

Pre-Budget Submission to the Standing Committee on Finance and Economic Affairs

Ontario Campaign 2000
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Campaign 2000

Campaign 2000 is a national, non-partisan network of 120 national, provincial and community partner organizations committed to working together to end child and family poverty in Canada. Ontario Campaign 2000 is a provincial partner with over 70 member organizations across the province.
www.ontariocampaign2000.ca

About Ontario Campaign 2000

Ontario Campaign 2000 is a provincial coalition of over 70 active partner organizations committed to eradicating child and family poverty in Ontario. Our membership is broad and diverse. It includes faith groups, members of the healthcare and community sectors serving children and families, educators, academics, and low income and working families from Thunder Bay to Peel Region to Windsor. For nearly 30 years, Campaign 2000 has carefully monitored poverty and related social policies at the federal and provincial levels through our annual report cards on child and family poverty.

2020 Budget Recommendations

Families in Ontario count on the government to develop, maintain and enhance social safety nets that help move them past the obstacles that poverty creates. This can be done by building a pathway out of poverty that includes strong investments in work, childcare, income security programs, and appropriate and affordable housing for all. The Ontario government has the opportunity to re-commit to ending child and family poverty and making life affordable for all in Budget 2020.

Ontario Campaign 2000 recommends that the Ontario government:

1. **Make paid work a path out of poverty**
2. **Invest in universal childcare for all**
3. **Strengthen income security programs**
4. **Ensure affordable and appropriate housing for all**

With social policies accompanied by strategic investments and guided by implementation plans, the Ontario Government can reach its target of a 50% reduction in poverty by 2024.

Poverty is The Obstacle That Prevents Children and Families From Thriving

Ontario has the potential to be a place where every family can get ahead. However, there are real barriers to that success. Research shows that despite their best efforts, too many families are entrenched in a cycle of poverty, and the impact of poverty on their children is deep and long-lasting. According to the latest tax filer data, 18.7% of children under the age of 18 in Ontario live in poverty (Census Family Low Income Measure After Tax)¹. For children under 6, that number rises to 20.2%². The percentage of children in marginalized families who live in poverty increases dramatically due to systemic barriers: one in two children of immigrants, one in four racialized children, and one in three Indigenous children live in poverty³.

Since Campaign 2000 began advocating for an end to child and family poverty in 1989, the overall rate of child poverty in Ontario has increased by 2.2%, while it has fallen in every other province⁴. Campaign 2000 has also found that significant levels of child and family poverty are present in each and every riding across Ontario. Child poverty rates above 30% are found in: Toronto Centre (39%), Kenora (35.2%), Humber River-Black Creek (34.1%), Hamilton Centre (33.5%), and Windsor West (32.8%),

¹ Statistics Canada, Tax Filer data, custom tabulation. T1 Family Files, 2017

² Statistics Canada, Tax Filer data, custom tabulation. T1 Family Files, 2017

³ Mustachi, J. "Ending Child & Family Poverty is Not Negotiable". Ontario Campaign 2000. December 2017.

⁴ Statistics Canada, Tax Filer Data, T1 Family Files, 1989, 2017

among others⁵. Marginal decreases in ridings across the province have been noted between 2015 and 2017, the year latest data is available for, but it is clear that the rate of decrease is still too slow.

Low wage work is increasing and social assistance rates have not kept up with the costs of food, housing, utilities and childcare⁶. In Ontario, more than 10% of couples with one child and 28% of lone-parent families live in poverty⁷. The gap between the median annual income of lone-parent families with one child and the Low Income Measure After Tax is over \$11,000⁸. This discrepancy between income and every-day costs puts families at risk of hunger, homelessness and developing significant health issues. Children living in poverty are especially subject to higher risk of developing physical and mental health issues, including life-long physical and mental health issues⁹, which require ongoing support through the public healthcare system. Some estimates indicate that poverty in Ontario results in as much as \$3.9 billion in health costs annually¹⁰. Twenty percent of total healthcare spending is attributable to inequities – up to \$11.5 billion¹¹ of provincial health care costs – that could be invested into preventative social supports for children and families.

