



POVERTY REDUCTION STRATEGY

2019 Annual Report





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Minister's message

Everyone in Ontario deserves the dignity that comes with providing a good life for themselves and their family. Too many people in our province are struggling to escape the cycle of poverty and achieve that dignity.

Our government is committed to breaking this cycle.

We are creating opportunities for economic participation and an integrated support system to remove barriers to employment. Mental health challenges, physical disabilities, homelessness, or even lack of work experience can make it challenging to get ahead in a changing economy.

In presenting this update on Ontario's Poverty Reduction Strategy, I want to recognize that while there has been progress made to date, there are many challenges we continue to face. We have made great strides in giving Ontario children a better chance to succeed in life. However, at the same time, we have seen poverty amongst single individuals rise despite a growing job market.

It is time to take a long, hard look at government's past efforts, and design a Poverty Reduction Strategy that addresses current challenges. Our government's focus is on creating jobs, connecting people to employment, providing them with the right supports and services, and making life in Ontario more affordable.

This process begins with feedback from both those who have lived experience, and from their friends, neighbours and colleagues who understand the challenges before us. Community groups, Indigenous peoples and organizations, and the general public all have a role to play in breaking the cycle of poverty.

In turn, it is our shared responsibility to create the conditions for success.

Businesses, the not-for-profit sector, and all levels of government must work towards building a society where nobody is left behind. By working together, we can help break the cycle of poverty to ensure all the people in our province have a chance to succeed and contribute to their community.

Together, we will make great progress.

Sincere thanks,

Todd Smith
Minister of Children,
Community and Social Services



Introduction

As set out in the *Poverty Reduction Act, 2009*, the province is required to develop a five-year Poverty Reduction Strategy to inform and measure action in the province to reduce poverty.

This Annual Report is the last report on the status of the 2014-2019 Poverty Reduction Strategy targets and indicators. It highlights recent government initiatives to address poverty and make life better for Ontarians. Recognizing that reducing poverty will take more than just government action, this report also highlights innovative community partnerships and initiatives across the province that are working to address poverty locally.

Taking action to help people succeed

Poverty is a complex issue that requires partnerships among all levels of government, community organizations, employers and individuals. We all share the responsibility to create the right conditions for people to prosper.

This section highlights recent government and community-led initiatives aimed at addressing local needs.

Improving employment services

The government is integrating and transforming Ontario's employment services to help more Ontarians find and keep quality jobs. The **Employment Services Transformation** initiative will integrate employment programs for Ontario Works and the Ontario Disability Support Program to create a stronger employment services system that is easier to use, more responsive to local conditions and creates better outcomes for workers and communities.

In fall 2019, the province announced that the new employment services model would be implemented in three diverse urban and rural regions beginning in early 2020: Peel, Hamilton-Niagara and Muskoka-Kawarths. Through a new, competitive process, the province has selected service system managers to plan and deliver services in these three prototype regions that meet the needs of their local economy and make Ontario open for business.

Supporting higher education through innovative partnerships

IBM Canada, Ontario Six Nations Polytechnic and Mohawk College have partnered to offer the first Indigenous-led “P-TECH” modelled program in Canada. P-TECH (Pathways in Technology, Early College High School) is an innovative “Grade 9 to 14” model of education that allows students to pursue an Ontario secondary school diploma and a two-year Ontario College technician diploma in the science, technology, engineering and math (STEM) field (software engineering technician), tuition free in six years or less.

At Six Nations Polytechnic (SNP), Indigenous and non-Indigenous students enrolled in the SNP STEAM Academy engage in an integrated high school and college curriculum focusing on science, technology, engineering, arts and mathematics, where learning is culturally based and First Nation languages and cultural practices are valued. The program includes one-on-one mentoring, workplace visits, paid summer internships and a guaranteed job interview at IBM upon program completion.

Improving employment supports to help job seekers

The Toronto District School Board launched the “Elevate Project”, which aimed to improve employment outcomes for vulnerable job seekers (for example, newcomers, clients with disabilities, youth and people with no work experience) that were served at a Next-Steps Employment Centre (an employment service site funded by Employment Ontario). The project implemented a coaching-based case management system. It also trained staff in motivational interviewing and consistent and impartial case management and documentation.

The new approaches and tools helped to better understand client needs and support them in setting and achieving their goals. In turn, these service improvements increased client responsiveness and empowered many clients, including those who were feeling discouraged and unmotivated, to make meaningful steps along their pathway to employment or education. As a result, vulnerable job seekers secured employment, education or training on average three weeks earlier than before the project was implemented.

Redesigning skills training

Many workers are underutilized and unable to fully participate in the labour market. At the same time, businesses are reporting increased vacancies due to difficulty matching workers with job openings.

To address this gap, the province is in the process of reviewing Second Career and other skills training programs to better match unemployed or underemployed people with available jobs. This work has begun with the launch of the \$3 million **RapidSkills** micro-credentials pilot, which will create new, responsive training programs to help people develop the kind of in-demand skills that employers are seeking.

In addition, in December 2019, the province announced an investment of \$20 million in the **Skills Catalyst Fund** to help workers get the skills they need for good jobs. Launched in 2018, this Fund has already supported 20 successful training projects to help workers.

Strengthening the community housing sector and addressing homelessness

The government is committed to supporting individuals and families who have difficulty finding housing. This includes providing more than \$1 billion in 2019-2020 alone to help sustain, repair and grow community housing in Ontario and help end homelessness.

The **Community Housing Renewal Strategy** outlines how the province will work with its partners to stabilize and grow the community housing sector. It will transform a fragmented and inefficient system into one that is more streamlined, sustainable and ready to help people who need it most.

As new regulations come into effect in 2020-2021, the strategy will:

- modernize rules to make it easier for tenants to go to school or work
- use income tax information to calculate rent (beginning in July 2021)
- fill units faster by requiring tenants to select their preferred buildings and accept the first unit they are offered from their selection
- help people in the greatest need

The province has also renewed its commitment to Indigenous housing by providing up to \$8 million in operating funding annually to an Indigenous housing partner, the Ontario Aboriginal Housing Services, for the next five years. The new **Rural and Urban Indigenous Housing Program**, which is the successor to the Rural and Native Housing program delivered by Ontario Aboriginal Housing Services, will provide access to rent-geared-to-income and affordable housing for Indigenous households throughout Ontario.

Through initiatives such as Ontario's **Home for Good program, Community Homelessness Prevention Initiative and Indigenous Supportive Housing Program**, the province invests in services that address homelessness and maintain housing stability for some of our most vulnerable people. Supportive housing plays an important role in preventing homelessness. Ontario assists more than 90,000 people with a wide range of support needs. In the 2019 Ontario Budget, the government committed to carry out a comprehensive review in order to identify opportunities to streamline and improve coordination of the province's supportive housing programs. Over the next few months, the province will be holding engagement sessions with stakeholders across the province on improving supportive housing, community housing and homelessness prevention.

Evaluating new process to help homeless youth

To address chronic youth homelessness in the City of St. Thomas and Elgin County, the YWCA St. Thomas Elgin collaborated with local service providers to create a youth homelessness protocol. This protocol was developed to better support youth experiencing homelessness through referral services and a standardized intake model. The standardized intake and sharing of data across organizations meant youth did not have to re-share traumatic experiences with every service provider they encountered.

