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*Poverty Reduction: A Necessary Component of  
the Federal Government's Mental Health  
Strategy for Canadians*

Submission to:

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Development and the Status of Persons with Disabilities

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Canadian Mental Health Association, National Office

Chief Executive Officer: Dr. Taylor Alexander

Thank you for providing us with the opportunity to address the Committee today.

The Canadian Mental Health Association (CMHA) National, is Canada's only voluntary charitable organization that exists to promote the mental health of all people and support the resilience and recovery of persons experiencing mental illness. The CMHA accomplishes this mission through advocacy, research, education and service. Our vision - "Mentally healthy people in a healthy society" – promotes both individual and collective health and public accountability, and provides a framework for the work we do. In addition to our national office in Ottawa, we have eleven provincial and territorial divisions and some one hundred and thirty-five branches and regions in communities across the country. Since 1918 CMHA has worked to advocate for policy change related to mental illness and mental health for all Canadians. CMHA serves over 100,000 Canadians annually, with programs and services in education, advocacy, research, direct service, mental health promotion and mental health literacy, information, and public policy development. Because poverty affects so many persons living with mental illness, and is one of the causal factors that produce mental illness, income equity has been a major advocacy issue for CMHA.

### Introduction

People living with mental illness are severely affected by social and economic inequality. Through no fault of their own they face extended and often lifetime unemployment, social exclusion, isolation, relationship distress, poor physical health and lack of hope for the future. In Canada, persons who suffer from mental illness constitute a disproportionate percentage of persons living below the poverty line, thus exacerbating problems associated with mental illness and contributing to stressors which cause poor mental health. A high proportion of those with mental illness are also unemployed and underemployed. The correlation between a high incidence of poverty and poor mental health profoundly affects families, especially children, and creates barriers to education and other economic opportunities. With over twenty percent of our population living with mental illness, and a much higher number impacted by increasing stressors associated with daily life, the effect on Canadians and to the national health budget is profound and staggering. We now spend over 14 billion dollars per year on mental health care.

According to the Canadian Council on Social Development individuals with disabilities are vulnerable to poverty. In Canada according to the 2006 census there are an estimated 4,635,185 individuals with disabilities. According to the Participation and Activity Limitation Survey 2006, 15% of those individuals had a psychological disability. Of that 15%, 70.8% were unemployed (PALS, 2006). The median income for a person with disability is \$19,199, almost 30% less than someone without a disability with a median income of \$27,496.

Lack of opportunity is still the biggest barrier for persons with mental health problems. Stigma and discrimination has largely directed the treatment of and services for recipients of mental health services. Policies have also been driven by deficit

perspectives and incorrect assumptions of the real lived experience of those affected by mental illness, inevitably preventing the adoption of recovery-oriented legislation. And yet, we know that recovery from mental illness is possible and, that persons living with mental illness can be and are mentally healthy. Like anyone, persons with mental illness require a safe, affordable home, a job, education, and opportunity for advancement for themselves and their families. A structural change is necessary if we are to realize the potential of a mentally health society, including the full participation of persons experiencing mental illness. This is completely possible within an integrated mental health strategy supported by policies founded on principles of comprehensiveness and accessibility. We wish to stress the need for leadership and collaborative action on the part of the federal, provincial and territorial governments in a shared mental health strategy. The climate for achieving this is now opportune because of two factors, namely, the federal government's commitment to an integrated mental health strategy, and the groundwork already done by the Mental Health Commission of Canada on linking the number of practical and policy issues involved in mental health, illness, and wellness.

In this brief we argue that income support and other measures to prevent and reduce poverty can play several roles with regard to mental illness and mental health. They can:

- help those with labour attachment to maintain it
- help those with the potential for employment to attain it
- support those without significant labour attachment and with limited employment potential
- prevent the original occurrence of mental illness and relapse because income is a determinant of mental health
- promote mental health and wellness; optimize psychological, social, civic, and economic functioning.

