed of major changes is unsystematic, and the knowledge of ministry staff was questioned on more than one occasion. Communication and information sharing is of key importance to increase the clarity of policies for people living with mental illness (Clubhouse Manager, 2006). Without participation in exploratory research, advocacy organizations, agencies, and social enterprises are less likely to evolve and learn the needs of disability

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4 This was reinforced in an interview with John Pitcairn at the MEIA. The way PWD and PPMB recipients are informed of major changes is unsystematic and inadequate. Sometimes people are sent a letter in the mail, and otherwise they learn of major changes in legislation by reading it in the newspaper (Pitcairn, 2007).

5 John Pitcairn also reported that EAWs are not always well-informed of current policies. The reason is that EAWs are expected to know an impossible amount of information. In general, Pitcairn believes that EAWs have an adequate level of knowledge considering the complexity of policies and regulations (Pitcairn, 2007).
recipients. Because social enterprise is an emerging sector, research is needed to promote its growth as well as to adequately support its employees. Advocates for persons living with mental illness are able to contest policies only if they participate in research and take a proactive role in bettering the system. One example of this information gap was the unwillingness to participate in the study by an official of a Vancouver-based mental health agency, who is also a manager of a major social enterprise that employs 12 to 14 people in Vancouver. The reason for refusal was unclear; however, an unwillingness to participate suggests a lack of resources, time, or appreciation for the importance of communication and information. Without support from the top down, there is further risk of inaccurate dissemination of information with respect to employment of people living with mental illness.

4.5.4 Social Enterprise Development Considerations

Another key finding in both provinces is the issue of fostering a social enterprise sector in Canadian society. A number of findings suggest the need for mechanisms to ensure on-going funding for social enterprise development and socially responsible employment opportunities for persons living with mental illness. During the focus group in Ontario, a few employees voiced their desire for more hours and one employee specifically said that there are too few groups in the Ottawa area that employ people with psychological disabilities. One respondent suggested more opportunities for part-time employment, by saying, “I think that would be a more logical pursuit, get more places opened up so there are more job opportunities.” In addition, social enterprise managers in Ontario discussed the presence of a 60-person wait list, indicating excess demand for this type of work. This same enterprise cited a lack of funding, which prevents employees from receiving incremental pay raises. In BC, a social enterprise manager discussed the ability for social enterprises to employ fewer people at increased hours when disability benefits were structured such that recipients are not affected by a capped earnings exemption. These findings suggest the need to expand the social enterprise sector in Canada. This mandate falls jointly between both provincial and federal jurisdiction; it is dealt with primarily by the Community Development and Partnerships Directorate of Human Resources and Social Development Canada. In particular, there is a need for increased numbers of social enterprises as well as more funding for existing social enterprises. These results will not be discussed as potential options for the province of BC, as this would be beyond the scope of this paper; however, it is an important related issue that warrants further research.
5 Policy Alternatives

This section describes four policy options that have been developed in response to the combined analysis of literature, key informant interviews, and focus groups. The policy options aim at providing incentives to work and will aid people living with mental illness in their pursuit of employment. I begin with the status quo, followed by two alternative ways of restructuring BC’s disability assistance. The fourth option is a communication strategy that could be implemented in conjunction with one of the three structures. These strategies provide key decision makers at the MEIA with a set of choices to improve the employment quality of people living with mental illness, as well as to foster the growth of social enterprises in the province.

5.1 Description of Alternative I – Status Quo

In this study, the status quo is considered a potential policy option, as well as a comparative case to assess other potential structures. Currently, the status quo is a two-tiered system of disability assistance. There are two categories, PWD and PPMB, each encompassing slightly different regulations. The monthly support for PWD is $531.42, while the monthly support for PPMB is $282.92. Recipients of PWD and PPMB are able to earn a fixed amount of income per month without a corresponding deduction from their benefits. As of March 1, 2006, the earnings exemption is $500 for both designations. Monthly earnings above this amount are deducted dollar-for-dollar from benefits (CCPA, 2006a).

PWD status is generally considered permanent but can be reviewed every five years, according to MEIA’s Designation Application Policy (MEIA, 2005). PPMB status is reviewed every two years, and “an individual can lose their status on review if they are deemed employable and no longer eligible for PPMB status” (CCPA, 2006a, p. 6). If a client leaves PWD for employment, they are entitled to rapid reinstatement and do not have to re-apply for disability status in order to regain their eligibility for assistance upon cycles of illness. There is, however, a three week job search period before an individual can completely regain benefits (Loxton, 2007). PPMB recipients are not guaranteed rapid reinstatement (CCPA, 2006a).
Maintaining the status quo is a viable policy option because interviews with managers of four social enterprises in Vancouver suggest that, while the system has its flaws, an earnings exemption is beneficial for persons living with mental illness. In particular, one social enterprise manager reported that the current structure does not pose limits on the employees of that enterprise. Such evidence should be considered with appropriate caution though, as this respondent had limited experience dealing with persons living with mental illness. Furthermore, due to organizational and health factors, many employees are unable to earn $500 per month and therefore would not benefit from an increased flat exemption value.

5.2 Description of Alternative II – Status Quo Plus

This policy option builds on the current $500 flat rate exemption for PWD and PPMB recipients. To address the needs of employees wishing to move off disability assistance, a further 50 percent graduated scale above and beyond the $500 exemption would allow employees to work to their full potential while giving them increased purchasing power. One respondent in a BC focus group said that PWD is like being in a “financial prison.” “There’s no incentive; you can’t enjoy the fruits of your labour...the $500 top up...it can be a trap.” This mixed structure would cater to employees who work very few hours and are restricted by health and organizational factors because they could continue to keep 100 percent of their earnings. Simultaneously, it would increase the incentive for those employees willing and able to work more hours. Employees would be less restricted by a psychological earnings ceiling and would be able to keep a relatively high proportion of monies earned, beyond the original flat exemption. A 50 percent clawback rate was chosen in response to the Ontario focus group and interview critiquing the former ODSP legislation. The clawback above the $160 flat rate exemption was 75 percent, but 50 percent is much preferred. One social enterprise manager said, “[The new ODSP legislation] is better, because before they made $160, and then they got 25 cents on the dollar, so even just saying they get half instead of 25 percent sounds better.” Focus groups and interviews suggest the need for improved information flow for all policies. This policy option would be best implemented if MEIA staff were adequately informed of the changes, and if changes were clearly communicated to PWD and PPMB beneficiaries.

5.3 Description of Alternative III – Graduated Exemption Structure

Each province in Canada has its own approach to disability assistance policies. Ontario has recently undergone a reform to update the ODSP regulations. Through interviews and focus
groups with social enterprise managers and employees in Ottawa, I found that the restructured ODSP system appears to have positive effects on the employment opportunities and quality of life for persons living with mental illness. This proposed policy option would transform BC’s current PWD and PPMB structures in a number of ways to more closely resemble the disability benefit structure in Ontario.

This option would bring four main changes: a graduated earnings exemption, a monthly work-related allowance, an employment start-up benefit, and rapid reinstatement status for both designations. The graduated earnings exemption would allow recipients to earn unlimited income, and for every dollar earned they would see a reduction of 50 cents on their monthly disability support. Furthermore, PWD and PPMB recipients would be entitled to a $100 monthly work-related allowance when they show earned income. This allowance could potentially address two main issues in BC: (a) it may create an incentive for currently unemployed disability recipients to engage in paid employment and (b) it may reduce the amount of unreported earnings within the system, thereby lessening the effects of an underground economy. The employment start-up benefit is a one-time payment of $500 when a disability recipient enters into paid employment. This acts as an incentive to paid employment, as well as addressing the high costs associated with transition to employment (Loxton, 2007). Finally, PWD and PPMB status would be permanent and individuals would not be subject to reviews of disability status. Recipients could live without fear of reassessment, thereby creating a secure environment for persons living with mental illness.