Over 29 months, the program supported 220 youth with intensive housing-based case management, 82 per cent of whom successfully attained stable housing. Participants reported improvements in their outlook on life, quality of sleep, and mental wellness.

Developing a comprehensive and connected mental health and addictions system

People with mental illnesses are often at a higher risk of living in chronic poverty. Living in poverty can in turn contribute to mental health and addictions challenges. A well-connected mental health and addictions system is therefore important to ensure that individuals and their families can access the supports they need. Through the **Mental Health and Addictions Strategy**, the province is investing \$3.8 billion over ten years to develop and implement a comprehensive and connected mental health and addictions system.

In 2019, \$174 million of funding was announced to support a number of initiatives, including investing in various community mental health and addictions programs and services.

Testing new approaches to help people access the right supports

The City of Greater Sudbury introduced two client navigators, one Indigenous and one Francophone, into the city's Out of the Cold low barrier emergency shelter to better connect clients to the services they needed. The client navigators, who provided support over a few months in 2016, applied a personal approach to client support, which included direct client contact and follow-up conversations, to identify client needs and connect them with the services they required to obtain stable housing. Introducing client navigators and personalized support helped move participants out of homelessness and into stable housing. The City applied the learning from the Project to implement a more supportive approach to assisting people with greater vulnerability to transition out of the shelter into housing with appropriate supports.

Making life more affordable

The province has implemented a number of initiatives to make life more affordable for individuals and families.

Many low-income seniors cannot afford regular dental care, including two-thirds of low-income seniors who do not have access to dental insurance, which can impact their overall well-being. That is why the government is investing approximately \$90 million annually in the **Ontario Seniors Dental Care Program (OSDCP)**, which will provide free routine dental care for eligible low-income seniors across the province.

To make taking transit easier and more affordable for families, the province introduced **Free GO Travel for Children under 12**. As of March 2019, children 12 and under can ride for free on all GO Transit trains and buses. Free trips for children will help families save money and offer parents a low-stress alternative to driving.

The **Ontario Child Benefit (OCB)** provides direct financial support to low- to moderate-income families to help parents with the cost of raising their children. The Ontario Child Benefit supports about 1 million children in over 500,000 families each year. In order to continue to support children in poverty, the province increased the maximum payment to \$1,434 per child per year and invested an additional \$31 million in the Ontario Child Benefit, for a total of approximately \$1.2 billion in the 2019-2020 fiscal year.

The province started providing families with a tax credit for child care in 2019. In addition to the Child Care Expense Deduction, the **Ontario Child Care Tax Credit** will provide \$1,250 per family, on average, to about 300,000 families and will target tax relief to low- and middle-income families.

Introduced in 2019, the **Low-Income Individuals and Families Tax Credit** is helping to make life more affordable for Ontario's low-income workers. This non-refundable tax credit provides low-income workers with up to \$850 in Ontario Personal Income Tax relief and will help close to 1.1 million taxpayers who have employment income. With this tax relief, a single person who works full time at minimum wage (earning nearly \$30,000 annually) will pay no Ontario Personal Income Tax. The amount of tax relief is gradually reduced for taxpayers with individual incomes greater than \$30,000, and family incomes greater than \$60,000.

2014-2019 poverty by the numbers

Poverty reduction indicators help us understand where we are making progress and where there is more work to do. The province has reported annually on poverty reduction indicators that were included in the 2014-2019 Poverty Reduction Strategy.

This chapter provides a five-year update on the 11 poverty reduction indicators that were part of the 2014-2019 Strategy based on the latest available data. The appendix provides definitions for each of the indicators.

Target and indicator 1: child poverty - improved

The Poverty Reduction Strategy measures child poverty as the percentage of children living in households with incomes less than half of the median national household income (Low-Income Measure or LIM-50). The LIM-50 is fixed to a baseline year of 2012 and is increased each subsequent year by the Consumer Price Index (CPI). Household incomes are adjusted for household size.

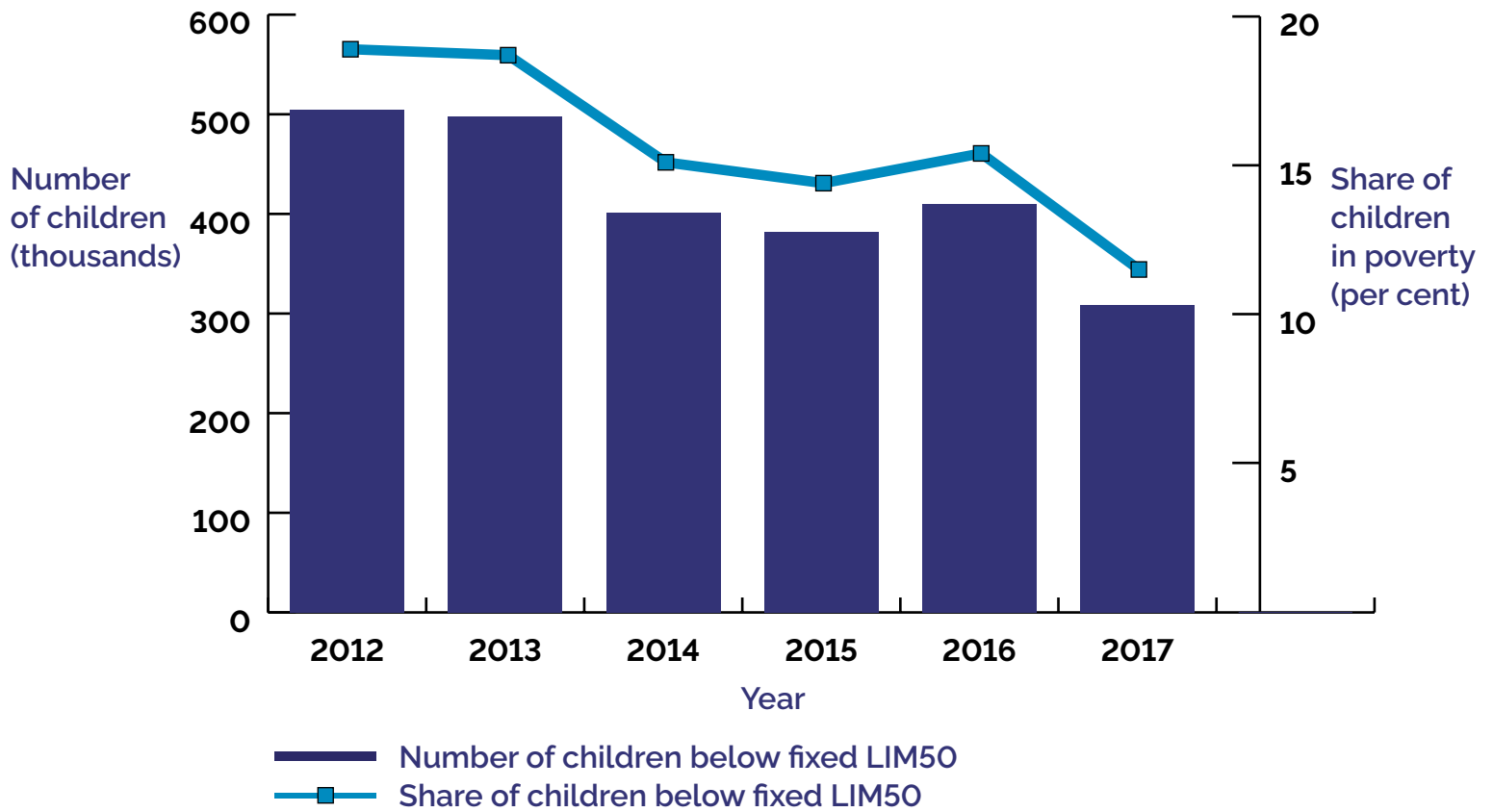
The child poverty rate decreased from 18.9 per cent in 2012 to 11.5 per cent in 2017.