### Labour Market Initiatives

First, we would like to address the vital issue of helping those who have entered the labour market to maintain their attachment when periods of unemployment occur. Such periods may occur because mental health symptoms have become more problematic, or because of employment in a vulnerable economic sector. This would involve strengthening the present Employment Insurance program. This can be accomplished by:

- Increasing EI's salary-replacement ratio from the current 55% to 75% of average weekly earnings, thus lessening the sudden burden of decreased earnings for families, especially for those of low income earners
- Returning EI to its pre-1996 status by readopting a 360-hour qualifying period for benefit eligibility. This will assist many persons with mental illness whose disabilities are cyclical in nature, as well as those for whom part-time work is the

only alternative because of mental health symptoms and the effects of many medications used to treat it.

- Extending the duration of EI sickness benefits from 15 to 30 weeks, providing persons with mental illness adequate time and opportunity for rehabilitation.
- Broadening access and funding for EI training programs to assist re-entry into the labour market for persons experiencing work stoppages due to mental illness or mental health stressors.

Second, many more persons with mental illness could be employed if the appropriate workplace accommodations were in place. The federal government has acknowledged its responsibility for a national mental health strategy through creating the Mental Health Commission of Canada and charging it with developing a national mental health strategy. This strategy should include a substantial fund to work with provinces and territories to expand:

- Supported education and training programs.
- Supported employment programs.
- Training and resources for employers to implement workplace accommodations.

### Income Support Programs

Persons with mental illness face several barriers which prevent opportunities for economic advancement. They often encounter difficulty securing adequate education and employment, and face undue discrimination and stigma in these domains due to their mental health status, as well as society's misconception of mental illness. Due to these factors, persons with mental illness often cannot earn adequate income in the labour market and must rely on income support programs.

Only those who have had significant labour market attachment are eligible for Canada Pension Plan Disability Benefits or Employment Insurance Sickness Benefits. The others must rely on provincial social assistance programs. Approximately 70% of unemployed individuals with a psychiatric disability are subsisting on Social Assistance Payments and living in poverty. According to the National Council on Welfare, in the ten provinces, the yearly income of an individual with a disability can be as low as \$7,851. All welfare incomes in the provinces were below two-thirds of the Low Income Cut-Off line. The poverty gap for individuals with a disability was larger than the amount of income they received in each of the provinces.

These provincial programs are partially funded through the Canada Social Transfer. To ensure that recipients with mental illness receive sufficient incomes to support their recovery and a life of dignity, we recommend that:

- The Canada Social transfer be restored to the present value of 1992 – 93 transfers.
- The federal government develop standards of adequacy and humane program delivery in consultation with the provinces and territories.

In the medium and longer term, CMHA agrees with the Caledon Institute of Social Policy that the federal government should initiate and operate a basic income program for persons with disabilities, including persons diagnosed with mental illness. This initiative would remove persons with disabilities from provincial social assistance programs. It would provide a fairer, more uniform basic income similar to the Old Age Security Benefit and the Guaranteed Income Supplement for seniors with benefits sufficient to decrease the prevalence and depth of poverty for persons with disabilities.

Benefits for persons unable to participate in the labour force due to disability could also be increased by changing the disability tax credit to a refundable credit at the current federal-plus provincial level. This must be accompanied by further changes to the eligibility test to increase its sensitivity to the restrictions that flow from mental illness.

### Mental Health Promotion and Mental Illness Prevention

Improving the adequacy and operation of federal income support programs and employment and labour initiatives are key preventive measures which can limit the economic and human distress of mental illness. This is because income has been identified as a key determinant of health. Therefore, it is fundamental for the federal government to not only improve delivery and sustainability of income support programs; it is essential for the federal government to initiate national policies that promote wellness and positive mental health.

There are many ways of accomplishing this especially, through intersectoral government initiatives which jointly involve such departments as Labour, Housing, Health, and Justice. An example of how preventative social policy can be improved for families in Canada, including families affected by mental illness, is to enhance the Canadian Child Tax Benefit and the National Child Benefit Supplement, creating more spending power for low-income Canadians. The maximum amount payable to low-income families should be raised from \$3,271 per child to \$5,100 in 2007 dollars. In this we support Campaign 2000 to End Child Poverty because of the psychological damage to children living in poverty, which often has lifelong effects. The Canadian Child Tax Benefit and the National Child Benefit Supplement have been important measures in decreasing the depth of poverty for many children. The recommended increase would render the benefit even more effective in preventing, sometimes life-long mental health problems.