Rapid reinstatement is a policy attached to the current PWD system, although it is questioned in practice. Focus group findings show that recipients are unclear on the procedure and experience heightened levels of stress when they report income. This option would require rapid reinstatement in practice, as well as full transparency on a ministry level with respect to reassessment and reinstatement. Rapid reinstatement reform in BC would require two major changes: (1) abolish the three month waiting time for eligibility for the earnings exemption, and (2) abolish the three week job search for beneficiaries who wish to return to disability assistance after a period of working. These changes would improve the quality of assistance for people living with mental illness who encounter episodic illness, and it would also allow people living with mental illness who earn low levels of income to become eligible for PWD and PPMB without terminating their current employment opportunities (Loxton, 2007). The goal of this

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6 This feature could also be combined with the status quo and the status quo plus options. It has been proposed as a component of policy option three because rapid reinstatement is associated with the current disability regulations in Ontario.
policy is to provide a safety net for individuals, which may encourage more people to move off disability when they are confident they can return quickly in the event of illness.

5.4 Description of Alternative IV – Communication Strategy

An overarching strategy that the MEIA could adopt is to ensure adequate information flow and communication of policies and procedures to recipients of PWD and PPMB. This is a two-part scheme that would improve the transmission of information on aspects related to PWD and PPMB. The goal of this option is to ensure that facts are communicated in a clear and credible manner. Evidence shows the need for such a strategy, as persons living with mental illness often report feelings of insecurity and confusion about policies and procedures (Peer Support Workers, 2006; Clubhouse Manager, 2006; Social Enterprise Employees, 2006a; Social Enterprise Kitchen Manager, 2006; Social Enterprise Office Manager, 2006; Brouwek, 2007; Evans, 2007). Similar concerns were raised in Ontario, as well, thereby reinforcing the need for a coherent strategy that can be replicated in other provinces.

Ongoing education and information sharing is expected to reduce the anxiety of employees who fear a loss of disability status if they show earned income. Focus groups and interviews demonstrate the need to create an information flow from the MEIA to the recipients of disability assistance. There is a stated need to broaden awareness of the policies and regulations, as well as to synthesize information in a useable way. Anecdotal evidence also shows that many EAWs do not have adequate sensitivity when dealing with this population. One respondent who has witnessed communication breakdown from the service delivery side of mental health services has said that the MEIA “is a system that kicks the dog and eats its young” (Evans, 2007). John Pitcairn, a regional manager at the MEIA in Vancouver, also reported that policies are not as flexible as they need to be. EAWs are heavy-handed, do not have enough training, and should be encouraged to use discretion to benefit individual cases (Pitcairn, 2007). Based on these findings, this communication strategy proposes the MEIA re-evaluate its entire philosophy to ensure that people living with mental illness are dealt with in an appropriate manner. Revised service standards are needed that are consistent with the provincial mandate, but that take into account the specific environment within which the MEIA operates (Pitcairn, 2007). There are few accountability mechanisms in place for beneficiaries to discuss issues relating to their EAWs. This suggests the need for an ombudsperson, or a liaison between PWD and PPMB beneficiaries and the MEIA, to act as a point of contact when conflicts arise.
One BC social enterprise manager suggested the possibility of engaging ministry employees to conduct informative workshops with enterprise employees. He said, “I’m going to set up some workshops with the ministry to come in here and talk with my members and the staff, so that they all know what the rules and [regulations] are” (Clubhouse Manager, 2006). Further to this suggestion, new employees could participate in an orientation workshop and information session so that they become clear on the expectations and impacts employment has on their benefits. In addition to these workshops, shelter employees, hospital social workers, and case workers at VCH are also important points of contact. MEIA staff could spend time educating both mental health agencies and other service delivery teams. There is also room for cross-training. Deirdre Evans suggested service delivery agents working on the ground level could train MEIA staff, in particular EAWs, in areas like mental health awareness and sensitivity strategies (Evans, 2007). John Pitcairn suggested a similar method of raising awareness among EAWs. Mental health agencies and organizations should be proactive, and approach the MEIA to raise awareness (Pitcairn, 2007). According to Pitcairn (2007), the MEIA would be responsive to having organizations like the CMHA and the Coast Foundation attend ministry meetings.

Evidence also shows the need for information clarity among MEIA workers. Focus group and interview participants suggest that, even when information is conveyed to recipients, the facts are not consistent, and ministry policy is often contradictory to legislation. Focus group participants made the following comments about this concern: “there’s not a lot of clarity in the whole thing. I think it’s a great thing that we can work, make money, and raise our standard of living, but how much you can earn and this whole declaring thing is as clear as mud. When you talk to your worker, it seems like they know less than we do,” and “[the ministry workers] are not aware of the latest new things that are happening in our circle and I’m afraid that many people don’t get the right information and don’t know what to do. And they get misinformed” (Peer Support Workers, 2006).

In addition to information sharing, there is a need for improved communication between recipients and their EAW. Disability recipients who are currently employed have voiced concerns that earned income will put them at a greater risk of being reassessed, a process that is highly contentious. One participant made the comment, “so many people are afraid and think it’s going to be used against them, like if they think they get a job and they show income it’s going to show they don’t need disability … so lots of people aren’t going to work because of that” (Peer Support Workers, 2006). Reassessment of PPMB status “is defined with an ‘employability’ screen, so if an individual is participating in the labour market there might be a risk of losing
PPMB status on reapplication” (CCPA, 2006a). Robin Loxton (2007) of the BC Coalition of People with Disabilities has confirmed that while PPMB recipients are eligible for an earnings exemption, employability does work against individuals upon review. There seems to be little clarity on this fact, and PWD recipients have voiced concerns of losing their status.

A client-centred approach within the MEIA is a possible solution to this problem. Currently, PWD and PPMB client information is organized in a computer tracking system. “It is not a very user-friendly system” (Loxton, 2007). The communication strategy proposed would restructure this complicated system and remove inconsistencies between offices and regions. It is important that each disability recipient have access to an appointed EAW who is granted discretion for individual needs. VCH mental health workers, Brouwek, Evans, and Pitcairn (2007) all report that discretion is not always used to support the client, but rather the model at the MEIA is that of enforcement. There are three general types of EAWs who attend to PWD and PPMB recipients: (a) those that do not have compatible personalities to work in social services; (b) those who are policy-oriented and analytic, thereby creating an unaccommodating environment for a sensitive population like those living with mental illness; and (c) those who “bend over backward” and “go above and beyond” to accommodate and empower their clients (Evans, 2007). The first two categories of EAWs must be the focus of this communication reform.

Pitcairn (2007) reports that while the website is a main point of contact for PWD and PPMB beneficiaries, this does not replace face-to-face contact for those who need it; there is a 1-800 number, as well. A shared service delivery model allows callers to be transferred to the next available EAW who has access to client information through the computer tracking system. Beneficiaries may not speak to EAWs in their own city, however, as the next available EAW may be in another region (Pitcairn, 2007). The MEIA must engage in continual research to determine how this policy impacts people living with mental illness, because this population may be uncomfortable interacting with an unfamiliar EAW (Pitcairn, 2007).

The ability for beneficiaries to receive information is also a problem. While some EAWs extend appropriate information and advice, many others refer PWD and PPMB beneficiaries to internet resources in lieu of direct contact (Brouwek, 2007; Evans, 2007; Pitcairn, 2007). The internet is not an adequate source of information for two main reasons: many people living with

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7 Within two years, the MEIA anticipates the emergence of a Multi-Service Channel Delivery Project which would become a main communication method and point of contact for PWD and PPMB beneficiaries. This is an innovative website to provide both EAWs and beneficiaries with instantly updated information (Pitcairn, 2007).
mental illness are living in poverty, and therefore many do not have access to a computer; second, many are computer illiterate (Loxton, 2007). Community-based offices could improve the flow of information and would allow recipients the ability to receive information from an EAW that has the time to explain policies and regulations. This is detrimental, as mentioned earlier, because this population has barriers to electronic resources, and the sites are quite complex and difficult to navigate (Evans, 2007). As resources are improved, John Pitcairn (2007) has suggested the need for an updated advertising strategy for the MEIA Internet-based and telephone resources. Television, radio, and newspaper advertisements would attract clients to these resources so they are aware of the services available to them. This is one minor aspect of the communication strategy, however face-to-face communication must not be ignored.

