



Social Research &  
Planning Council



Operated by  
**United Way**  
Perth-Huron

Poverty Reduction Strategy  
315 Front Street West, 3<sup>rd</sup> floor  
Toronto, Ontario M7A 0B8

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The Social Research and Planning Council of Perth-Huron is endorsing the Social Planning Network Ontario's poverty reduction submission following this letter.

Perth Huron is a mainly rural region of over 5,600 sq kilometres that includes 16 municipalities with populations well under 10,000 and the small city, Stratford Ontario, population 31 487. Our business sector includes manufacturing, agriculture, tourism, and the arts industries (County of Huron Planning and Development Department, 2015).

Our local poverty realities include a significant human capital shortage, non-existent transit outside of Stratford, serious lack of accessible and affordable housing, and seasonal, part-time and precarious jobs that pay less than the Huron Perth Living Wage of \$17.55 per hour. In fact, half of the households in Huron and Perth earn less than a Living Wage. As we know, through the social determinants of health, the marginalized and disadvantaged people in Ontario are disproportionately at higher risk of homelessness, food insecurity and poor health due to poverty. In rural communities, this is exacerbated by lack of infrastructure, per-person funding formulas, fewer essential services and cash-strapped municipal governments. Our population is also older than the provincial average, which will result in more necessary services and supports.

As COVID-19 takes its toll on the economy—globally and locally—and as we climb out of this pandemic, Ontario will need to enter a reconstruction phase. Unprecedented government measures will have to be taken to make Ontario more resilient against poverty and future shocks. Universal Basic Income, more social housing, a Housing First approach and investment in community wellbeing will be critical to both the social and economic future of the province. Accordingly, we recommend the following actions:

- Implement a new low-income health benefit would provide some of the workplace benefits that are less common in non-standard or precarious work, and so respond directly to the changes in the labour market. This would not only help people who are precariously employed, but also help those receiving social assistance gain a foothold in the labour market.
- Follow the lead of international jurisdictions already impacted by COVID-19, including Japan and Hong Kong, by issuing basic income payments to residents affected by quarantines; Japan is giving residents \$80/day, while Hong Kong is providing a grant of \$1,280 to all permanent residents over 18. Italy, suspending mortgage payments. Extending property tax deadlines should also be considered.
- Implement Universal Basic Income as a long-term strategy. As we saw Hamilton, Ontario - one of three provincial sites that tested the Ontario Basic Income Pilot between 2017 and 2019 - the

results demonstrated that the vast majority of the 1000+ participants were able to meet their basic needs, stabilize their housing and improve their health, all of which reduces costly interventions.

- Invest in a Housing First approach that offers permanent, affordable housing as quickly as possible for individuals and families experiencing homelessness, and then provides the supportive services and connections to community-based supports.
- Suspend payments for non-essential items including student loans, mortgage payments, utilities and rent. Low income people are choosing between public health recommendations to practice physical distancing, and their ability to purchase food, pay for rent
- Single individuals on Ontario Works today do not receive enough assistance to be able to afford rent anywhere in Ontario, the need to revise this amount to achieve a reasonable standard of living based on the current market. Build incentives and bridge the gap between those individuals on OW and virtual skill development for future employment opportunities and confidence.
- School closings are amplifying challenges for families. Low-income families rely on school lunch programs for their children's diet, and child-care expenses can be prohibitive for parents who continue to work. Support families and innovate for food security.
- Investing in supports to decrease social isolation and positively affect Mental Health and Well-being amongst the most vulnerable.

The Social Research and Planning Council encourages the government to take action on addressing poverty as an unprecedented economic stimulus to a healthy economy in Ontario.

The systemic barriers in our social safety net have left every class of worker—middle class, working class, low-income, precarious, gig, self-employed, dangerously exposed.

Immediate measures to implement a Universal Basic Income program is critical to address the economic and social fabric of the province. Measures to strengthen supports for workers, including universal childcare, more affordable housing, an expanded healthcare system, EI reform, a guaranteed living wage and labour rights for independent workers are essential to protect the entire population.

Sincerely,



Ryan Erb, Executive Director  
United Way Perth Huron



Kathy Vassilakos  
Social Research and Planning Council

**A comprehensive and effective poverty reduction strategy that makes investments in systems that impact the lives of all Ontarians will also be an important poverty prevention strategy. It is not so much innovation that is required to reduce poverty because we have known for a long time what actions are required to decrease poverty.**

Those who are living in poverty or are at risk of falling into poverty face insurmountable hurdles to meeting even their basic needs and are therefore not able to get ahead or take advantage of benefits and

opportunities that are afforded to Ontarians who are not in poverty. Housing, education, transportation, food security and banking are all elements of life that most of us take for granted. When these basics are out of reach, it is almost impossible to imagine how individuals will be able to remain healthy, find work or make their way out of poverty. The toll that poverty takes on individuals including stress, lack of good food, lack of access to healthcare and medications when required, can result in social isolation, physical and or mental illness or both which also impede an individual's attempts at improving their life chances. The less time a person is forced to live a life of poverty, the greater the likelihood that they will be able to move on and have a healthy productive life.

