

# Housing Is Good Social Policy

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## Executive Summary

**December 2004**

Research Report F|50 is available at  
<http://www.cprn.org> or on request at (613) 567-7500.

# **Executive Summary**

## ***Introduction***

This research report explores the relationship between housing and social policy and the role housing and housing policy plays in making social policy more effective. The discussion highlights the importance of housing as a platform for the success of other social policy areas.

Although the majority of Canadians are well housed, approximately 1.7 million households experience housing problems. Canada has not been able to meet the housing policy objective of providing adequate and affordable housing for all citizens. Many of the groups that experience housing problems – Aboriginals, seniors, single parents, recent immigrants – are significant users of social services, hence are affected by the intersection of housing policy and social policy.

Housing also has many attributes that are influential in people's lives: physical, financial, locational, spatial, psychological and environmental. Although none of these attributes in themselves are automatic justification for government assistance and intervention in housing they do illustrate that there are many aspects of housing that can be instrumental in the health and well-being of individuals and communities, in the successful operation of the economy and in many aspects of the social and cultural attributes of society.

## ***Policy Sectors, People and the Interaction with Housing***

The paper explores the interaction of housing and areas of social policy and sectors of society. Specific policy areas examined include health, education, income security, immigration, employment and community development. Women and children are among the selected population sectors discussed.

There is a growing body of evidence that housing circumstances affect the physical and mental health of families and individuals. This relationship has important practical consequences for policy, as improving housing circumstances should improve health. However, despite convincing evidence, government agencies rarely coordinate initiatives for improving health in tandem with initiatives to improve housing.

Research on the impact of housing on educational attainment shows that while the socio-economic position of parents is a fundamental factor in terms of educational outcomes, there is also a link between housing and neighbourhood characteristics and children's educational achievements. If families live in adequate, affordable housing that is not crowded, and they have security of tenure that helps reduce mobility, children will experience better educational outcomes.

For immigrants, adequate and affordable housing with security of tenure is an important facilitator of integration into a new society. Secure housing establishes the circumstances for access to other formal and informal supports and networks. Good housing for immigrants

facilitates and reduces the length of the resettlement and integration process. Good housing also reduces long-term costs to society in other areas such as health, education, social assistance and employment insurance.

One of the most important intersections of housing and social policy is in the area of income security, particularly the social assistance (welfare) program. Welfare raises the household's income, while affordable housing reduces housing costs freeing up income for other purposes. They both address the problem of poverty. The welfare system is not providing adequate housing for most households and the social housing system is not providing enough housing. More social housing would not replace the need for social assistance but the benefits associated with social housing can provide better housing, more disposable income and perhaps better links to other services than low-income households experience in private sector housing. Equity in a home can also have considerable effect on the wealth and income security of Canadians. Equity in the principal residence accounts for 40 percent of the net worth of homeowners. The net worth of owners is also 17 times the net worth of renters. Equity in a home can be a poverty reduction vehicle for many and a "nest egg" that the elderly can use to purchase other services.

Investment in housing generates significant numbers of jobs, contributing to success in other social policy areas and reducing the need for expenditures in areas such as employment insurance and social assistance. The building and renovation of housing can also be a focus for community economic development addressing housing needs, creating local jobs and as a platform for skills development and training. Community housing investments contribute to raising both resident and consumer confidence in neighbourhoods.

Studies suggest that the cost, tenure, quality and stability of housing, as well as the neighbourhoods in which children reside, are important to their health, education, safety, and social engagement. Secure, adequate, affordable housing also affects the well-being of women in many ways, enhancing safety and security, improving their health and economic status, and providing the stable base from which they can upgrade their education and access jobs and other social support networks. Affordable housing, however, has never been a significant feature of children's or women's policy initiatives although it should be a vital component of any strategy for investment in the future of children and the family.

## ***Housing as Social Policy: Setting the Framework for the Future***

### **a) Strengthening Housing Policy at the Macro Level**

Housing plays a central role in effective social policy. The nature of the interactions and the arguments in favour of better integration of housing policy and social policy highlighted in this paper clearly suggest we should not be discussing housing policy and social policy separately, but rather housing as social policy. Those active in the housing sector – the community, the private sector, non-profit organizations, Aboriginal groups and the three levels of government – must work to achieve a number of objectives to mutually reinforce the interaction of housing and social policy:

- Housing has to become a fully integrated member of the social policy sector and be recognized as an integral part of the social policy agenda, taking its place at the table with education and health care when spending priorities are discussed.
- Housing research and education have to be strengthened to highlight the benefits of housing and provide critical analysis, evaluation and research that leads to strong policy development.
- Administrative reforms and new agreements that clearly define roles and responsibilities, particularly the responsibility for leadership in funding, program and policy development, are required. Housing has become an “orphaned child” over the past couple of decades and there is confusion over who is responsible for what, and a lack of leadership. The housing policy field has become an area of shared neglect. Strong leadership is required to get housing on the social policy agenda.
- Re-engaging the federal government is crucial to the development and delivery of successful social housing policy. Housing will never be adequately funded if left to the provinces and municipalities. Federal leadership is required to fund and initiate new programs, work to rationalize policy at the federal level, engage other federal departments to help integrate housing with other social and economic sectors and enhance research and development in the housing and social policy sectors.
- Encouraging provinces to play a role as funders and work with cities and neighbourhoods to design comprehensive neighbourhood plans and integrate housing strategies with other social and economic sectors. Integration of policy and program initiatives at the provincial level is as important as it is at the federal level. Provinces play an instrumental role in the education, health care, community economic development, income security and immigration sectors, and these are all areas where better integration of housing initiatives and housing policy is required.
- Encouraging municipalities to work with neighbourhoods to build capacity, develop neighbourhood plans and provide the regulatory changes and environment that will facilitate the development of affordable and sustainable housing initiatives. Housing has important environmental dimensions. It is a major consumer of land, energy and raw materials. The way our communities are designed, a responsibility that rests largely with municipalities, has significant implications for both the environment and the provision of affordable housing.
- Developing greater capacity and expertise at the community level is required to enable communities and non-profit organizations to handle the added responsibilities in planning, needs assessment, program design and delivery that governments expect. More involvement at the community level is considered a positive feature in the housing field. It can lead to more effective program and policy outcomes. Unless the added responsibility is accompanied by capacity building and resources, however, the consequences can be disastrous.

## b) Introducing Meaningful Program Changes

Although the macro aspects of any future policy framework are important, real success on the ground becomes a function of the nature of programs delivered and their integration with other areas of social policy – the micro aspects of the framework. Key initiatives that have to be considered include:

- *Expanding the social housing portfolio.* The portfolio is too small to be effective in accommodating the many people who are inadequately housed and too small to be an effective support for other social policy initiatives.
- *Broadening the continuum of programs.* Although initiatives that provide assistance to the homeless, modest-income renters and homeowners and funds for home ownership and rental repairs are welcomed, housing initiatives have to expand to assist the working poor and those on social assistance living in private rental units. For housing to be an effective social policy tool, the range of program assistance has to be expanded to provide support for all low-income and special needs groups. Both demand and supply side initiatives should be considered, depending on local household needs and market conditions.
- *Using housing design, management and location to facilitate interaction with other social and economic sectors.* The strength of social housing in the interaction process with other areas of social policy is the role that adequate, affordable shelter plays in providing households with stability and security. This facilitates access to other social and economic supports and services. Social housing's role in the interaction process can be further strengthened by paying careful attention in the delivery process to such details as suitable location relative to services, project designs and amenities that facilitate the delivery of other services and more co-operative working relationships between management and tenants.
- *Some new program initiatives must incorporate deeper and ongoing subsidies.* The reality has to be faced that it may well be impossible to adequately house many low-income households without a return to deep and continuing subsidies. Some households have incomes so low that paying home operating costs creates an affordability problem.
- *Incentive programs to preserve, modernize and add to the private rental stock are necessary.* The private rental stock is ageing and needs modernization. It is also declining for a variety of reasons. Incentives to expand the private rental sector rarely provide accommodation for low-income households but adding to the stock reduces the competition that exists for the affordable rental stock. This competition is currently squeezing out low-income households.

## **Conclusion**

Housing policy in itself cannot guarantee adequate and affordable housing. There have to be strong linkages to many other policy areas including immigration, health, education and social assistance. Successful social housing policy has to be an integrated component of a broader social and economic policy. Housing policy has to be designed not only to improve the circumstances of low-income and special needs households, but also to facilitate policy

development in other areas. To achieve more effective integration of housing with other social policy sectors, the importance of housing to the success of other initiatives has to be demonstrated. The evidence has to be irrefutable.

Accordingly, to strengthen the argument for an expanded and better integrated housing policy a number of research gaps have to be addressed. There has to be continued and more detailed work on the benefits of improved housing to the health, education, income security, community development and other sectors. The social and economic benefits of providing improved housing options have to be detailed and compared with the cost of providing the housing.

Documenting the life circumstances that flow from access to improved housing is a key component of research in this area. We need to know more about the interface and interaction between housing and other policy areas. Can programs be better integrated? Are there better ways to spend the combined budgets? Studies on how to more effectively integrate housing with other social and economic sectors and the cost benefits of this integration are needed to help reduce the isolation that housing currently faces.

Finally, there is always the argument that the state has limited resources for which housing has to compete. This is true. For example, the demands from health care alone have focused the attention of governments on funding to address this sector. Housing advocates must argue, with supporting evidence, that housing expenditures can reduce health care costs. Spending money on housing does not take money out of health care – it reduces the cost of health care. The same argument can be made in other social policy sectors. Although these arguments have been made in the past, and although the evidence is strong, until housing becomes a fully integrated member of the social policy club, housing is unlikely to receive the attention or the dollars it should.