Peer support workers offer another option. One focus group participant discussed the reason she became a peer support worker. This quote adequately summarizes why this option is beneficial for both the worker and the recipient:

I think that [by doing] peer support, I can relate to people on a different level and give back to the health community. I just remember feeling really lost when I was first diagnosed, and I felt really alone. You don’t know it until you have to navigate it [the MEIA system]. I think that if anything can be gained from this, it’s just feeling like you’re contributing to society.

Such a position would create a job opportunity for disability recipients, while helping guide new recipients through the system. This option is the only one out of the four that is not mutually exclusive. Based on this study’s findings, communication and information is an aspect of the disability assistance structure that begs to be included in any reform.
6 Analysis of Policy Alternatives

6.1 Evaluation of Alternatives

The four alternatives described in the previous section were assessed in light of standard criteria. The following subsections describe the criteria, measures, and comparative analysis of policy options. The goal of the analysis is to determine which of the three structural options will best provide people living with mental illness incentives to engage in paid employment and maintain secure employment opportunities to promote reintegration into the mainstream labour market.

6.1.1 Criteria and Measures

The following four criteria comprise the basis for this analysis:

1. Equity
2. Effectiveness
3. Political Feasibility
4. Cost

Equity is a primary consideration, given the vulnerable nature of the affected population. This criterion assesses both horizontal and vertical equity, by examining who pays and who benefits from each alternative, while also ensuring equal access. In order to be considered equitable, the proposed alternative must be equally accessible to all employees working in social enterprises. The equity of people living with mental illness who are not currently employed will also be taken into consideration. Social enterprises have limited ability to hire employees, and the number of potential job prospects may be jeopardized by policies that would increase the working hours of employees at social enterprises. This criterion is important because it examines the differential effects of each policy and measures how fairly each employee is treated relative to his or her position prior to the implementation of the alternative.

Effectiveness is the measure of the ability of an alternative to create incentives to work. An option will not be ranked highly if it is not effective in increasing the ability of persons living with mental illness to gain adequate work experience and maintain adequate income and benefits.
To be considered effective, an option must be accessible to employees working in social enterprises and must be clearly communicated such that affected parties are aware of the opportunities available to them. Security and confidence are two concerns associated with paid employment among this population, so that clarity is another key aspect of effectiveness in this study. An option must also respect the unique nature of social enterprises, taking into account their mission of financial and social goals.

Political feasibility examines the practical aspects of implementing each alternative. This is a consideration in any public-policy related decision, as implementation is at the heart of policy change. This criterion measures the impact of each alternative on the relevant provincial ministry and also considers the consistency with related policies within the PWD and PPMB structures. It addresses the extent to which each policy will receive political support from key decision-makers in the public sector. Each Canadian province has its own disability structure, and political feasibility for BC can be extrapolated from systems in other jurisdictions.

Finally, cost is a critical consideration in any public policy analysis. This criterion will help determine the impacts of each option on the Government of BC and the MEIA. In this study, the cost criterion examines the direct cost of each alternative, while also assessing the feasibility due to budget constraints. Relative cost to the enterprise will be taken into consideration, while net gain to employees will also be compared. Each alternative is assessed for cost effectiveness, both in terms of implementation and administration. The direct cost can be derived from similar policy models adopted in comparable jurisdictions.

Table 5 summarizes the four criteria and the measures that will be used to assess each alternative. Each alternative is assigned a measure of high, medium, or low, based on the ability of the particular option to meet the criteria. The measurements are justified based on a range of sources: key informant interviews with social enterprise managers; focus groups with disability recipients; a comprehensive literature review including primary information derived from CCPA’s Economic Security Project; an interview with Robin Loxton of the BC Coalition of People with Disabilities, where policy formulation was discussed; an interview with Palmira Brouwek and Deirdre Evans, members of two Vancouver Coastal Health mental health teams, to discuss barriers to communication; an interview with MEIA manager John Pitcairn; and a focus group to test policy options with a key stakeholder group, recipients of PWD and PPMB. By assigning point values to each measure, I am able to compare mutually exclusive options in a systematic way.
Table 5: Criteria and Measures

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Indicators</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>Is this policy alternative accessible to all people living with mental illness?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does this policy alternative have any adverse effects on individuals working in social enterprises?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does this policy alternative have any adverse effects on prospective social enterprise employees?</td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td>To what degree does this policy alternative create an incentive to work?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To what degree does this policy alternative facilitate the reintegration of people living with mental illness into the mainstream labour market?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To what degree is this policy option straightforward and communicated clearly to people living with mental illness?</td>
<td>High = 3</td>
</tr>
<tr>
<td>Political Feasibility</td>
<td>Does this policy alternative garner support from relevant decision makers in BC?</td>
<td>High = 3</td>
</tr>
<tr>
<td></td>
<td>Is this policy alternative consistent with related policies at the Ministry of Employment and Income Assistance?</td>
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<tr>
<td>Cost</td>
<td>Is the cost of implementation and administration of this policy alternative comparable to the status quo?</td>
<td>High = 3</td>
</tr>
<tr>
<td></td>
<td>What are the long-run effects of this policy on the number of beneficiaries receiving PWD and PPMB?</td>
<td></td>
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<tr>
<td></td>
<td>Is this policy alternative feasible given the current financial situation in BC?</td>
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</table>
6.1.2 Graphical Comparison of Alternative I, II, and III

The three alternative structures for earnings exemption examined in this study can be compared graphically. Figure 2 illustrates the clawback structure for the three proposed earnings exemptions schemes. This section will compare the three options in terms of marginal return and total return to work. Based on the findings from this study, the marginal return is more important to people living with mental illness, but total return is also an important determinant of financial security and will be carefully considered.

Figure 2: Earnings Exemptions for Disability Assistance in BC: Graphical Comparison of Alternative I, II, and III

When comparing the status quo to the status quo plus, the status quo plus provides greater incentives to paid employment as well as a lower total cost to the government. Both options
allow individuals who earn up to $500 per month to keep 100 percent of their earnings. The status quo plus reintroduces marginal incentives to earn over $500, compared to the status quo. The marginal incentives to work and earn above $500 per month are zero under the status quo and are 50 percent of gross earnings under the status quo plus. For market earnings above $500, the net earnings are greatest with the status quo plus, when compared to both the status quo and ODSP structures. Under the status quo the marginal return is zero for earnings above $500 but the average return exceeds that of the ODSP structure until an individual earns a gross of $800.

While the status quo may provide 100 percent taxation revenue to the government, the graduated aspect of the status quo plus may promote more individuals to report their income, thereby acting as a revenue-saving option, when compared to the status quo. The uptake on the current earnings exemption is very low, and findings from interviews and focus groups in BC show that there are many cases of unreported income. To conclude, the status quo is inferior to the status quo option in its ability to provide incentives to work and in terms of cost effectiveness.

My graphical analysis does little to differentiate between the benefits of the second and third exemption structures. When comparing the ODSP structure to the status quo plus, the following points can be inferred:

- Between $0 and $200 of monthly gross earnings, the marginal return to employees is lower under the ODSP, but the total return is higher.
- Between $200 and $500, the marginal return and the average return to employees are both greater under the status quo plus structure.
- Above $500, the marginal incentive to work is identical for the status quo plus and the ODSP structures, but the total return is higher (by $150) for the status quo plus option.
- As between the status quo plus and the ODSP options, the incentives to work vary depending upon whether the individual is likely to work at a rate that generates less than or more than $200 per month; for all earnings above $200 the total return to working is greater under the status quo plus.
- The $100 work-related allowance of the ODSP option is a positive means to induce people living with mental illness into the paid labour force who may not have been employed prior to a policy change.

