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Poverty Reduction Strategy (Annual Report 2018)

This report provides information about the status of poverty in Ontario. It shows that not enough progress has been made since there are still too many Ontarians at risk of or living in poverty.

Minister's Message

In Ontario, we look out for each other.

We are towns and cities of neighbours helping neighbours, demonstrating compassion to those in vulnerable circumstances who need our help the most. Ontario's social safety net was built on this premise.

Nearly two million people across Ontario - from small rural communities to large urban centres - live in poverty through no fault of their own. That is one in seven of our neighbours.

Poverty makes people vulnerable. It keeps women trapped in abusive situations. It makes them easier targets for sex traffickers. It prevents parents from being able to provide adequate care for their children and it holds refugees back from becoming contributing members of our communities.

Our government knows that we can do better and that we must:

- Encourage economic growth and opportunity
- Move people to employment
- Support people with disabilities with dignity
- Design locally focused services
- Cut red tape
- And, restore accountability and trust

These are the pillars that support our all-of-government approach to helping those among us lift themselves out of poverty. It is our motivation for transforming a broken and patchwork system into an inter-ministerial roadmap that puts people back at the centre of government.

We are shifting our thinking and we have challenged the status quo when programs continue to reinforce siloes and present obstacles. By connecting initiatives that actually support those in need, we will make Ontario a place where vulnerable populations can receive meaningful support, get a hand up, and realize a better life for themselves and their families.

We started with a plan to fix social assistance.

Over the past 15 years the number of Ontarians forced to go on social assistance has skyrocketed by 55 percent. Today, almost a million Ontarians rely on social assistance, at a cost of \$10 billion each year.

The people of Ontario have asked for real leadership and real action that finally puts their priorities first. They deserve a system that works well and lifts their neighbours and family out of poverty, while preventing more people from falling into poverty in the first place. Our plan is about a more effective, sustainable approach to helping people find and keep good jobs and achieve better outcomes.

As the Minister responsible for poverty reduction, I believe in strong, workable programs for those who are not able to support themselves and I am engaging all of our partners to be part of the solution. Real progress requires collaboration from the federal government, municipal governments, the private sector, philanthropists, local service providers, and communities. Ontario's most vulnerable depend on us to get it right.

The best social safety net is a compassionate and caring society where everyone, not just government, is part of the solution. The best social circumstances are when those who are able are participating in the workforce. And the best social program, is a job.

I'm confident that together we can make life better for all people in Ontario.

The Honourable Lisa MacLeod
Minister of Children, Community Social Services
Women's Issues, Immigration and Poverty Reduction

Poverty by the Numbers

Ontario's Poverty Reduction Act requires the government to report annually on poverty reduction indicators. The indicators provide information about the status of poverty in Ontario, including the percentage of children living in poverty, whether children are prepared to succeed in school, and the percentage of the workforce that has been unemployed for long periods.

The current information shows that too many Ontarians, especially children, are living in poverty or facing challenges that put them at risk of poverty, and that for too long people have not been at the centre of decisions made by government. For nine months, our government has been hard at work, focused on keeping the promises made to the people while putting Ontario back on a path to balance. Going forward, we need to address long-standing issues in order to support the best conditions for success.

Poverty Reduction Indicators

Indicator	Current Data	What Has Changed?
Child Poverty	15.4%	

Indicator	Current Data	What Has Changed?
Percentage of children living in a family that has an income of less than half the median household income, fixed to a baseline year of 2012.		Based on the latest data available (2016), approximately 410,000 or 15.4 percent of children lived in poverty. This is an increase of 28,000 or 1 percent compared to the previous year [1] .
Depth of Poverty Percentage of children living in a family that has an income of less than 40 percent of the median household income, fixed to a baseline year of 2012.	6.9%	While the overall percentage of children in poverty has gone up, the percentage of children in deep poverty has gone down. In 2016, approximately 183,000 or 6.9 percent of children lived in deep poverty, a decrease of 15,000 or 0.6 percent from 2015.
Birth Weight Percentage of newborns who are born with what is defined to be a healthy birth weight.	80.8%	Babies born to families who are low-income can be more likely to be born with below or above normal birth weight, which can be associated with risk factors of poverty later in life. Data from 2017-2018 shows little change from the previous year, with a 0.2 percent increase in the number of babies born at a healthy weight.
School Readiness Percentage of children aged five to six who demonstrate they are on track across five domains of child development and are ready to learn at school, measured by the Early Development Instrument (EDI).	Coming soon	Children who demonstrate they are ready to learn at school have a better chance to succeed as students and perform better later in life. Data for this indicator is collected every three years. The next results will be available in spring 2019.
Educational Progress at Grades 3 and 6 Percentage of students in Grades 3 and 6 who score in the highest two levels on province-wide reading, writing and math tests.	70%	In 2017-18, 70 percent of Grade 3 and Grade 6 students met the provincial standard for educational progress, compared with 71 percent in the previous year.
	86.3%	