The answers, which are not surprisingly that innovative, include investments in people so that they can have their basic needs met and investments in systems in order that they can be more responsive to those living on low incomes. Preventing Ontarians from falling into poverty must also be a high priority, which includes seriously addressing the lack of affordable housing options, the prevalence of inadequate incomes and increasing income inequality as a result.

**Income security is essential to assisting individuals to move out of poverty and reclaim their life.** There is really no point in talking about improving one's life or retraining for a different type of work until they have enough income to cover the costs of housing, food and transportation. Single individuals on Ontario Works today do not receive enough assistance to be able to afford rent anywhere in Ontario. Social assistance rates are 40% below the poverty line and provide no opportunity for recipients to do anything other than merely survive. A first step would be to increase social assistance rates; even levels prior to 1995 would be more adequate. Employment counselling for those who are not able to afford a place to live is an untimely, inappropriate and costly investment that does not match the needs of people who are just surviving. That is why for the chronically homeless, a Homes-First approach is the only practical and cost-effective solution.

**The world of work has changed exponentially.** Precarious, part-time, low-wage work is the only option for many including those who have been trapped in poverty for several years and it will simply not lift anyone out of poverty. Until we realize and can admit that the scales have been heavily tipped against a person's chances of escaping poverty, we will never solve these problems. Reducing poverty levels will require real investments in people that will allow them to rebuild their lives. Many Ontarians have been left out or pushed out of the new economy. We must acknowledge that many of these individual are the collateral damage of an economy that has no place for them. It was not their choice to be in this position because no one chooses poverty. The new normal, which is part-time, precarious work with little to no benefits, means that workers must often balance 2-3 jobs just to make ends meet. Low-moderate income workers cannot usually afford a vehicle or insurance, so they must rely on transit where it is available. The costs of transit in addition to the scheduling challenges of balancing two or more jobs, becomes an impossible feat for many.

**The other important truth to take into account, for which the evidence is overwhelming, is that there are enormous costs to allowing people to remain in poverty, human, economic and societal. The cost of allowing poverty and social exclusion to continue far outweighs the costs of reducing or eliminating it. Ending poverty not only makes good economic sense, it is essential to meeting basic human rights.**

Poverty makes it nearly impossible for people to meet their most basic needs, resulting in a combination of:

- unsafe and insecure housing, inadequate nutrition, and diminished health outcomes
- higher costs for hospital care, mental health and addictions, child welfare, criminal justice
- lower high school and college graduation rates and less success in the labour market

Many studies project the cost of perpetuating poverty at between 150% and 250% of the cost of eliminating it, particularly when you include both income related programs and the added cost of existing services and supports generated by poverty.

**Since 1996, there has been some progress in reducing the proportion of Ontarians living in poverty. However, 1.8 million people remain poor.**

If the poverty rate had remained at 1996 levels, there would be an additional 530,000 Ontarians today living on incomes below the poverty line. This is the equivalent of filling the Rogers's Centre more than ten times over with Ontarians who have been either lifted out of poverty or prevented from becoming poor due to progress in reducing poverty.

Many different policy and tax changes helped to improve the lives of some low income Ontarians. Efforts focused on families and children, and to a lesser extent, seniors. Little attention has been focused on single adults. Families with children benefitted from income security programs, both provincial and national child benefits, and from changes to education funding and programs. In recent years, Ontario has made measurable progress in increasing the minimum wage and reducing child poverty.

In 2018, Ontario took steps to improve the working conditions of those in precarious employment. However more recent changes have taken away some of Ontario's most vulnerable workers basic human rights and protections.

**Despite some progress, many serious challenges remain for Ontario's 1.8 million poor: the persistence of deep poverty, a lack of affordable housing, precarious work and predatory lending.**

Poverty - Many on Ontario Works and Ontario Disability Support Program continue to live in deep poverty, living from week to week on incomes incapable of providing both safe and secure housing and enough food to eat. Their lives are a constant struggle to keep body and soul together, and where any emergency can destabilize their lives and result in adverse health effects on them and their families.

Lack of Affordable Housing - In most Ontario cities and towns, 30% to 40% of all renters are paying more for housing than they can afford. Many in deep poverty are paying over 50% of their incomes on housing. Waiting lists for affordable housing often extend into years. For nearly two decades, governments have failed to build new affordable housing and have under-invested in maintaining the existing supply.