Although Figure 2 does not include the one-time $500 start-up allowance associated with the ODSP structure, this supplement further benefits individuals who work part-time and promotes additional entry into the labour market.
6.1.3 Assessment of Policy Alternatives

Table 6 synthesizes the analysis of each policy option in relation to the four criteria. A more detailed analysis of each policy option follows.
Table 6: Analysis of Policy Options Using Standard Criteria

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>Equity</th>
<th>Effectiveness</th>
<th>Political Feasibility</th>
<th>Cost Effectiveness</th>
<th>Maximum Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td>MED – the flat rate exemption is inequitable</td>
<td>MED – findings suggest that the current policy does not create adequate incentives to work for many PWD and PPMB beneficiaries. Loxton (2007) has stated that the effectiveness of the current exemption and accompanying policies are not adequately providing people living with mental illness the incentive to engage in meaningful employment, and are hindering the ability of many beneficiaries to work more hours. The findings in this study also conclude that the current policies are not being communicated effectively and beneficiaries are not being properly informed of their rights and obligations when engaging in paid employment.</td>
<td>HIGH – this structure is already in place.</td>
<td>MED – this structure is already in place, so the cost of implementation is nil. Administration of the current structure is a concern in the long run, however. Fewer people will reduce their reliability on disability assistance, compared to other alternatives, as they are unable to gain enough experience to move into full-time paid employment. In addition, fewer people will earn above $500 per month, thus reducing the amount of benefit clawbacks.</td>
<td>-12</td>
</tr>
<tr>
<td><strong>Status Quo</strong></td>
<td>MED – the flat rate exemption is inequitable</td>
<td>MED – findings suggest that the current policy does not create adequate incentives to work for many PWD and PPMB beneficiaries. Loxton (2007) has stated that the effectiveness of the current exemption and accompanying policies are not adequately providing people living with mental illness the incentive to engage in meaningful employment, and are hindering the ability of many beneficiaries to work more hours. The findings in this study also conclude that the current policies are not being communicated effectively and beneficiaries are not being properly informed of their rights and obligations when engaging in paid employment.</td>
<td>HIGH – this structure is already in place.</td>
<td>MED – this structure is already in place, so the cost of implementation is nil. Administration of the current structure is a concern in the long run, however. Fewer people will reduce their reliability on disability assistance, compared to other alternatives, as they are unable to gain enough experience to move into full-time paid employment. In addition, fewer people will earn above $500 per month, thus reducing the amount of benefit clawbacks.</td>
<td>9</td>
</tr>
<tr>
<td>CRITERIA</td>
<td>Equity</td>
<td>Effectiveness</td>
<td>Political Feasibility</td>
<td>Cost Effectiveness</td>
<td>Maximum Value</td>
</tr>
<tr>
<td>---------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
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<tr>
<td><strong>(2) Status Quo Plus</strong></td>
<td>MED/HIGH – the flat rate remains the same for those who do not earn over $500 per month, but it allows others to earn more money if they have the capacity to work increased hours. This structure does not create adverse effects on individuals in the population as compared to the status quo. This option does not create adverse effects on the operation of social enterprises, but if some beneficiaries choose to work longer hours, this will limit the total work available, which may limit job opportunities for other beneficiaries.</td>
<td>HIGH – if implemented properly, this changes brought about from this policy option will be communicated clearly to recipients, in response to the findings from social enterprise employees. There is a much larger incentive to work under this scheme than the status quo for those who are capable of working enough to earn more than $500 per month. Like the graduated scale, there is a more adequate springboard for individuals to move off disability in the future, compared to the status quo.</td>
<td>MED – based on a similar structure in Alberta, the political acceptance should not be problematic for this option. Based on the needs of disability recipients, this option improves the status quo without making major changes to legislation. Furthermore, this option is more cost effective than the status quo, which is viewed favourably when being considered by key decision makers.</td>
<td>MED/HIGH – this option is initially costly for the Government of British Columbia because it results in less revenue arising from recipients who earn over $500 per month. However, a higher number of recipients will be able to move off disability using the graduated scale. Furthermore, a greater number may choose to report earnings over $500, whereas with the status quo, the incentive to report income above $500 is far lower.</td>
<td>10</td>
</tr>
<tr>
<td><strong>(3) Graduated Exemption Structure</strong></td>
<td>MED – this structure does not benefit those who earn less than $500 to the same degree as the status quo; however,</td>
<td>HIGH – the supplements provided by this policy option will be an effective means to promote paid employment, according to Loxton (2007).</td>
<td>HIGH – based on acceptance in Ontario, the structure should be feasible in BC (Loxton, 2007).</td>
<td>MED/HIGH – the cost of implementation is higher than the status quo, as this is a different system. In the long run,</td>
<td>10.5</td>
</tr>
<tr>
<td>CRITERIA</td>
<td>Equity</td>
<td>Effectiveness</td>
<td>Political Feasibility</td>
<td>Cost Effectiveness</td>
<td>Maximum Value</td>
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<td>this structure allows all recipients to benefit equally for all monies earned.</td>
<td>In particular, the $100 work-related allowance creates an incentive to work for all individuals. The incentive to work also increases for individuals who earn more than $500 a month, and the graduated scale provides a more adequate environment for beneficiaries to move off disability in the future. The rapid reinstatement policies provide particular incentives, as well as giving individuals the confidence to move into the paid labour force without repercussions.</td>
<td>Ontario anticipates positive changes with this structure.</td>
<td>more PWD and PPMB recipients should participate in the mainstream labour market and eventually reduce reliance on government support, which suggests low administrative costs. However, rapid reinstatement policies may increase the number of individuals entering the system as a medical-only file.</td>
<td></td>
<td></td>
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<tr>
<td>(4) Communication Strategy</td>
<td>HIGH – each recipient will have equal access to information and will benefit from increased communication and information.</td>
<td>HIGH – by increasing communication, recipients will feel more secure and therefore will have higher incentive to engage in paid employment.</td>
<td>HIGH – information and communication is a priority for the MEIA (Pitcairn, 2007). This strategy is a simple method to improve quality of life for disability recipients.</td>
<td>HIGH – the costs are relatively low compared to the benefits. Training of MEIA staff is a consideration, but the strategy does not require additional staff members.</td>
<td>12</td>
</tr>
</tbody>
</table>
6.1.3.1 Analysis of Alternative I

The status quo is the least viable policy option based on this analysis. When compared to graduated earnings exemption scales, the flat $500 option receives the lowest score in its ability to increase incentives for paid employment and provide equitable benefits to all recipients of PWD and PPMB. The current structure limits adequate work experience for people living with mental illness, thereby contributing to a lack of financial and social empowerment. The flat rate exemption is inequitable for the small proportion of individuals who have the capacity to earn at least $500 per month (as indicated in Figure 1, the uptake of any earnings exemption ranges between four and 16 percent for both designations). The cost and political feasibility criteria score medium and high points for the status quo because this structure is already in place, but in order to improve the employment opportunities of persons living with mental illness, the current PWD and PPMB structure is not ideal. A number of interviews and focus groups in BC suggest that the flat rate exemption is too low to encourage recipients to move off disability in the future. A number of participants proposed a graduated system that allowed PWD and PPMB recipients to earn money above $500. Focus group participants in Vancouver made comments like, “it is unfair to keep us in such a level of poverty, so we need these incentives to raise our standard of living and give us some self-respect.” A number of participants report that 100 percent taxation does not allow employees to work their way to a level of sustainability. Disability beneficiaries facing a graduated scale will have less restricted access to employment. PWD and PPMB recipients may be dependent on government support for a longer period of time based on the flat exemption structure. This flat $500 exemption has been identified as a “hurdle” by focus group participants (Consumer Initiative Fund Employees, 2007).