In 2017, 309,000 children in Ontario lived in poverty. Compared to the 2012 baseline year, the number of children in poverty declined by 196,000 or 38.8 per cent. This means that the province has exceeded its target of reducing child poverty by 25 per cent in five years, as set in the 2014-2019 Poverty Reduction Strategy.

Why it's important

Children raised in poverty are more likely to experience poverty as adults. They are more likely to experience negative physical and mental health impacts, are less likely to perform well in school or achieve high levels of education and, when they become adults, are less likely to be employed.

Children in poverty



Indicator 2: depth of poverty - improved

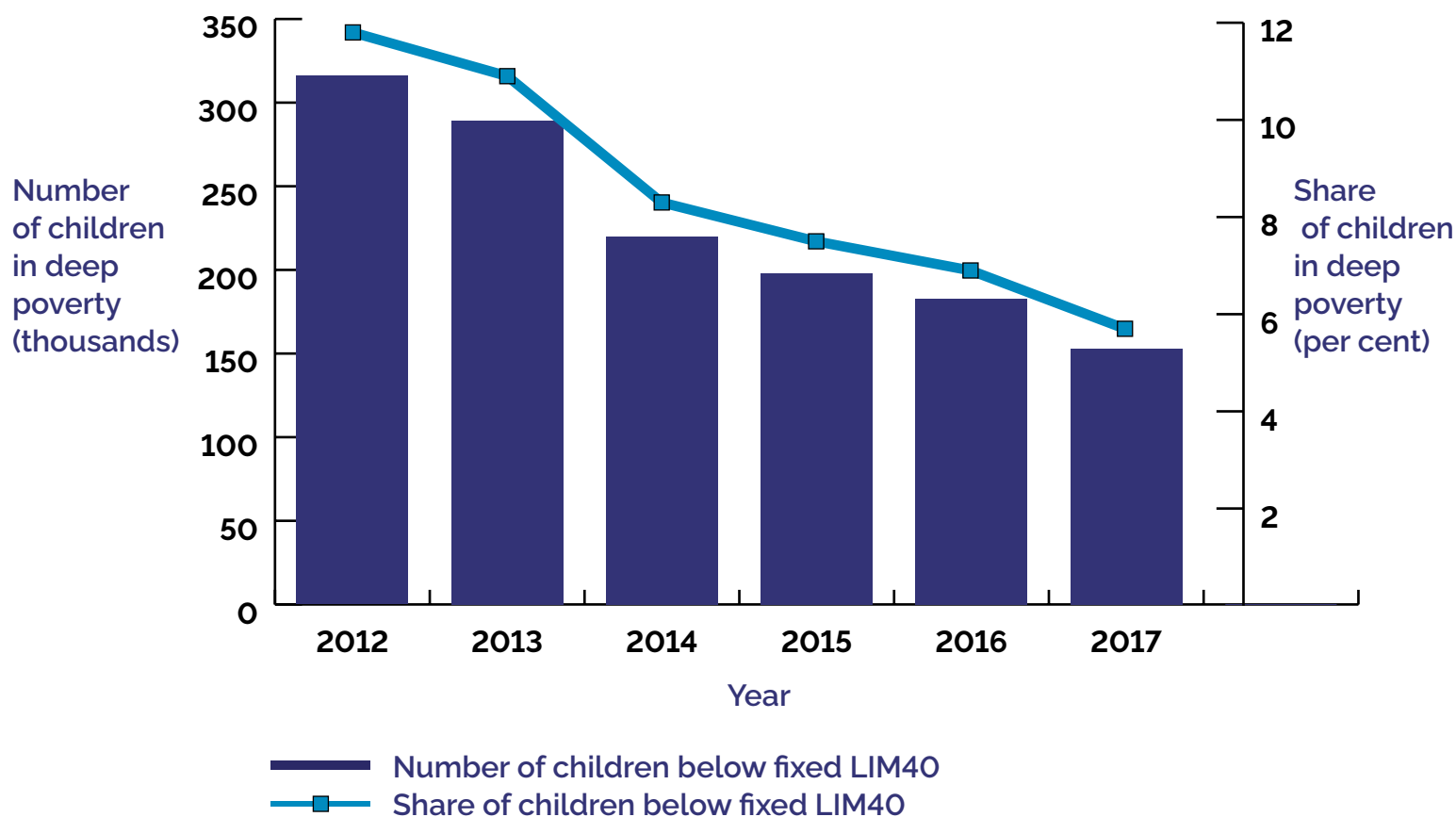
The number of children living in deep poverty has decreased by 52 per cent or 163,000 since 2012.

According to the depth of poverty measure (fixed LIM-40 or the number of children living in households with less than 40 per cent of the median national household income, fixed to a baseline year of 2012), 153,000 children or 5.7 per cent of all children in Ontario lived in deep poverty in 2017. This is down from 316,000 or 11.8 per cent of children in poverty in the baseline year 2012.

Why it's important

Children living in deep poverty are among the most vulnerable and face the biggest challenges to exiting poverty.