Indicator	Current Data	What Has Changed?
High School Graduation Percentage of students entering high school at the same time who graduate within five years of having started Grade 9.		The most recent data from 2017 shows that Ontario's high school graduation rate was 86.3 percent, in comparison to 86.5 percent in 2016.
Ontario Housing Measure Percentage of households with children under 18 that have incomes below 40 percent of the median household income and spend more than 40 percent of their income on housing.	5.1%	The Ontario Housing Measure helps highlight the pressure that housing costs place on the most vulnerable families. According to the latest data available (2016), there are 74,000 (5.1 percent) households with children under 18 that are living in deep poverty and spending more than 40 percent of their income on housing costs. This represents an improvement from the previous year (2015), when 77,000 (5.3 percent) households met both criteria.
Youth Not in Education, Employment or Training Percentage of youth aged 15-29 who are not in education, employment or training.	10.9%	One in ten youth is out of work and out of school. The latest data from 2018 shows that approximately 308,200 youth, or 10.9 percent of youth, are not in education, employment or training, compared to 11.1 percent in the previous year.
Long-Term Unemployment Percentage of adults in the labour force aged 25-64 who have been unemployed for 27 weeks or more.	1.0%	Approximately 59,800 Ontarians aged 25-64 face long-term unemployment. Data from 2018 shows little change from the previous year, with a 0.2 percent decrease in the long-term unemployment rate for adults.
Poverty Rates of Vulnerable Populations Percentage of people, over 16 years old, in populations considered to be vulnerable who have a household income of less than half the median household income. In addition to persons with disabilities, for which the poverty rate is calculated separately,	Persons with disabilities: 20% Other vulnerable groups: 29.2%	The most recent data from 2016 shows that the poverty rate for people living with disabilities was 20 percent and the poverty rate for the other four vulnerable groups was 29.2 percent, compared to 22.8 and 28.4 percent respectively in the previous year. Rates of poverty for each group varies.

Indicator	Current Data	What Has Changed?
the four groups included in this indicator are: • 1. newcomers • 2. female lone parents • 3. unattached individuals aged 45 to 64 • 4. Indigenous people living off-reserve.		
Homelessness Rate of chronic homelessness per 10,000 people. This indicator is based on local homeless enumerations conducted by the province's 47 service managers.	Not available	Data was collected for the first time in 2018 and the homelessness indicator is not yet available.

Moving Forward

Too many people in Ontario live in poverty. Our government is working for the people, exploring new ways to support the most vulnerable and looking at how all Ontarians can work together to create better outcomes.

Fixing social assistance will help people get back on track and help them keep more of their income.

Making Ontario "Open for Business" will grow the economy and create good jobs, helping employers and employees succeed.

The Low-income Individuals and Families Tax (LIFT) Credit will help low-income Ontarians keep more of their hard-earned money. Up to 1.1 million low-income and minimum wage workers will receive up to \$850 in Ontario Personal Income Tax relief.

Lowering tuition rates for all students at every publicly-funded college and university across the province means that money stays in the pockets of Ontario's students and their families. Restoring financial sustainability to the Ontario Student Assistance Program (OSAP) will ensure that future generations of students can access financial support for postsecondary education.

We are committed to supporting those who need help the most, in a fiscally responsible way. The Poverty Reduction Act requires the Government of Ontario to assess the poverty reduction strategy at least every five years, and then develop and issue a new poverty reduction strategy for Ontario. We look forward to working together on the next steps to reduce poverty and help all Ontarians prosper.

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Footnotes

- [1] [^] Compared to the 2012 baseline year, when there were approximately 505,000 children living in poverty, this represents an 18.8 percent reduction.