A high proportion of participants in the focus groups also voiced concerns about communication and the ambiguous nature of PWD and PPMB policies. Many respondents were unclear of current policies and did not feel that information about the policies was adequately accessible and conveyed appropriately by EAWs. Lack of information creates insecurity, and a number of social enterprise employees suggest that they would be much better able to work to their full potential if better informed of policies. One social enterprise manager in Vancouver states that, if employees did not have the fear of losing their benefits based on income cut-offs, “some would go to work full time, as long as they didn’t have to worry about their disability cheque to get cut off.” By failing to institute changes into the current system, the MEIA will only reinforce the disincentives for engagement in paid employment for disability recipients. Changes
are needed in order to improve the lives of people working in social enterprises, as well as to increase the productivity of social enterprises so these organizations can continue to employ people with multiple barriers to employment. If productivity is increased and adequate supports are in place, a social enterprise has the ability to become more competitive and may be able to expand their market share in the good or service they produce.

6.1.3.2 Analysis of Alternative II

The second policy option is an improvement from the status quo. This mixed structure was created in response to needs conveyed by social enterprise employees and managers in BC. The 50 percent graduated scale above the existing $500 flat exemption rates high in terms of equity and effectiveness. Individuals who currently earn less than $500 will be no better or worse off than they are with the current flat rate, but individuals with potential to earn more will become better off. Work incentives increase because employees who are capable of working enough hours to earn above $500 per month are given the opportunity to improve their financial situation and build personal capacity to work full time. A graduated exemption structure could create an environment where disability recipients could potentially move off assistance and into the mainstream labour market. This particular aspect is feasible and most favourable for social enterprise employees, because a number of social enterprise programs are training mechanisms that prepare their employees for the mainstream labour market. One social enterprise manager in Vancouver discusses the training model's success: "the clubhouse model doesn't place people as rapidly as [other employment programs] do, but our retention rates are sky high, very high, because we take a lot longer preparing people." In addition, the social enterprise has "built in a bit of a safety net" and welcomes former employees to return to the clubhouse, knowing "they will have someone they can talk to when they are experiencing a bad day at work" (Clubhouse Manager, 2006). By preparing employees, and ensuring all aspects of their life are conducive with full-time employment (including nutrition, lifestyle, and social skills), social enterprise employees are likely to use this structure as a springboard and have a better chance of being successful (Clubhouse Manager, 2006).

This structure is not without shortcomings. Focus group participants in BC suggested that a sliding scale is complicated, and a flat-rate exemption is easier to understand. Increased communication and clarity would be necessary to keep disability recipients informed and educated on their rights and restrictions. However, as incentives to work increase, people may work increased hours, therefore creating fewer spaces in social enterprises to accommodate new
employees. In terms of cost effectiveness, this option could reduce the cost of programming for PWD and PPMB, but there may be less revenue to the government generated from clawbacks on employees earning over $500 per month. Conversely, this option provides greater incentives and may substantially increase the number of individuals who earn and report earnings above $500. This policy option is less likely than the status quo to promote an underground economy of unclaimed income. Finally, the criterion of political feasibility raises questions. I was unable to obtain an interview with policy analysts from the MEIA, but a similar mixed structure exists in Alberta, and Ontario’s previous structure was also somewhat similar to this option. Because Alberta and Ontario have comparable political environments as BC, and because the overall cost for this option is less than the status quo, I can speculate that this option would be acceptable to policy makers.

6.1.3.3 Analysis of Alternative III

The third policy option to alter the current earnings exemption for PWD and PPMB is a structure similar to that used in Ontario. This option yielded the same score as the previous option when analyzed using standard criteria. First, political acceptance should not be a concern, given that the structure was recently implemented in Ontario (Loxton, 2007). According to Matthews (2004), such a system would produce a more skilled workforce, which is a priority for any government. The cost of implementation is high compared to the second option, but in the long run this option yields a lower net cost for benefits. Individuals are taxed on the first $500 earned, thereby drawing revenue from employed beneficiaries. A graduated scale would also help move some individuals off disability, thereby reducing reliance on government services and increasing the labour force in the mainstream labour market.

While the abolition of current reinstatement policies is considered favourable, according to Loxton (2007), by allowing potential PWD and PPMB recipients to use the earnings exemption when applying for disability benefits, a larger number will qualify for benefits and will be considered medical-only files. Another drawback of this option is that some employees who are currently earning less than $500 per month are made less well off by this option. However, a $100 work-related allowance would offset some of the disadvantages that arise from a straight 50 percent graduated scale. Robin Loxton (2007) particularly praised the supplements for this option, which would offset the cost of transition into employment for people living with mental illness.
The effectiveness criterion yielded a high value for this option. A focus group and interview with employees and managers of an Ontario-based social enterprise suggest that the revised ODSP structure will yield positive results, which suggests that it may be an attractive alternative to the current system in BC. A number of the findings from BC were virtually identical to findings in Ontario, and the following issues could be rectified by adopting a similar structure in BC:

- A graduated earnings exemption is incentive-based and gives disability recipients incentives to work to their maximum potential and reach social goals that are found to be closely linked to paid employment.

- A graduated scale is a more adequate springboard for disability recipients who hope to work their way off assistance in the future. Employees are better able to gain the work experience needed and improve their endurance in order to eventually move off PWD and PPMB benefits.

- A work-related allowance based on employment gives disability recipients an incentive to work each month, while also creating the perception that the government encourages paid employment.

- Rapid reinstatement creates a sense of security for existing employed beneficiaries and therefore allows disability recipients to work without fear or anxiety.

- A graduated taxation scale allows employees to report a higher amount of income than a flat rate exemption, thereby reducing the need for an underground economy created by unclaimed income and savings.

- This option is equitable because it creates incentive for recipients who are only able to work part-time, as well as those able to work increased hours.

- A straightforward system is less complicated than a mixed system and therefore easier for recipients to understand. Clarity was a concern raised in a number of focus groups, but respondents in Ontario seemed to comprehend the revised taxation structure.

Similarly to the second policy option, there is a minor drawback to this option in terms of equity for currently unemployed beneficiaries. As incentives to work increase, a larger number of employees will work increased hours, and therefore fewer employees are afforded opportunities to work in social enterprises.
6.1.3.4 Analysis of Alternative IV

The fourth policy option is not mutually exclusive to the first three options. This is a communication and information strategy designed to improve clarity and security with respect to disability policies. When assessed in light of my four criteria, this option was a clear benefit to social enterprise managers and persons living with mental illness who are employed by social enterprises. Based on findings from a number of focus groups and interviews, improved communication is a priority. There is valid fear by people living with mental illness that employability will make beneficiaries ineligible for disability status, and therefore PWD and PPMB recipients will lose their safety net (Brouwek, 2007). This study proposes a communication strategy that is particularly suited to persons living with mental illness, in order to improve the employment opportunities for those receiving disability. The communications strategy yielded high scores for all four criteria.

Equity is clearly achieved for the fourth option, as each recipient of PWD and PPMB will have equal access to information and will benefit equally. This option does not have any adverse effects on individuals working in social enterprises; in fact, social enterprise employees may benefit more than others because specific workshops will be organized within the enterprise to improve the clarity for currently employed people. This option has minor adverse effects for people living with mental illness who wish to move into paid employment via social enterprise. As communication improves, the system will better enable individuals to work increased hours. Many social enterprises will be unable to hire as many people living with mental illness, thereby providing employment opportunities for fewer disability recipients.

As a result of improved communication, people living with mental illness will feel more secure about the policies relating to their disability assistance and will therefore enjoy more incentive to work. Focus groups and interviews in both BC and Ontario showed that people who are most sure about their rights as an employee are best able to work to their full potential. If MEIA staff are knowledgeable about the current policies, people living with mental illness will have a point of contact and will be confident that they are receiving the appropriate information. Furthermore, it is important that MEIA staff are in constant contact with front line service providers like Vancouver Coastal Health. These supportive systems have the ability to widely distribute this information from a trusted source (Brouwek, 2007; Evans, 2007).