Children in deep poverty



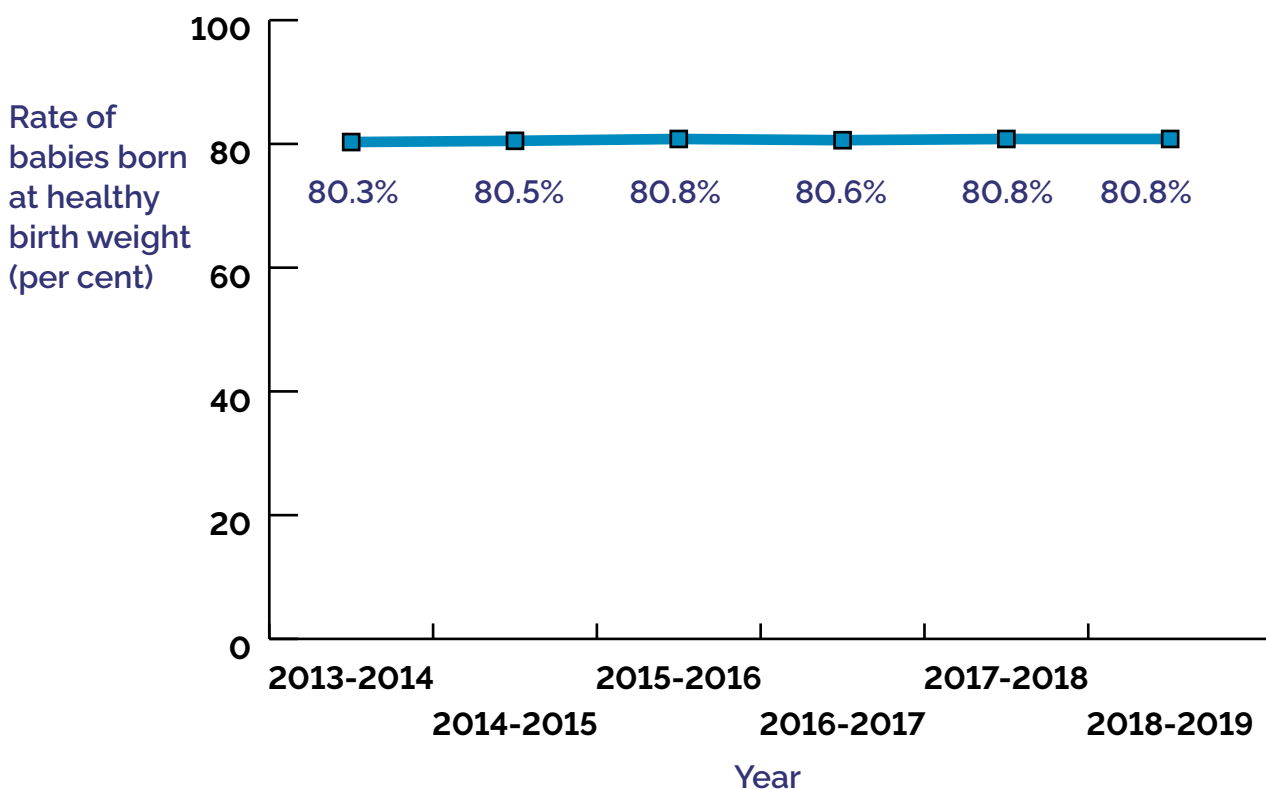
Indicator 3: healthy birth weights – steady

The percentage of babies born at what is defined as a healthy birth weight has been steady. The 2018-2019 healthy birth weight was 80.8 per cent compared to 80.3 per cent in 2013-2014.

Why it's important

A baby's birth weight is an indicator of their overall health. Babies born to low-income families are more likely to be born below or above normal weights. Research has shown that babies born at weights outside the normal range may face risk factors that can increase their chances of poor health later in life.

Healthy birth weights



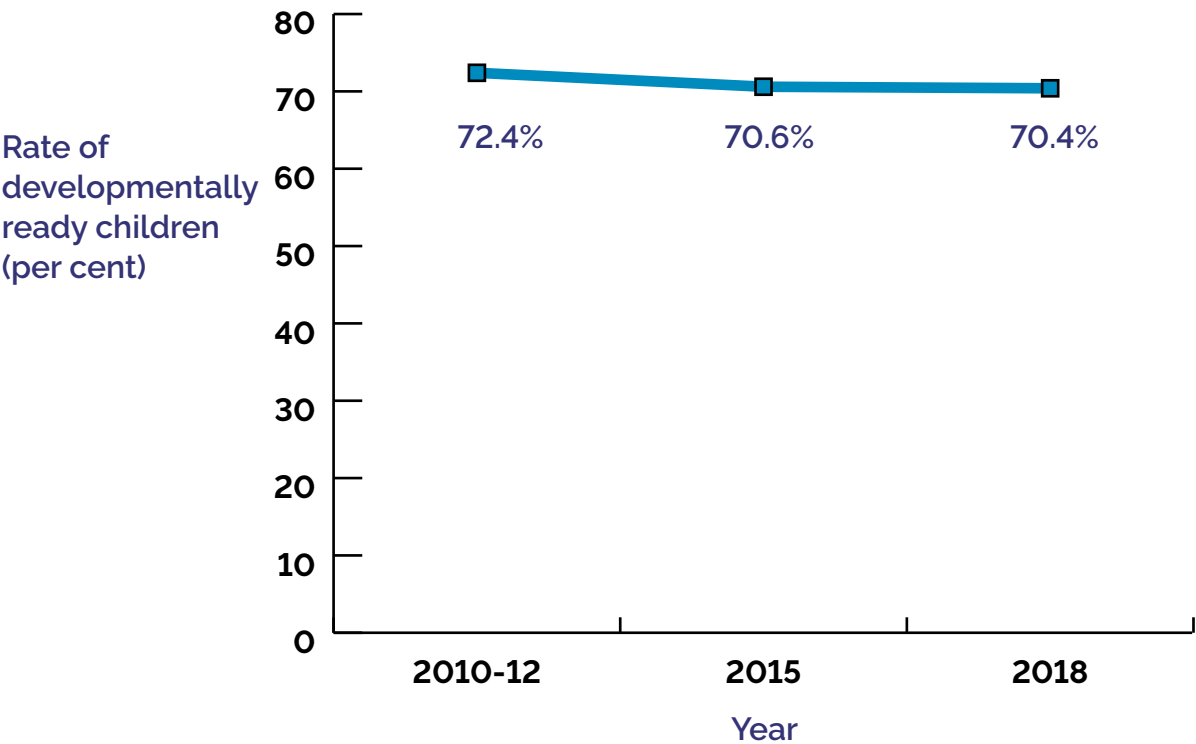
Indicator 4: school readiness – declined

From the most recently available data in 2018, 70.4 per cent of children are considered developmentally ready when they enter grade one, compared to 72.4 per cent in 2010-2012. This indicator has declined slightly over this period.

Why it's important

Children who demonstrate they are ready to learn at school have a better chance of succeeding as students and performing well later in life.