## Housing

Other initiatives, especially those connected to access to quality, safe, affordable housing are required to promote mental wellness. Homelessness and lack of affordable, safe housing have become problems for many Canadians. But, these factors particularly affect persons living with mental illness because of their vulnerability and limited financial resources. We are experiencing a severe housing crisis in Canada, which must be addressed by all levels of government. There is a severe shortage of housing for persons with mixed disabilities, which is especially evident in rural communities. Persons experiencing mental health issues combined with other disorders are being inadequately housed and serviced. In planning a long-term housing strategy, Canada must develop a continuum of housing and service options that address people's diverse and often unmet needs. A comprehensive plan for housing must involve both capital and personal financing. Therefore, housing must be a primary federal consideration.

## Poverty Reduction as a Tactic in a National Mental Health Strategy

The Government of Canada has demonstrated commitment to the mental health of Canadians through establishing the Mental Health Commission of Canada and charging it with developing a national mental health strategy. The analysis presented today shows that improvements to federal income support programs are important components of a Pan-Canadian mental health strategy, and that adequate funds to support these improvements are integral to its success.

Improving income support programs is relevant for the national mental health strategy for three reasons. First, socio-economic status and especially income, is an important determinant in the etiology of mental health problems for both children and adults. Therefore, improving the adequacy and operation of income support programs is a key preventive measure, which can limit the economic and human burden of mental illness or mental health problems. This is an economically efficient measure, which can avoid costly treatment for sometimes chronic problems.

Second, a disproportionate number of persons with disabilities live in poverty or near poverty, partially because of the costs of their disability, disability-related limitations to employability, and the lack of adequate accommodations in many workplaces. For persons with mental health problems the stress and marginalization related to poverty and low income compromise their treatment and exacerbate their symptomatology. Therefore, providing adequate income is an important rehabilitative measure, which can increase the economic and curative benefits of mental health treatment.

Finally, many persons with mental health-related problems live in or near poverty through no fault of their own. Mental illnesses, such as schizophrenia or mood disorders, are very often expressed in late adolescence or early adulthood, and interrupt educational attainment. This generally has lifelong effects on occupational success. Symptomatology and the side effects of medication typically interrupt labour market

attachment. Many persons with mental health problems are also victimized by stigmatization and discrimination in the workplace.

We must work together, all levels of government and all citizens of Canada, to eradicate social injustice caused by stigma and discrimination and support those living in disadvantage to achieve quality of life. In Canada, this has been identified as a long-standing obligation. The federal government has an opportunity to demonstrate leadership by ensuring that income policy measures that improve equity begin without delay; that is, not wait for a national mental health strategy, but developing simultaneously the components necessary to achieve this.

Therefore, we suggest that:

- The Chairperson of the Board of the Mental Health Commission of Canada be invited to discuss poverty reduction as a component of the emergent national mental health strategy.

### Conclusion

In conclusion, poverty is both a cause of and result of mental illness. To interrupt both causal mechanisms, we have recommended the following:

- Increase EI's salary-replacement ratio from the current 55% to 75% of average weekly earnings
- Return EI to its pre-1996 status by readopting a 360-hour qualifying period for benefit eligibility
- Extend the duration of EI sickness benefits from 15 to 30 weeks
- Broaden access and funding for EI training programs to assist re-entry into the labour market for persons experiencing work stoppages due to mental illness or mental health stressors
- Work with provinces and territories to expand: Supported education and training programs, supported employment programs, and training and resources for employers to implement workplace accommodations
- Restore the Canada Social Transfer to the present value of 1992 – 93 transfers.
- Develop standards of adequacy and humane program delivery in consultation with the provinces and territories.
- Initiate and operate a basic income program for persons with disabilities, including persons diagnosed with mental illness.

- Change the disability tax credit to a refundable credit at the current federal-plus provincial level, as well as changing the eligibility test.
- Enhance the Canadian Child Tax Benefit and the National Child Benefit Supplement. The maximum amount payable to low-income families should be raised from \$3,271 per child to \$5,100 in 2007 dollars.
- Make housing a primary federal concern.

Thank you.