The relative costs for this communications option are low and stem almost entirely from training of existing MEIA staff. There is a need to ensure adequate training of EAWs on a routine basis, perhaps every six to 12 months, as well as to ensure continued education of
beneficiaries (Brouwek, 2007; Evans, 2007). The option is not politically sensitive and should be a priority for government regardless of political environment. As a result, it is not anticipated that this option will face opposition from decision makers (Pitcairn, 2007).

6.2 Recommendation and Other Considerations

Based on the preceding analysis, I recommend that the province of British Columbia adopt either policy option two, the status quo plus, or policy option three, the graduated exemption structure, in conjunction with the communication and information strategy. Table 7 shows the analysis of each option based on four standard criteria. The second option attained a score of 10/12, and the third option attained a score of 10.5/12, which clearly excludes the status quo (with a score of 9/12). The fourth option, the communication and information strategy, yielded a perfect score of 12/12, based on its ability to increase incentives for paid employment and improve the employment opportunities of persons living with mental illness, without imposing significant financial costs on the MEIA. During the policy formation stage, I conducted a focus group with VCH employees and an interview with expert Robin Loxton of the BC Coalition of People with Disabilities. Both sessions concluded that a graduated earnings exemption structure that provides supplements to offset the cost of transition into employment is ideal given the current environment in BC (Consumer Initiative Fund Employees, 2007; Loxton, 2007).

Analysis of the three exemption structures yielded further findings, however. I have used two major outcomes to evaluate the three potential earnings exemption structures: (1) the incentive each option provides to work increased hours, and (2) the cost of each option to the Government of BC. This analysis rules out the status quo as a viable option based on incentive to work and cost to the province of BC. The marginal return above $500 is zero, and findings show that unreported income is reducing the returns to the government through benefit clawbacks, making the status quo a costly alternative. Based on CCPA data, it can be assumed that the majority of workers earn over $200 per month, which makes the status quo plus a more costly option than the ODSP structure. Without further research based on datasets not currently available, it is unclear whether the status quo plus or the ODSP structure will lead to higher long run costs.

The status quo plus, regardless, is less costly than the status quo, and therefore should be politically acceptable. Whether the status quo plus is a less costly alternative than the graduated

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8 Earnings of $200 gross income are enough to offset the cost of the $100 work-related allowance.
structure in the long run is unclear. To further explore the differences between the status quo plus and the graduated structure, I have considered the cost effectiveness criterion and the effectiveness criterion. The work incentives and effectiveness are greatest for the second policy option, but the cost effectiveness and, in turn, political feasibility of the third policy option is greater. While I have weighted each criterion equally, it is up to decision makers to assign weights based on their individual preferences. If the effectiveness criterion is more heavily weighted, then the clear recommendation would be the second policy option, status quo plus. However, if fiscal cost is considered more heavily, the graduated exemption structure is a potentially superior option. The conclusion, then, is not clear-cut. Each option is superior to the status quo, but more detailed statistical analysis based on governmental priorities is required to differentiate between the two.

Based on this analysis I recommend that the Government of BC adopt a communication and information strategy in conjunction with either the status quo plus or the graduated exemption structure. I recommend further analysis to determine the relative costs and work incentives associated with the long-run effects of each option. This can be attained through an economic analysis of the effects of the new legislation in Ontario or a controlled experiment. This study has set the framework for a more detailed economic assessment. My recommendation conforms to the analysis, and a valid claim cannot be made without more empirical knowledge.

From an economic standpoint, any recommended option has drawbacks. By enabling individuals to work increased hours, many social enterprises will be unable to hire as many people living with mental illness, thereby providing employment opportunities for fewer disability recipients. From a policy standpoint, the displacement of potential employees is a concern. Conversely, focus groups show that, from an organizational standpoint, fewer employees working longer hours would help enterprises to increase productivity. One Vancouver-based social enterprise manager said that by having fewer employees on the schedule, “less people were involved but the employer benefited because they had more regular consistency for the people coming through.” When employees are more committed to their job and have the option of working increased hours, they take more pride in their work and apply themselves more productively (Clubhouse Manager, 2006). Therefore, an additional policy concern in this area, which should be pursued by governments and community groups, is to expand the number and size of social enterprises in British Columbia.
7 Conclusion

Underemployment of people living with mental illness is a concern in this country. Studies show that people living with mental illness experience improved health and well-being when given the opportunity to participate in the paid labour force. Currently, British Columbia's disability income structure does little to provide incentives for engaging in paid employment for this population. Ultimately, recipients of PWD and PPMB are disadvantaged from fully integrating into the mainstream labour market. I conducted three focus groups with disability recipients and key informant interviews with four social enterprise managers in BC and Ontario. Finally, I supplemented this information with preliminary findings from CCPA's Economic Security Project. Social enterprise employees and managers were chosen as a sampling frame because of the unique opportunity this sector provides as a model of training and employment for people living with mental illness. As an emerging sector, it is important to undertake research and explore the challenges and opportunities associated with social enterprises in order to foster its growth.

Using qualitative investigation, I have identified the barriers associated with reforming PWD and PPMB to provide people living with mental illness with adequate opportunity to engage in paid employment. Primary and secondary data was used to analyze the ways in which the current exemption rate affects the ability of employees to work to their full potential in social enterprise, as well as addressing the perceived impacts on the enterprise employees if they exceed the $500 monthly exemption. Using this information, I have identified alternate structures that might better allow people living with mental illness to work to their full potential. Through careful analysis, I conclude that BC should adopt a comprehensive communication and information strategy and a reformed exemption structure. Based on my analysis, I have recommended one of two options: a mixed scheme of a 50 percent graduated scale above a $500 flat exemption or a graduated scheme similar to Ontario's. Further research is required to determine which scheme would provide the best mix of long-run incentives and low fiscal cost.

My findings confirm the hypothesis that PWD and PPMB recipients would benefit from a revised exemption structure. The current provisions are not well suited to encourage re-entry into the labour force through social enterprises. Greater incentives for paid employment would allow
persons living with mental illness to work to their full potential, without fear of losing their status. In turn, these individuals would experience improved health and greater self-esteem. The operation of social enterprises would also be improved as employees are given incentive to work more. As social enterprises thrive, more opportunities become available for individuals to participate in paid employment, particularly in enterprises with a training component. I conclude that PWD and PPMB requires reform, and by implementing a straight or mixed graduated earnings exemption structure, BC residents living with mental illness will be better able to work to their maximum potential.

This paper addresses a specific aspect of the disability program: the earnings exemption. Removing disincentives to engage in paid work is important, but there is a growing divide between PWD and PPMB recipients who can and cannot work (Loxton, 2007). The options recommended in this paper benefit a small proportion of the total PWD and PPMB caseload: those who have the ability to engage in paid employment. It should be noted that further research is needed to evaluate the entire PWD and PPMB structure and to address the needs of those with severe disabilities who are unable to work. Furthermore, in an interview with advocate Robin Loxton (2007), I found that the PPMB category requires significant reform altogether. The MEIA reports that only 7,752 individuals obtained PPMB benefits in January 2007, which is just 11.52 percent of the entire disability caseload in BC (Ministry of Employment and Income Assistance, 2007). The exemption uptake information obtained through CCPA’s Freedom of Information Request also provides information on this issue. PPMB recipients report earned income far less than those with a PWD designation, which “lead one to question the value and efficacy of having a PPMB status” (CCPA, 2007). This may be an area for further research.