School readiness



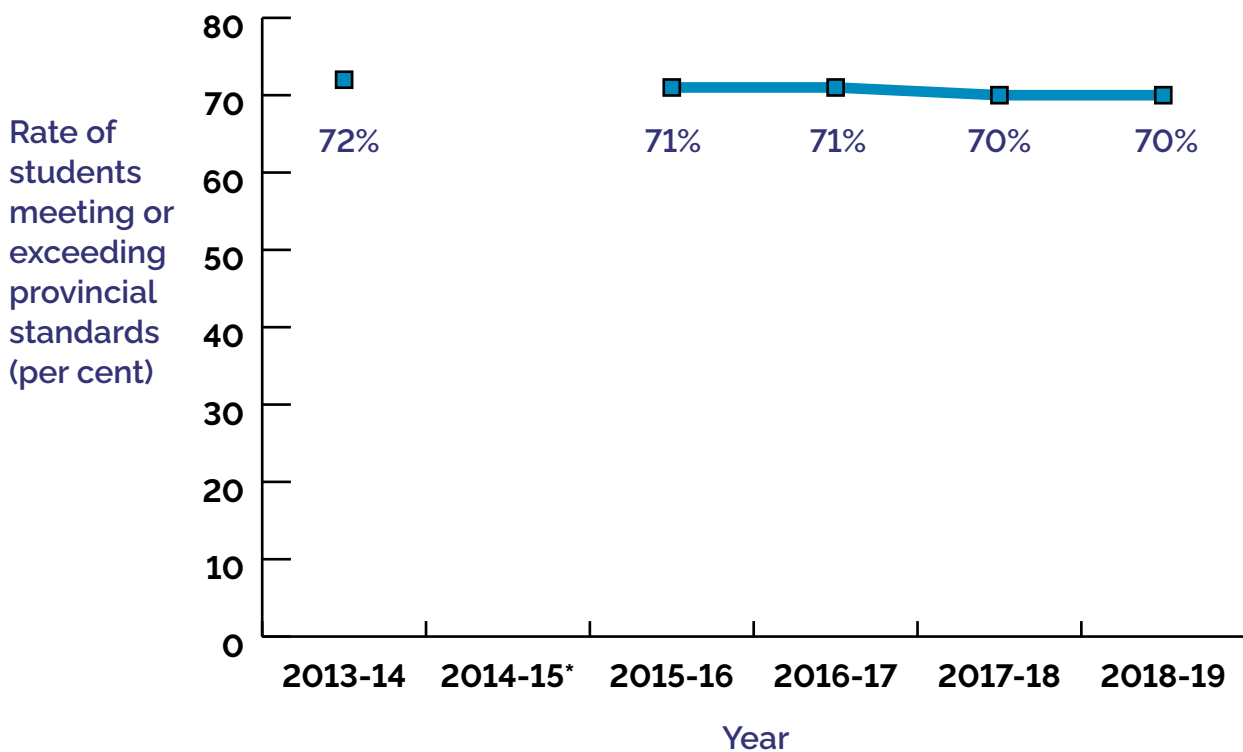
Indicator 5: educational progress at grades three and six – declined

In 2018-19, 70 per cent of Grade 3 and Grade 6 students met or exceeded the provincial standard across all Education Quality and Accountability Office (EQAO) assessment areas combined, compared with 72 per cent in 2013-2014, a decline of 2 per cent.

Why it's important

Students need a good start to their education. Students who achieve early success in education are more likely to have access to better opportunities as adults.

Educational progress (grades 3 and 6 combined)



* Due to teacher job action, not all English-language schools participated in 2014-15. Provincial results are not available.

Indicator 6: high school graduation – improved

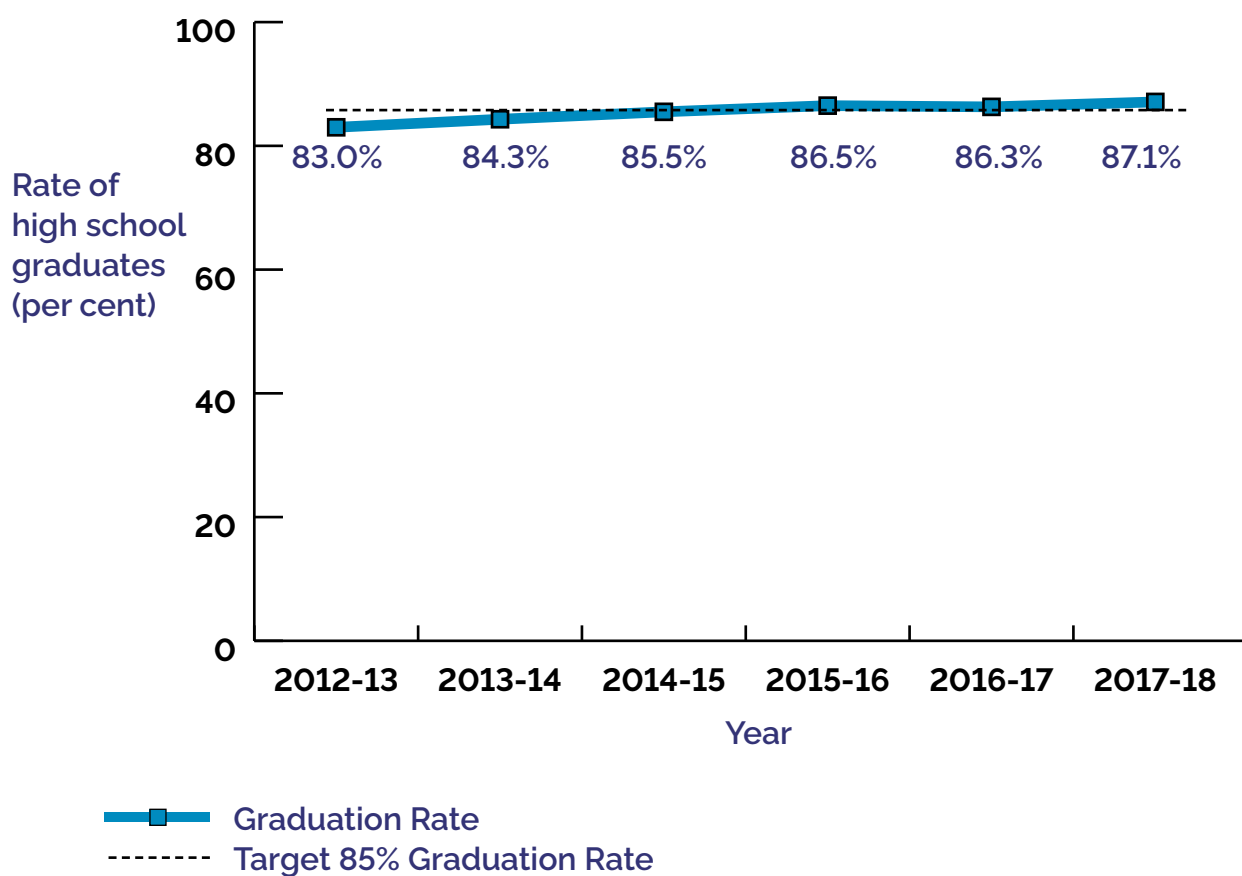
There has been a steady increase in high school graduation rates.

The most recent data from 2017-2018 shows that Ontario's high school graduation rate was 87.1 per cent, compared to 83.0 per cent in 2012-2013.

Why it's important

Graduating from high school sets youth up for a healthy, more prosperous life. More students graduating means more qualified adults looking to find the right jobs.