Precarious Work - Both the types of jobs and the quality of jobs has changed, with precarious employment <sup>1</sup> becoming more common, and lack of basic protections for low income workers becoming a widespread problem. Recent policies designed to address this critical human right by ensuring basic workplace protections are under attack from powerful business groups.

Predatory Lending - People on social assistance as well as the working poor have become increasingly dependent on payday loan services, a form of legalized loan sharking, which has grown dramatically in the last twenty years, due to deep poverty and precarious jobs combined. Lack of access to loans from banks and credit unions leaves Ontario's poor victim to annualized borrowing costs of up to 400%.

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There is still much to do in improving the lives of the 1.8 million people in Ontario who continue to live in poverty. Even the limited progress made in recent years, will be put at risk, without further investments in the critical areas outlined below. **Overcoming the remaining challenges calls for concerted action in three key areas:**

1. **Make social assistance adequate and fair.** Ending a generation of neglect that has justified the continuation of punitive, coercive and inadequate social assistance programs that consign our most vulnerable to live lives of desperation on the margins by:
  - Committing to immediate implementation of a three year plan to raise the Standard Flat Rate for Ontario Works to \$893/month and ODSP to \$1,334/month by Fall 2020 as recommended in Income Security: A Roadmap For Change
  - Publicly commit to the LIM as a Minimum Income Standard (MIS), and to begin work on a made-in-Ontario Market Basket Measure (MBM) to measure progress toward the achievement of the MIS
  
2. **Alleviate the affordable housing crisis.** Giving relief to people across Ontario who are living in precarious and unaffordable housing and address Ontario's growing housing crisis by:
  - Commit to implementing the Canada Housing Benefit as announced in the National Housing Strategy.
  - Bold investment to both increase the supply of new community housing and renovate older stock.
  
3. **Address discrimination and inequality** that differentially impact some groups in terms of higher rates of labor market exclusion, unfair workplace practices, the inability to secure rental accommodation and low-cost loans in time of emergency including: women, racialized groups, newcomers, and youth by:
  - Improvements to the Residential Tenancies Act to protect affordable private market units and ensure equal access for all groups protected under the Ontario Human Rights Act.
  - Improvements to basic workplace standards that will apply to all workers, and
  - Access to low cost emergency loans through banks and credit unions, coupled with the phasing out of predatory lending practices that add to those living in deep poverty.

### **Childhood Poverty and How Education Funding Can Leverage Better Outcomes**

We also want to highlight that childhood poverty cannot be considered separate from adult poverty. Children are poor because their parents have inadequate incomes, full-stop. However, in addition to addressing systemic issues related to housing, precarious work and inadequate social assistance levels that we've already touched on, attention must be paid to education funding that was intended to support schools with higher concentrations of students from low-income families.

**The Learning Opportunities Grant (LOG) which was introduced by the Ministry of Education in 1997** was provided to boards to specifically alleviate the impacts of poverty and support students whose socio-economic position placed that at greater risk for poor academic achievement as well as compromised

their earnings in adult life. The funding was recommended to start at \$400 million in 1997 and the total amount has steadily declined in subsequent years. In addition other programs and initiatives have been directed to come out of the funding further watering down the impact the grants could have for the intended purpose of supporting low-income learners. In addition, because this funding is not sweated (the allocation is not mandatory) there is little to no accountability for how these funds are utilized and it is often drawn on by boards to meet other competing needs.

This practice was most recently noted in the Auditor General's [2017 Annual Report](#). In the four school boards detailed, the Auditor found that none of the school boards use 100% of their Learning Opportunities Grant as intended. The report goes on to note that "elementary schools in neighbourhoods with lower household incomes have consistently performed poorly compared with schools in the higher income neighbourhoods." The Learning Opportunity Grant is meant to address exactly this disparity. Though alarming, this information is not new. For the past decade researchers and advocates have noted the diversion of funds for the purpose it was intended.

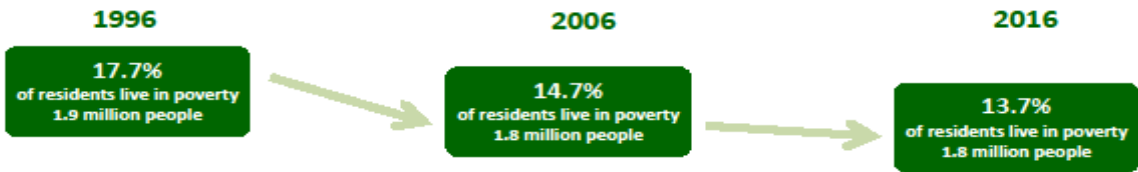
While we appreciate that boards need to make autonomous decisions based on local priorities, your Ministry, as the funder of public education, absolutely must ensure they are adequately resourced. Public education needs to be appropriately funded. LOG funding has a real opportunity to narrow the gap for lower-income students and provide them better opportunities for a quality public education, but only if the funding is adequate and since its inception, LOG funding has been decreased substantially in addition to not being directed solely for its intended purpose.