There are a number of other considerations related to disability assistance in BC besides the earnings exemption. Recipients and advocates believe the general monthly allowance is too low to reflect the cost of living, the cost of transportation is affecting the ability of employees to get to work, and asset limits force recipients into poverty prior to receiving assistance (CCPA, 2006a). Asset limits are of particular concern because as beneficiaries are able to earn increased levels of income, their ability to save money also increases. The MEIA should address current asset limits to ensure that beneficiaries are not being clawed back in other areas, thereby reducing disposable income indirectly (Brouwek, 2007). The housing allowance has been criticized as well, in both CCPA interviews and focus groups in the current study. Income and asset limits, transportation, housing, and employment supports are beyond the scope of this paper but warrant further examination.
Appendices
Appendix A: Major Study Findings

<table>
<thead>
<tr>
<th>KEY THEMES</th>
<th>Social Enterprise Interview #1</th>
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<td>A GRADUATED EARNINGS EXEMPTION CREATES MORE INCENTIVE TO WORK THAN A FLAT RATE EXEMPTION STRUCTURE –</td>
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<td>The current flat rate earnings exemption in BC limits employees from working to their full potential. The $500 ceiling creates a psychological barrier and is a disincentive to work. Graduated earnings exemptions, like that in Ontario, however, create incentives to work because employees are not bound by an earnings cut-off.</td>
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<td>WHILE AN EARNINGS EXEMPTION IS BENEFICIAL FOR DISABILITY RECIPIENTS, THE CURRENT STRUCTURE IS NOT IDEAL –</td>
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<td>The mere existence of an earnings exemption creates an incentive to work, however the current clawback is too high in each respective province.</td>
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<tr>
<td>BY INCREASING THE AMOUNT DISABILITY RECIPIENTS ARE ALLOWED TO EARN, EMPLOYEES IN BRITISH COLUMBIA WERE BETTER ABLE TO WORK TO THEIR FULL POTENTIAL AND EXPERIENCED INCREASED PURCHASING POWER - The March 2006 increase to a $500 flat earnings exemption for PWD and PPMB recipients had noticeable positive impacts on social enterprises and their employees.</td>
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<td>PWD AND PPMB RECIPIENTS WHO WISH TO MOVE OFF DISABILITY ASSISTANCE IN THE FUTURE FEEL PARTICULARLY LIMITED BY THE CURRENT FLAT RATE EXEMPTION - The current $500 flat rate exemption is not conducive for recipients who wish to work themselves off disability. $500 is not an adequate springboard to allow employees to earn enough money to sustain their current lifestyle without government intervention. A graduated scale is more likely to allow recipients to gain the work experience needed to eventually move off disability.</td>
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RESTRICTIONS FOR DISABILITY RECIPIENTS FORCES AN UNDERGROUND ECONOMY –

Participants reported incidences of disability recipients earning unclaimed income and failing to report personal savings.

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<td>MISINFORMATION AND BARRIERS TO COMMUNICATION ARE A CONCERN TO DISABILITY RECIPIENTS –</td>
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<td>THE MAIN REASON PEOPLE LIVING WITH MENTAL ILLNESS CHOOSE TO WORK AT SOCIAL ENTERPRISES, OR ENGAGE IN PAID EMPLOYMENT AT ALL, IS MUCH LESS FINANCIAL AND MORE RELATED TO SOCIAL REMUNERATION –</td>
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When asked the main reason one chose to engage in paid employment, the most frequent response was not financial. Rather, respondents provided a number of social reasons for engaging in employment, thereby reinforcing the importance that disability recipients should be given more opportunity to work.

When asked the main reason one chose to engage in paid employment, the most frequent response was not financial. Rather, respondents provided a number of social reasons for engaging in employment, thereby reinforcing the importance that disability recipients should be given more opportunity to work.

In many cases, health dictates the amount of hours a disability recipient works. Most respondents work on a part-time basis. While some are restricted by the current earnings exemption and organizational capacity, a large proportion reported that their health dictates the amount of hours worked per week.

In many cases, social enterprises do not have the capacity to accommodate the scheduling requests of their employees. A number of social enterprises and employees suggest that organizational capacity restricts the number of hours worked. While some enterprises have the ability to increase labour and thereby increase production, in many
enterprises, employees wish to work increased hours, but contracts and other market factors play a large role.

PERSONS LIVING WITH MENTAL ILLNESS ARE BETTER ABLE TO WORK TO THEIR FULL POTENTIAL, INCREASE PRODUCTIVITY, AND EXPERIENCE BETTER HEALTH WHILE MAINTAINING THE SAFETY NET OF DISABILITY ASSISTANCE AND ITS ASSOCIATED BENEFITS –

Mental illness is largely cyclical. A major benefit of disability in both provinces is the permanence of status and rapid reinstatement. Employees experience improved health and productivity when they feel confident that they have the safety net of their benefits to fall back on in the event of illness.

DISABILITY RECIPIENTS EXPERIENCE INCREASED STRESS WHEN FACED WITH THE FEAR OF LOSING THEIR DISABILITY STATUS –

There is a comment perception that if a disability recipient shows earned income or works too much, he or she will lose their disability status. This fear creates a perceived barrier to work for this population, and many feel they cannot work.
### REASSESSMENT OF DISABILITY STATUS IS A MAJOR CAUSE OF STRESS AMONG DISABILITY RECIPIENTS –

Those who have experienced periods of reassessment have voiced their displeasure for the process. A number of respondents stated that reassessment is an extremely stressful process that results in health problems and increased anxiety.

### BY CHANGING THE EARNINGS EXEMPTION STRUCTURE IN ONTARIO TO A GRADUATED SCALE, DISABILITY RECIPIENTS ARE BETTER ABLE TO WORK TO THEIR FULL POTENTIAL AND EXPERIENCE INCREASED PURCHASING POWER –

The November 2006 change to the ODSP structure has had, and will likely continue to have, noticeable positive impacts on social enterprises and their employees.

### ODSP'S MONTHLY WORK-RELATED ALLOWANCE IS A
In particular, the additional $100 work-related allowance (allocated on a monthly basis to ODSP recipients who show earned income) is an incentive to engage in paid employment.

THE CURRENT DISABILITY STRUCTURE CREATES A DISINCENTIVE FOR RECIPIENTS TO SAVE INCOME –
Disability recipients are not encouraged to save money or earn interest in a savings account.

THERE IS A LACK OF SUITABLE EMPLOYMENT OPTIONS FOR PERSONS LIVING WITH MENTAL ILLNESS –
There are few social enterprises in existence to employ this population, and many employees expressed their desire for additional opportunities to earn income.

THE HOURLY WAGE FOR ENTERPRISE EMPLOYEES IS A REFLECTION OF FUNDING –

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Funding sources are a major determinant in the wage employees receive. The earnings exemption is not a factor in this decision. In addition, funding affects the number of employees given training opportunities.

THE HOURLY WAGE FOR ENTERPRISE EMPLOYEES IS A REFLECTION OF ORGANIZATIONAL FACTORS AND THE GOING RATE IN THE INDUSTRY –

Hourly rates are either based on revenues generated by the organization or the going rate in the industry. The earnings exemption is not a factor in this decision.

HOUSING IS A MAJOR CONCERN FOR DISABILITY RECIPIENTS –

The lack of subsidized housing combined with the amount allocated for housing allowance is a major concern. The housing allowance is a safety net for many individuals and therefore is an incentive to stay on disability assistance.
Appendix B: A Guide for Informational Interviews - British Columbia

Introduction and Context:

1. Within the social enterprise with which you are affiliated, roughly what is the proportion of front line employees receiving PWD and PPMB?
2. How are wage rates of front line staff established?
   a. Are hourly and monthly wages a reflection of economic barriers (contracts), skill level, or earnings exemptions?

Earnings Exemption:

1. Please describe any effects that the 2006 exemption increases had on:
   a. The social enterprise with which you are affiliated?
   b. The individuals working within the social enterprise?
2. How many, if any, front line employees reach the $500 exemption on a regular basis?
   a. If none, what is the reason?
      i. Reasons may include economic/organizational capacity, limitations by the exemption policies, health of clients etc.
   b. If none, please discuss the type of public policy changes that would benefit the social enterprise and the clients you serve.
   c. If some, what are the impacts when people exceed the exemption?
3. If an employee wanted to work increased hours that would exceed the $500 exemption, would your social enterprise have the capacity to accommodate this request?
   a. To what degree do contracts and other factors affect employees getting more hours?
4. If the exemption rate was raised to $600, would the social enterprise alter the number of employees and number of hours these employees work per month to accommodate the new exemption level, i.e.: to bring employees closer to $600 versus $500.
5. As management, do you often hear employees say that they’d like to work more hours or pick up extra shifts?
6. Do any front line employees put in volunteer hours doing the work that they would normally get paid for?