High school graduation rates



Indicator 7: Ontario Housing Measure – improved

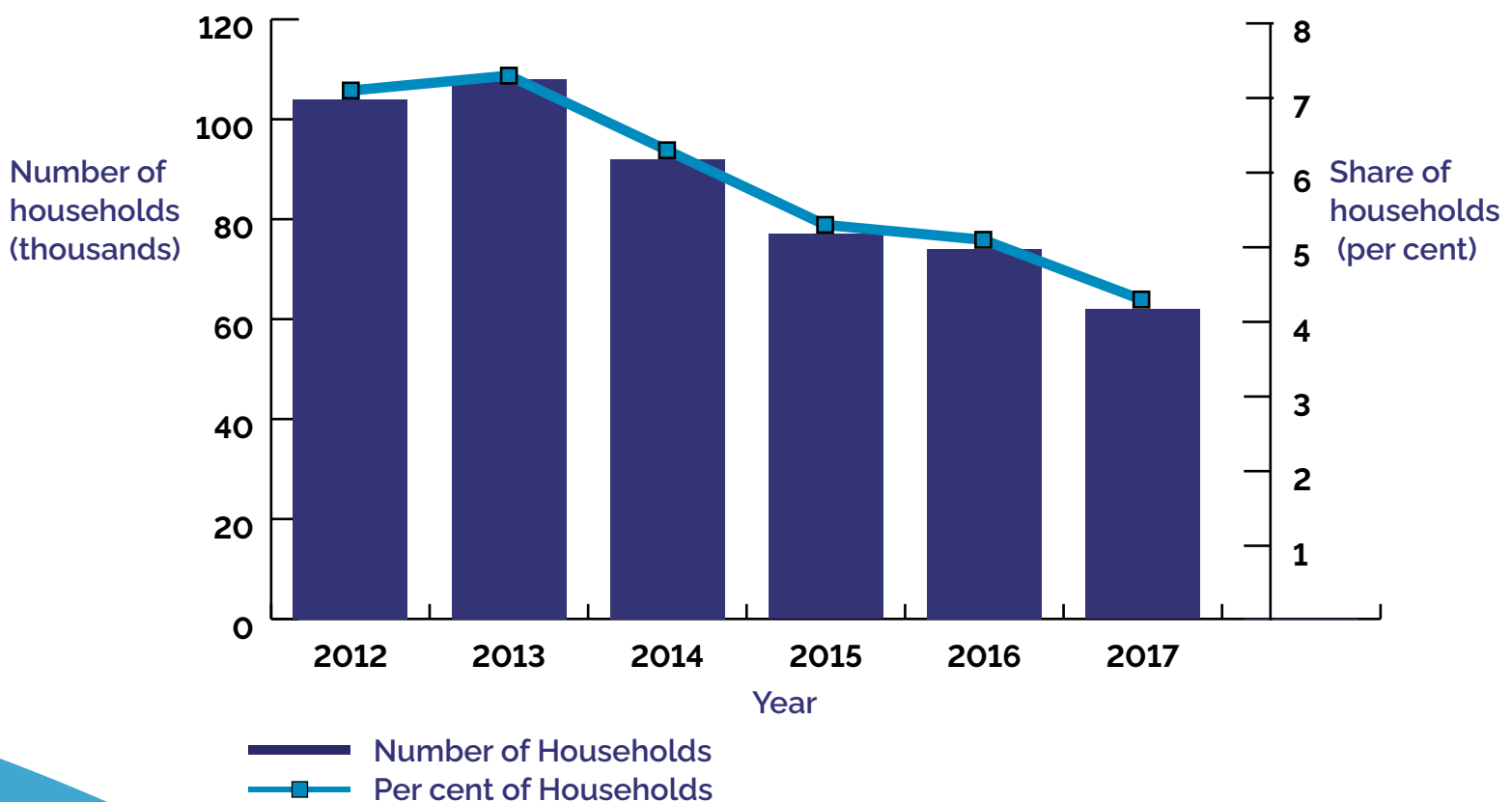
According to the latest available data from 2017, 4.3 per cent, or 62,000 households, met both the household income (LIM-40, representing income below 40 per cent of the median after-tax household income) and shelter criteria (paying more than 40 per cent of income for housing), out of 1,453,000 Ontario households with at least one child under 18.

The Ontario Housing Measure has fallen each of the last four years, meaning that since 2013, 46,000 more families in poverty are better able to pay for shelter.

Why it's important

This indicator helps highlight the pressure that housing costs place on the most vulnerable families. Families spending most of their income on housing costs have limited resources left over for other necessities (for example, food, clothing, heat, etc.).

Ontario Housing Measure



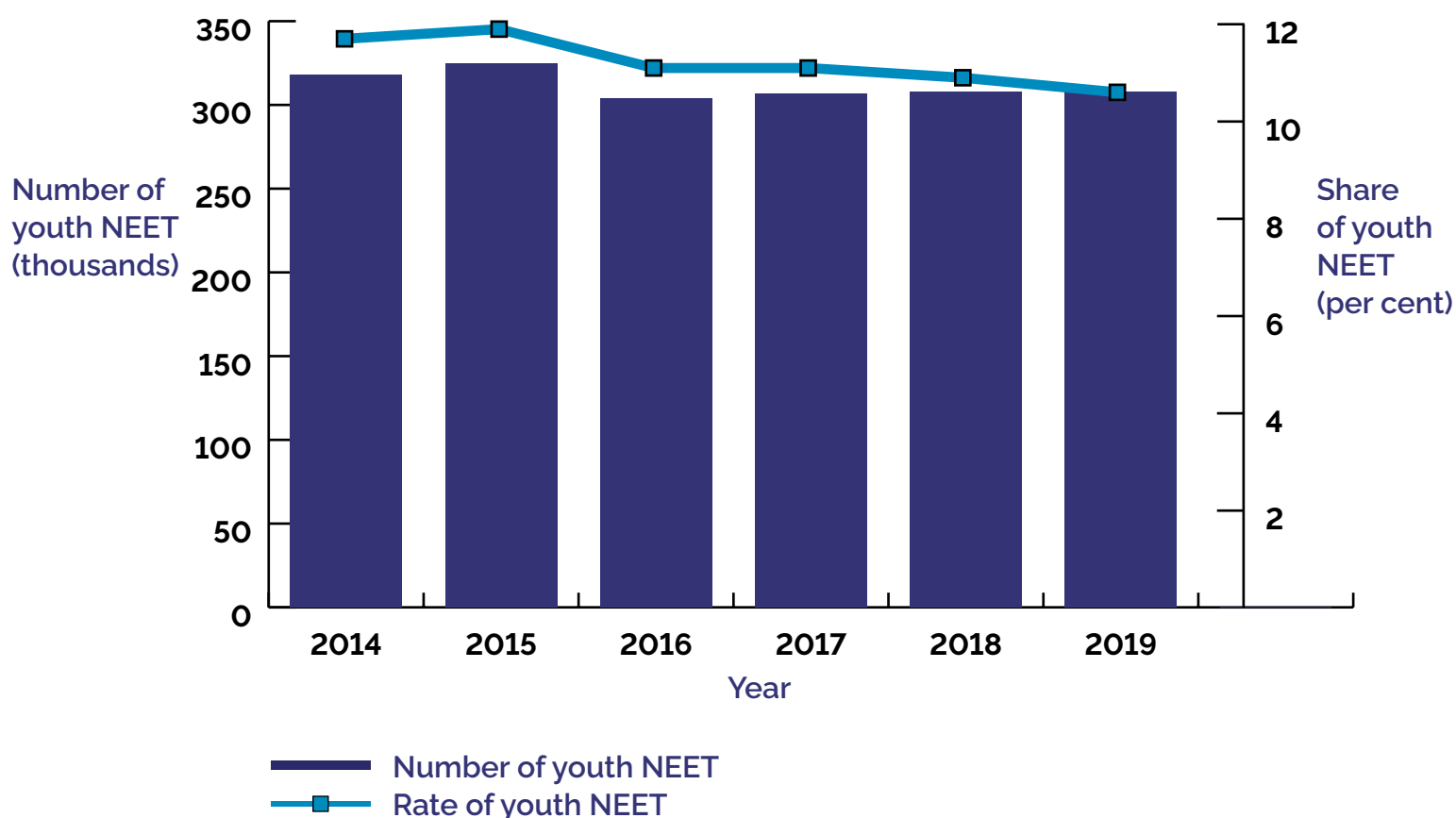
Indicator 8: youth not in education, employment or training – improved

The rate of youth not in education, employment or training (NEET) has declined over the past five years. The rate of youth NEET in 2019 was 10.6 per cent (308,100) of Ontario's youth population. This is down from 11.7 per cent in 2014. The declining youth NEET rate is partly due to the improving labour market.