The following achievable evidence-based recommendations are intended to support Budget 2020 and the Government of Ontario, to create an Ontario that helps every family and child move out of poverty and into prosperity.

1. Make Paid Work a Path out of Poverty

Low income Ontarians want to work. To prevent and escape poverty, families need good jobs supported by adequate wages, health benefits, and stable, reliable work schedules. However, precarious work, which can take the form of full-time, contract, part-time, or temporary work accompanied by low wages and few or no benefits, has grown across Canada. It represents 37% of all jobs within the GTHA affecting nearly 1 in 6 workers in Ontario¹². Between 2011 and 2017, temporary jobs continued to grow faster in the region as compared to permanent jobs¹³. Poor working conditions, unstable scheduling hours, lack of paid sick days and unsafe work environments place unnecessary stress on a worker's health. The rate of working poor in Ontario disproportionately affects marginalized groups including women, racialized

⁵ Table I-13, After-tax low income status of tax filers and dependents (census family low income measure, CFLIM-AT) for couple and lone parent families by family composition, 2017 revised. Statistics Canada, Income Statistics Division, T1 Family File, 2017 revised.

⁶ Aldridge, H; Tweedle, A. "Welfare in Canada, 2018". Maytree, November 2019.

⁷ Table F-20, Family data - After-tax low income status of census families (census family low income measures, CFLIM-AT) by family type and family composition, adjusted methodology, 2017 revised. Statistics Canada, Income Statistics Division, T1 Family File, 2017 revised.

⁸ Table G. in Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors, T1 Family File, Final Estimates, 2017 – Revised November 2019. Catalogue no. 72-212-X

⁹ "The Impact of Food Insecurity on Health" PROOF – Food Insecurity Fact Sheets, 2019. <https://proof.utoronto.ca/wp-content/uploads/2016/06/health-impact-factsheet.pdf>

¹⁰ Briggs, A; Lee, C R. "The Cost of Poverty in Ontario: 10 Years Later" FEED Ontario, October 2019. Pg 16.

¹¹ Ibid.

¹² "Getting Left behind: Who Gained and Who Didn't in an Improving Labour Market." Poverty and Employment Precarity in Southern Ontario (PEPSO) Research Group. June 2018, Page 8. https://pepso.ca/documents/pepso-glb-final-lores_2018-06-18_r4-for-website.pdf

¹³ "Getting Left behind: Who Gained and Who Didn't in an Improving Labour Market." Poverty and Employment Precarity in Southern Ontario (PEPSO) Research Group. June 2018, Page 8. https://pepso.ca/documents/pepso-glb-final-lores_2018-06-18_r4-for-website.pdf

workers, Indigenous people¹⁴, people with disabilities, and temporary foreign workers. Despite working full-time, too many workers still cannot make it above the poverty line.

Improving and enforcing the minimum standards within the Employment Standards Act (ESA) and Labour Relations Act (LRA) will ensure that decent, reliable, and safe work is available to all Ontario workers.

Recommendation for Budget 2020:

- Strengthen and enforce the ESA and LRA to ensure all workers receive equal pay for equal work, reliable work schedules, safe workplaces, work opportunities, and a minimum wage that is indexed to inflation and which adequately covers the cost of daily life

2. Invest in Universal Child Care for All

Without affordable, high-quality, accessible childcare, many parents are unable to find solutions that enable them to work. Ontario has the highest childcare fees in Canada relative to income.¹⁵ The highest median fees for infant care in the country are in Southern Ontario. Toronto, Mississauga, Kitchener, and Vaughan have median fees for infant care between \$1400 and \$1,685 per month.¹⁶ Child care fees are so high that over the course of a year, they can cost more than the annual income of a single parent with one child living in low income, creating a substantial barrier to workplace re-entry.¹⁷ Child care fees in rural and Northern Ontario are also exorbitantly high - monthly pre-school fees were nearly the same as the monthly rent of an average one-bedroom apartment in Sudbury and Thunder Bay¹⁸. Low income families, especially mothers, are left to choose between reducing working hours or going into debt to pay for childcare fees. Many mothers make the difficult choice not to return to the workforce or enroll in training because of the cost of childcare.