Reinstatement Policies:

1. Please describe any experiences of employees working in the social enterprise, or those who had moved on to traditional labour market, who have experienced difficulties reapplying for PWD or PPMB.
Changes:

1. In what ways, if any, does the current earnings exemption policy limit the ability of some employees to work to their full potential?
2. What changes, if any, would you suggest be made to PWD and PPMB that would better suit your social enterprise and its employees?
3. Can you comment on PWD and PPMB’s effects on incentives for paid employment?
   a. What would you suggest to create or increase incentives for paid employment?
4. Is PWD and PPMB a desirable benefit structure for employees in your organization?
   a. What would you suggest as amendments to PWD and PPMB that would better suit your social enterprise and its employees?

Focus Groups:

1. Would it be feasible to organize a focus group with employees of this social enterprise?
   a. Would the front line staff of this social enterprise respond to a focus group of six to ten participants?
   b. Would it be feasible to use a location on-site during a common time, i.e.: staff meeting?
   c. Selection criteria for focus group participants: a) have been working at this social enterprise since before March, 2006; b) are pushing the $500 exemption regularly. Do six or eight specific people come to mind to participate in this focus group?
Appendix C: A Guide for Focus Groups - British Columbia

Introduction and Context:

1. Let’s go around in the circle and have everyone introduce themselves and let us know how long you’ve been involved with this social enterprise.
2. What are some of the reasons you chose to work at this social enterprise?
   - Responses might include such things as:
     a. Financial incentives
     b. Training component
     c. Reduce public support
     d. Dignity and self-esteem
     e. Improved health
3. What do you like about working at this social enterprise?
   - Responses might include such things as:
     a. The nature of the work
     b. The people
     c. The opportunity to contribute to the community
     d. The opportunity to make a wage
     e. The benefits afforded by participating in the labour force

Earnings Exemptions:

1. By a show of hands, how many regularly meet the rate of exemption ($500)?
   a. If no, do you desire to work more hours in order to reach this level?
   b. What prevents you from doing so?
      - Responses might include health and/or economic/organizational constraints.
   c. If yes, do you ever exceed the exemption and have this amount come off your PWD or PPMB cheque?
2. There was a major change to the exemption rates in March, 2006. Did this change affect you and your employment in the social enterprise?
   a. Do you work more hours per week/month now that the exemption is higher?
3. Do any of you volunteer your time?
   a. What type of volunteering? At this social enterprise or elsewhere?
   b. How many hours per week/month, on average?

Reinstatement Policies:

1. If you were offered a full-time job (working 35 to 40 hours per week) at your current wage (making around $1500 per month), would you choose to do so?
   a. If no, what would prevent you from choosing this option?
b. Does your access to medical or Pharmacare benefits affect this choice in any way?

Issues for Change:

1. Overall, does PWD/PPMB work for you and your situation, as employees at this social enterprise?
2. Are there any changes to PWD or PPMB that would improve your opportunities at the social enterprise?
Appendix D: A Guide for Informational Interviews - Ontario

Introduction and Context:

1. Within the social enterprise with which you are affiliated, roughly what is the proportion of front line employees receiving ODSP?
2. What is the wage of front-line staff?
3. How are wage rates of front line staff established?
4. Are hourly and monthly wages a reflection of economic barriers (contracts), skill level, or earnings exemptions?

New Earnings Exemption Policy:

1. The new policy has been in effect for over one month. Have you noticed any changes, positive or negative, among your front-line employees?
2. How many hours per week, on average, did employees work before November 1, 2006?
3. How many hours per week have employees worked since the policy change, on average?
4. To what degree do contract and other enterprise/organizational factors affect employees working increased hours?
5. Do you anticipate any positive or negative changes as a result of the November 1st change?
6. Does the new policy cater to social enterprises as much as employees working in traditional business?
7. As management, do you often hear employees say that they’d like to work more hours or pick up extra shifts?
8. Do any front line employees put in volunteer hours doing the work that they would normally get paid for?

Rapid Reinstatement:

1. How effective is the rapid reinstatement policy in practice?
   a. Please describe any experience you’ve had, positive or negative, with one of your employees being reinstated.
2. At what point are ODSP recipients threatened to lose their benefits?
   a. Is there a permanent status? –no?
   b. Please describe an instance of an employee that has experienced increased stress/undue health effects when their benefits were reviewed.
3. Please speak to the work-related expenses allowance? Has this been positive for your employees?
4. Please speak to the training start-up benefit? Has this been positive for your employees?
5. Please speak to the $100 monthly transportation allowance? Has this been positive for your employees?
Changes:

1. In what ways, if any, does the current earnings exemption policy limit the ability of some employees to work to their full potential?
2. What changes, if any, would you suggest be made to ODSP that would better suit your social enterprise and its employees?
3. Can you comment on ODSP’s effects on incentives for paid employment?
   a. Does this new policy create more or fewer incentives for employees to engage in paid employment?
   b. What would you suggest to create or increase incentives for paid employment?
4. Is ODSP a desirable benefit structure for employees in your organization?
   a. What would you suggest as amendments to ODSP that would better suit your social enterprise and its employees?
5. Is there anything else you think I should know about ODSP and its effects on your enterprise or your employees?
Appendix E: A Guide for Focus Groups - Ontario

Introduction and Context:

1. Let's go around in the circle and have everyone introduce themselves and let us know how long you've been involved with this social enterprise.
2. What are some of the reasons you chose to work at this social enterprise?
   - Responses might include such things as:
     a. Financial incentives
     b. Training component
     c. Reduce public support
     d. Dignity and self-esteem
     e. Improved health
3. What do you like about working at this social enterprise?
   - Responses might include such things as:
     a. The nature of the work
     b. The people
     c. The opportunity to contribute to the community
     d. The opportunity to make a wage
     e. The benefits afforded by participating in the labour force

Earnings Exemptions:

1. There were major changes made to the ODSP benefits in November, 2006. How were you informed of the November 1st, 2006, changes to ODSP?
2. Did this change affect you and your employment in the social enterprise?
   a. Do you work more hours per week/month now that the exemption is higher?
   b. By a show of hands, how many of you have worked more in November and December as a result of the exemptions change?
3. By a show of hands, how many wish to work more hours per week than they currently work?
   a. What prevents you from doing so?
   - Responses might include health and/or economic/organizational constraints.
4. Do any of you volunteer your time?
5. What type of volunteering? At this social enterprise or elsewhere?
6. How many hours per week/month, on average?
7. By a show of hands, how many of you use the 100$ per month transportation allowance for transportation. Who uses it for disposable income?
   a. What are your opinions on this lump sum you receive per month?

Reinstatement Policies:

1. If you were offered a full-time job (working 35 to 40 hours per week) at your current wage would you choose to do so?
   a. If no, what would prevent you from choosing this option?
b. Does your access to medical or Pharmacare benefits affect this choice in any way?

2. By a show of hands, how many of you have been reassessed?
   a. How did this affect you?

**Issues for Change:**

1. Overall, does ODSP work for you and your situation, as employees at this social enterprise?
2. Are there any further changes to ODSP that would improve your opportunities at the social enterprise?
3. By a show of hands, how many of you make over $500 net per month? (Therefore you take home $250 because they claw you back).
4. Would you prefer a flat earnings exemption, i.e.: allowed to make $500 per month maximum?
Bibliography

Works Cited


with Disabilities (CCD), National Network for Mental Health (NNMH), People First of Canada (PFC).


Interviews


Focus Groups