Why it's important

Youth NEET are at a higher risk of getting trapped in poverty and may lack the skills and opportunities to improve their situations.

Youth not in education, employment or training (NEET)



Indicator 9: long-term unemployment - improved

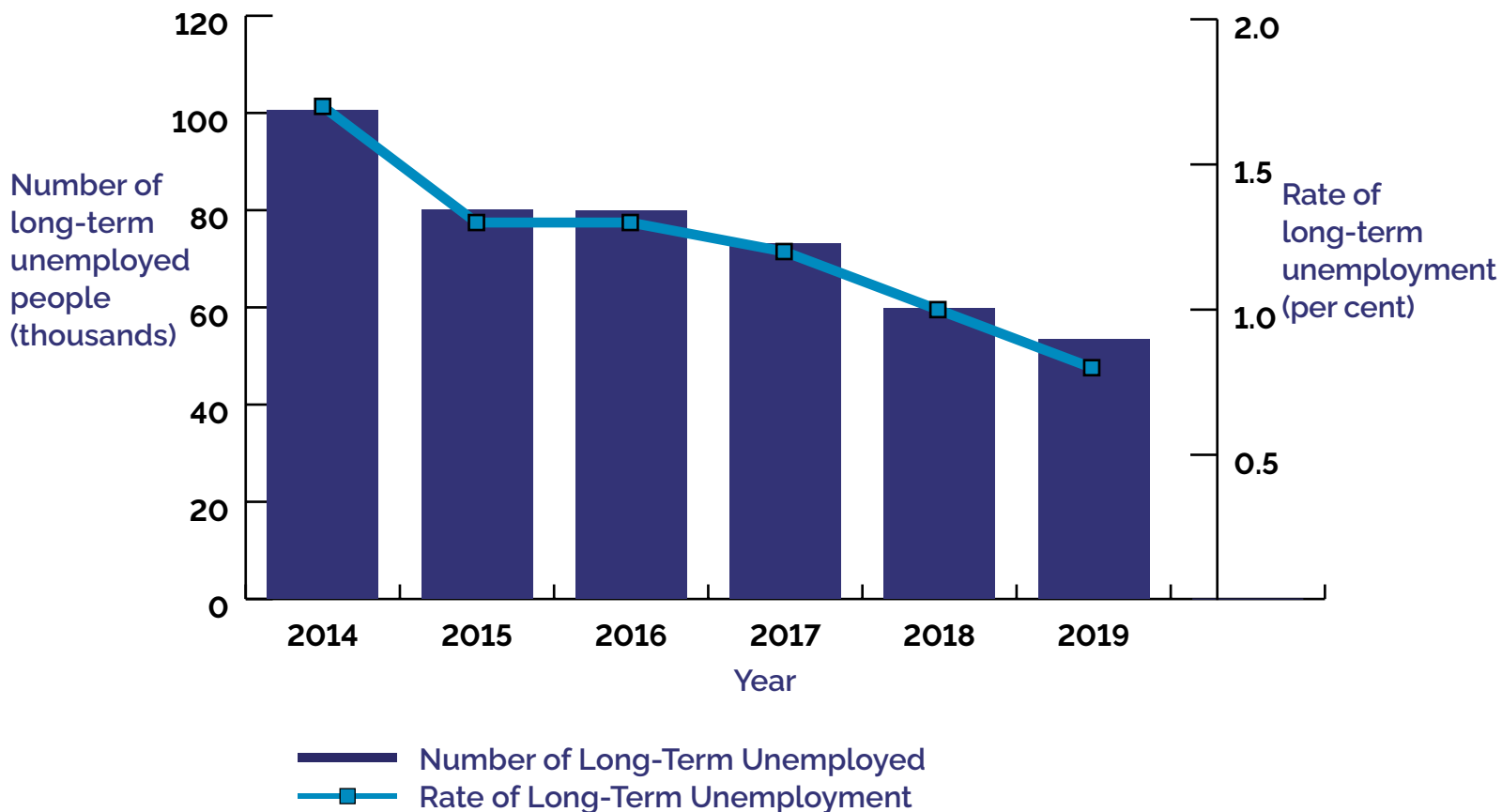
People are considered long-term unemployed if they have been unemployed for 27 weeks or more.

The long-term unemployment rate has been declining since 2014. In 2019, long-term unemployed adults represented 0.8 per cent of Ontario's adult labour force, down from 1.7 per cent in 2014. The improvements in labour market conditions in recent years have contributed to the lower adult long-term unemployment rate.

Why it's important

A lower long-term unemployment rate means that more people are finding work and providing for themselves and their families.

Long-term unemployment



Indicator 10: poverty rates of vulnerable populations - variable

These indicators measure the rate of poverty in five vulnerable groups. Overall, in 2017, the rate of poverty for vulnerable people (excluding persons with disabilities) in Ontario

was 24.9 per cent, down from 31.4 per cent in 2012. The rate for persons with disabilities was 20.6 per cent in 2017, essentially unchanged from 20.8 per cent in 2012.