As local and regional social planning organizations across Ontario we exist to support vulnerable and marginalized populations throughout the province and are deeply concerned that at-risk students are not getting the supports they need and are entitled to. We also know that recent announcements have indicated that there will be a reduction in the amount of LOG funding available to school boards which runs counter to any strategy that is aiming to reduce poverty and the impacts of poverty on our most vulnerable citizens – the children of Ontario. We urge the Ministry of Education to take steps to return LOG funding to the original levels and to ensure the Learning Opportunities Grant is used as intended and the funding formula provides adequate resources to make that possible.

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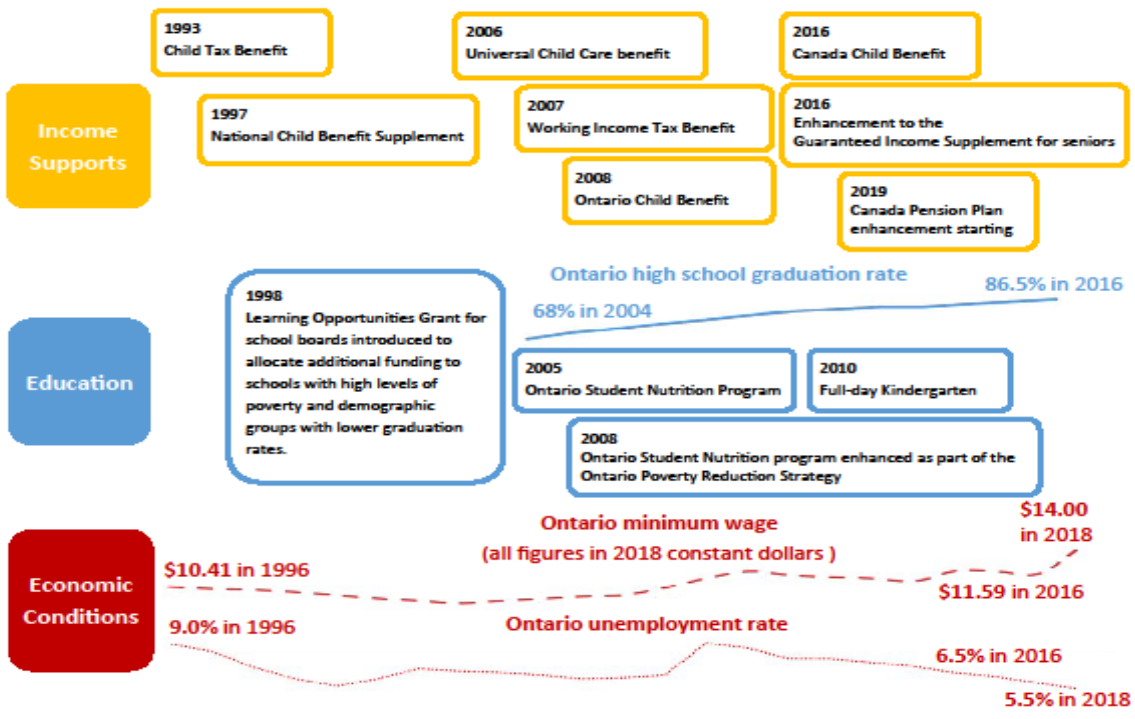


# Progress In Reducing Poverty in Ontario



Taking into account Ontario's rising population, if the poverty rate had remained at 1996 levels (17.7%) and not been reduced to 13.7% by 2016, there would be an additional 530,000 Ontarians today living on incomes below the LICO-BT poverty line, enough people to fill Rogers Stadium ten times over.

Selected contributing factors to progress in reducing poverty in Ontario



This infographic report uses Census data and Statistics Canada's Low Income Cut off before tax (LICO BT) to measure poverty reduction in Ontario between 1996 and 2006. The LICO BT is the only measure of low income that is published for the 1996, 2001 and 2016 Census years, allowing for historical comparison. The LICO BT is principally a measure of absolute poverty: it is adjusted for inflation but not for rising median incomes or economic growth beyond inflation. At this time, data is not available for rates of poverty in 1996 for specific population groups (women, racialized groups, or persons with disabilities, for instance), more research is needed to determine to what extent poverty has changed in these groups as well. This infographic was prepared by the Social Planning Network of Ontario. For a full report accompanying this infographic, visit: [www.spno.ca](http://www.spno.ca)