Childcare responsibilities often fall upon women and become a barrier to employment,¹⁹ reducing their lifetime earnings²⁰ and diminishing the overall potential of Ontario's economy. There are many childcare models around the world and within Canada that provide base funding and affordable fees, demonstrating that high quality, accessible childcare does not need to be expensive. Research within Canada illustrates that the positive economic benefits derived from a universal childcare system exceed the cost of implementation and help support a healthier economy²¹.

Recommendation for Budget 2020:

¹⁴ Stapleton, J. "The Working Poor in the Toronto Region: A closer look at the increasing numbers." Metcalf Foundation. November 2019.

¹⁵ MacDonald, D. and Friendly, M. "Time Out: Child Care Fees in Canada 2017" CCPA, 2017.

¹⁶ "Developmental Milestones: Child care fees in Canada's big cities 2018". CCPA. December 2018, Pg 12.

¹⁷ "Developmental Milestones: Child care fees in Canada's big cities 2018". CCPA. December 2018.

¹⁸ Childcare fees for rural Northern Ontario were \$825/month on average in 2017 ("Time Out: Child Care Fees in Canada 2017", CCPA, 2017). In 2018, average rental cost of a 1-bedroom apartment was \$831 in Thunder Bay and \$855 in Greater Sudbury area. Data Source: "We Can't Wait: Preserving Our Affordable Rental Housing in Ontario" Advocacy Centre for Tenants Ontario (ACTO), November 2019.

¹⁹ Pelletier R; Patterson M; and Moyser, M. "The gender wage gap in Canada: 1998 to 2018" Statistics Canada, October 2019. Catalogue no. 75-004-X

²⁰ Ibid.

²¹ Craig, A; Beckman K; Macdonald A; Renner, C; and Stewart, M. "Ready for Life: A Socio-Economic Analysis of Early Childhood Education and Care." Ottawa: The Conference Board of Canada, 2017.

- Create a universal, high quality, accessible, inclusive, safe and affordable, publicly delivered childcare system by investing in more regulated public and non-profit childcare spaces
- Restore investments in municipal childcare subsidies

3. Strengthen Income Security Programs

Ontario's social assistance program does not provide adequate support for Ontario families who live in poverty. Social assistance is a last resort for people impacted by serious life events including job loss, physical and mental health issues, and for people with disabilities, who are fleeing domestic violence or dealing with the death of a loved one. Legislation requires Ontarians to exhaust all avenues of income and liquidate assets before they can access this support, resulting in the loss of any personal safety net they may have accumulated. Child benefits can help offset costs but these benefits are not a silver bullet. The current rates of social assistance are insufficient to cover the cost of housing, food, transportation, and other basic needs²².

Increasing Ontario Works (OW) and the Ontario Disability Support Program (ODSP) rates to ensure all recipients receive enough to meet the Low Income Measure, After Tax calculated through taxfiler data level will help thousands of children living in families receiving these income supports. The current definition of disability must be maintained so that those living with temporary or episodic disabilities do not lose income, or access to health benefits available through ODSP. Losing disability status could mean receiving 37% less income, pushing people with disabilities further into poverty.²³

The Canada Child Benefit, Ontario Child Benefit, and Transition Child Benefit are important income security mechanisms for low income families. Without these government transfers, the number of children living in poverty in Ontario would nearly double.²⁴ The Ontario Child Benefit and Transition Child Benefit are proven anti-poverty measures. Increases to these benefits beyond the rate of inflation will help low income families afford necessities and will also allow children to live happy, healthy lives free from stigma and isolation, including enabling them to participate in sports, school trips, and other extracurricular activities.