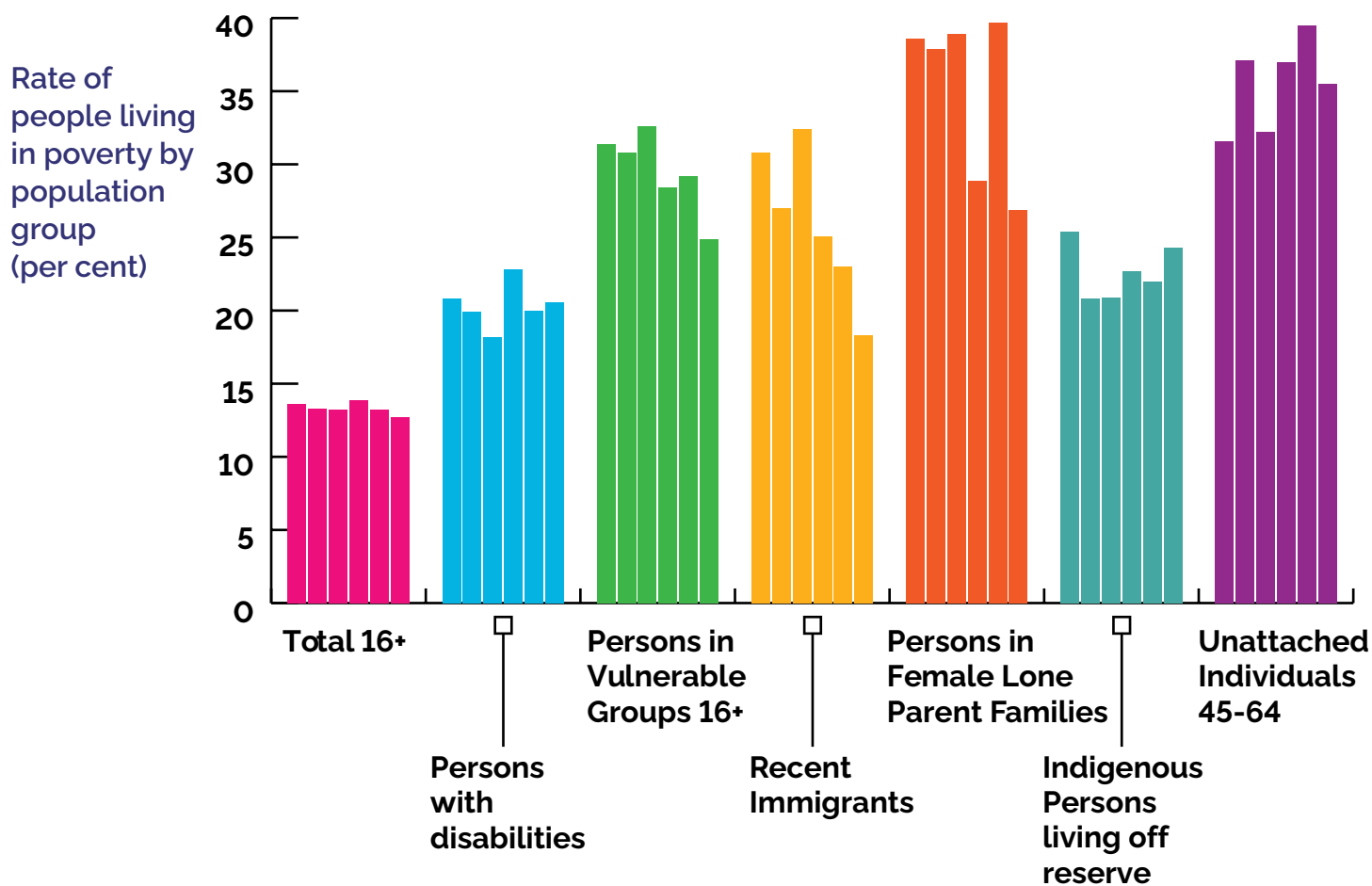
Population Group	Poverty Trend	Rate in 2012	Rate in 2017
Persons with disabilities	Steady	20.8 per cent	20.6 per cent
Persons in vulnerable groups, 16+*	Decreased	31.4 per cent	24.9 per cent
Recent immigrants	Decreased	30.8 per cent	18.3 per cent
Female lone parent families	Decreased	38.6 per cent	26.9 per cent
Indigenous persons living off reserve	Steady	25.4 per cent	24.3 per cent
Unattached individuals aged 45-64	Increased	31.6 per cent	35.5 per cent

*Note: Due to sampling methods, the total percentage of persons in vulnerable groups does not include persons with disabilities.

Why it's important:

Vulnerable groups tend to experience higher rates of poverty and are more likely to have fewer options or opportunities for exiting poverty.

Vulnerable populations living in poverty (2012 to 2017)



Vulnerable Groups, 2012 to 2017

Indicator 11: homelessness

In 2018, the province required all 47 municipal service managers to conduct counts of people experiencing homelessness in their service areas.

Gaps and limitations in how data was collected across municipalities made it difficult to develop a province-wide indicator for homelessness. Recognizing that there are opportunities to improve the approach and incorporate best practices that are currently being used in some communities, the province paused the requirement for local enumeration in 2020 to identify opportunities for improvement.

Many service managers – the local officials responsible for homelessness programs – employ real-time data collection techniques that offer the potential to more effectively coordinate and prioritize service delivery. The province will introduce a by-name list approach across Ontario beginning in 2021. The province will work collaboratively with stakeholders, over the coming months, on the implementation of a by-name list approach to ensure that future requirements are focused on achieving the best and most cost-effective outcomes for Ontarians.

Why it's important

The 2014-2019 strategy included a commitment to end chronic homelessness in 10 years by 2025. People experiencing homelessness for a prolonged period are among the most vulnerable and can experience additional challenges when trying to exit poverty.

Moving forward

Developing a new strategy

Over the past year and a half, Ontario has experienced record job growth. In 2018, Ontario led the country in income growth. Yet, too many people are being left behind. That is unacceptable.

Reducing poverty requires a community approach. Government cannot fight poverty alone. Business, not-for-profits, communities, and government must work together.

In December 2019, our government announced that we have started developing a new Poverty Reduction Strategy. We are listening to individuals with experience living in poverty, Indigenous partners, members of the community, service providers, employers, and municipalities to inform the development of a new strategy.

We have heard from people across the province about how we can reduce poverty and improve the lives of individuals by helping create the right conditions. We are committed to creating jobs, connecting people to employment, providing people with the right supports and services, and making life more affordable.

To be released later in 2020, Ontario's third Poverty Reduction Strategy will focus on helping individuals across Ontario thrive through a coordinated approach from the province and local communities. The new strategy will identify targets and key indicators to guide actions and track progress.

We all have a role to play in reducing poverty in Ontario. We look forward to developing a new strategy based on your feedback and tackling poverty together.

Together, we will make Ontario a great place to live, work and thrive.

Appendix: indicator details

Indicator	Definition	Current Data
Child poverty	Percentage of children living in a family with a household income of less than half of the median national income, fixed to a baseline year of 2012.	11.5 per cent (2017)
Depth of poverty	Percentage of children living in a family with a household income of less than 40 per cent of the median national income, fixed to a baseline year of 2012.	5.7 per cent (2017)
Birth weight	Percentage of newborns who are born with what is defined to be a healthy birth weight.	80.8 per cent (2018-19)
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) on a three-year cycle.	70.4 per cent (2017-18)
Educational progress at grades three and six	Percentage of students in Grades Three and Six who score in the highest two levels on province-wide reading, writing and math tests.	70 per cent (2018-19)
High school graduation	Percentage of students entering high school at the same time who graduate within five years of having started Grade Nine.	87.1 per cent (2018)

Ontario Housing Measure	Percentage of households with children under 18 that have incomes below 40 per cent of the median household income (LIM-40) and spend more than 40 per cent of their income on housing.	4.3 per cent (2017)
Youth not in education, employment or training (NEET)	Percentage of youth aged 15-29 who are not in education, employment or training.	10.6 per cent (2019)
Long-term unemployment	Percentage of adults in the labour force aged 25-64 who have been unemployed for 27 weeks or more.	0.8 per cent (2019)
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 national median. In addition to persons with disabilities, for which the poverty rate is calculated separately, the four groups included in this indicator are: 1. Recent immigrants 2. Female lone parents 3. Unattached individuals aged 45-64 4. Indigenous persons living off reserve.	Persons with disabilities: 20.6 per cent Recent immigrants: 18.3 per cent Female lone parents: 26.9 per cent Unattached individuals, 45-64: 35.5 per cent Indigenous persons living off reserve: 24.3 per cent (2017)
Homelessness	Rate of chronic homelessness per 10,000 people. Chronic homelessness occurs when someone is homeless and has been homeless for six months or more in the past year.	Not available