Recommendations for Budget 2020:

- Raise the OW and ODSP Rates to at least meet the Low Income Measure, After Tax and calculated with taxfiler data, so that Ontarians and their families accessing these benefits will not fall further into the cycle of poverty
- Maintain an inclusive definition of disability for ODSP eligibility, which understands that disabilities can be episodic or relatively less severe but still create barriers for gaining employment or allowing for participation in daily life
- Substantially increase the Ontario Child Benefit, and work with the federal government to ensure all children have access to the CCB²⁵

²² In 2019, the maximum benefit a lone parent with one child living in low income could receive is \$1,122/mth. Source: ISAC

²³ Defend Disability Factsheet. August 2019. <https://defenddisability.ca/>

²⁴ The rate of children under 6 living in families with income below the LIM-AT is 20.2%, and for children under 18, the rate is 18.7%. By removing government transfers as a source of income for families with income below the LIM-AT, the under 6 rate jumps to 37.1% and the under 18 rate jumps to 34.3%. Data source: Statistics Canada, Tax Filer data, custom tabulation. T1 Family Files, 2017.

²⁵ This includes Indigenous people, people with precarious immigration status, and those who don't file tax returns

4. Ensure Affordable and Appropriate Housing for All

Access to adequate housing is a critical issue and severely compounds the struggles of people living on low incomes. For more than a decade, rental vacancy rates in most of Ontario's urban centres have remained below the recommended rate of 3%²⁶, making it difficult for families to find a decent place to live in a neighbourhood of their choosing. In 2018, the average yearly market rent for a 2-bedroom apartment in Ontario was \$15,192²⁷ while the after-tax median income of a single parent with one child was \$18,880²⁸. After rent is paid, many low income families have almost nothing left for food, clothing, transit, and other necessities. Waiting lists for affordable housing have also been growing and repeated or longer-stay use of emergency shelters by families has been steadily increasing²⁹.

Affordable housing is more than having an address - it is about creating a safe home in a community where children can thrive. By working with the federal government and individual cities, towns, and rural regions across the province, the Ontario government can begin to help low income children and families with one of the most crucial challenges they face.

Recommendations for Budget 2020:

- Commit to continuing to fund federal bilateral agreements beyond their targets, and partner with municipalities to support local housing action plans through adequate funding and legislative support
- Create new affordable housing of all types and invest in repairing existing stock in order to help build mixed communities, improve access to safe, good quality housing, and create a portable housing benefit that can be applied universally

Conclusion

Ontario has the potential to be a place where every family can get ahead. Ontario Campaign 2000 requests that the government invest in programs and policies that will move families out of the cycle of poverty and help all children and families thrive.

The Ontario government can address the core issues many low income families face by re-committing to reducing child poverty by 50% by 2024, by strengthening employment standards and creating good quality jobs; by investing in high-quality, accessible public childcare; improving income security; and ensuring affordable and appropriate housing is accessible to all.

Ontario will only be stronger when families and children can get ahead and realize their full potential.

We thank the Standing Committee on Finance and Economic Affairs for considering our submission.

²⁶ "We Can't Wait: Preserving Our Affordable Rental Housing in Ontario" Advocacy Centre for Tenants Ontario (ACTO), November 2019.

²⁷ CMHC – Rental Market Report – Ontario Highlights. October 2018

²⁸ Statistics Canada. Table F-20. After-tax low income status of census families (census family low income measures, CFLIM-AT) by family type and family composition, adjusted methodology, 2016. Revised Nov 2019.

²⁹ State of Homelessness in Canada, 2016. Pg 32. And City of Toronto Progress Portal, Community Vulnerabilities section on shelter use (families). Source: <https://www.toronto.ca/city-government/data-research-maps/toronto-progress-portal/> Accessed January 2019.