

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

February 1, 2017

Contact

Jessica Mustachi
Coordinator, Ontario Campaign 2000
Family Service Toronto
128A Sterling Rd. Unit 202, Toronto ON M6R 2B7
416-595-9230 x.241
JessicaMu@familyservicetoronto.org

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.campaign2000.ca

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 and Canada. Our membership is broad and diverse. It includes faith groups, educators who belong to ETFO, OSSTF and OECTA, the health and community sectors serving children and families, labour and academics and low income and working families from Thunder Bay to Peel Region to Windsor. For 20 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.

The Time to Act is Now: Ontario Children Can't Wait

The 2017 Ontario budget is an important opportunity for the province to provide sufficient and sustainable funding to a variety of key areas to end poverty in the province. Child and family poverty continues to be a serious problem in Ontario. The latest tax filer data show 18.8% of children under the age of 18, and 20.4% of children under the age of 6 live in poverty in Ontario according to the Low Income Measure After Tax (LIM-AT).¹ In addition, 14.4% of families with children, and 30.4% of lone parent families live in poverty in the province.² Further, the depth of poverty experienced by low income families is staggering, with some families more than \$10,000 below the LIM-AT. This disparity increases for families on social assistance, with some families more than \$15,000 under the LIM-AT.³ With the increasing costs of housing, child care, hydro, and other necessities, and the increasing precarity of employment in the province (with the growth of part-time, contract, temporary, and shift work with low wages and few or no benefits), effective policy changes coupled with sufficient and sustainable funding are needed to ensure no child and family in Ontario live in poverty.

The 2017 budget also marks the half-way point of the Ontario government's second Poverty Reduction Strategy (PRS). Evidence has shown that targeted social policies accompanied by sustainable investments are effective. Recent positive steps taken by government can be built on to make child and family poverty history. For example, ending the claw back of child support for lone parent families receiving social assistance and ensuring families on social assistance access the full value of the Canada Child Benefit are significant for families. However, more action is needed. The province must address income inequality through progressive taxation and provide new and increased investments in public services. It must also implement and fund initiatives to address poverty amongst marginalized groups. With bold targets, timelines, and a strong

¹ <http://ontariocampaign2000.ca/wp-content/uploads/2016/11/ReportCardOntarioNov182016.pdf>

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commitment from all provincial parties, Ontario can eliminate child and family poverty. Children and families across Ontario can't wait any longer. The time to act is NOW!

2017 Budget Recommendations

In Budget 2017, Ontario Campaign 2000 urges the province to continue to invest in and implement programs associated with the current Poverty Reduction Strategy and in other key areas to eliminate child and family poverty in the province. Ontario Campaign 2000 recommends that the Ontario government:

1. Make paid work a path out of poverty
2. Lift people out of poverty by creating a strong social safety net
3. Implement equal health benefits for all Ontarians
4. Ensure access to early learning and child care
5. Ensure affordable and appropriate housing for all
6. Support opportunities for youth
7. Address inequalities faced by marginalized groups.

1. Make paid work a path out of poverty

The Ontario government's initiation of the Changing Workplaces Review of the Employment Standards Act (ESA) and the Labour Relations Act (LRA) provides an important opportunity to address the significant impact the labour market has in both keeping workers in poverty and lifting them out of it. The increase of precarious work, including part-time, contract, temporary, and shift work with unstable hours, low wages and few or no benefits has resulted in families struggling to afford daily necessities. Many low income parents must juggle more than one job, often at minimum wage, leaving families below the poverty line. Further, these changes in the labour market have disproportionately impacted already marginalized groups including women, racialized workers, single parents, and temporary foreign workers,⁴ who also experience greater rates of poverty. Research has also linked negative health outcomes to immigrant racialized women who are engaged in precarious employment.⁵ The realities of low-income workers must be considered within the Changing Workplaces Review, as providing them with greater income security, job stability, and freedom to organize collectively for their rights as workers, and will greatly assist in eradicating poverty in the province.

⁴ <http://www.lco-cdo.org/vulnerable-workers-call-for-papers-noack-vosko.pdf>

⁵ [http://www.ryerson.ca/content/dam/clmr/publications/Final%20Report%20\(Precarious%20Work\).pdf](http://www.ryerson.ca/content/dam/clmr/publications/Final%20Report%20(Precarious%20Work).pdf)

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As the ESA and LRA are being updated, there are other ways for the province to support positive changes in the labour market that would reduce child and family poverty. This includes improving enforcement of the ESA to ensure workplaces are complying with standards and increasing supports for workers making claims. In addition, improvements to the minimum wage would assist low income families by ensuring paid work does not result in living in poverty.

Recommendations for Budget 2017:

- Increase the minimum wage to \$15/hour for all Ontario workers with no exemptions regarding sector or age
- Update the LRA and ESA to meet the basic principles of decent work. Commit to all Ontarians being protected at work, having access to paid sick days, equal pay for equal work, sufficient hours of work, predictable scheduling, and paid leave for survivors of domestic/sexual violence. Ensure workers are protected from contract flipping and harassment during the process of unionization.
- Advocate to the federal government for reforms to the Employment Insurance system
- Address workplace discrimination: implement Employment Equity programs and ensure pay equity

2. Lift People Out of Poverty

A strong social safety net is needed to ensure people can live in dignity if they are faced with financial insecurity. While the province has created the Ontario Child Benefit (OCB) for families with children, the costs of raising a child have also risen. The amount of the OCB must reflect the needs of families raising children in the province. Moreover, the inadequacy of the social assistance rates within the province of Ontario has resulted in children and families living in depths of poverty which are hard to fathom. Families face difficult decisions daily, forced to choose whether to pay the rent, buy medicine, or if parents will go hungry to provide for their children. Ontario Campaign 2000 supports the call by the Interfaith Social Assistance Reform Coalition (ISARC) to invest \$1 billion for social assistance to be used both to increase the rates and to implement important rule changes that would improve the lives of children and families in Ontario who rely on social assistance.

Recommendations for Budget 2017:

- Transform social assistance to ensure all people are able to live free from poverty, in good health and with dignity and respect

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- Invest \$1 billion in social assistance with \$700 million being spent on a 10% increase to the basic needs and shelter allowance rates and \$300 million on implementing rule changes.
- Increase asset limits and earned income exemptions
- Exempt income received from employment-related benefits, such as EI, CPP-D, and WSIB
- Change definition of 'spouse' to align with Income Tax Act
- Increase OCB by \$100/year.

3. Equal Health Opportunities for Everyone

Living in poverty not only directly impacts children and families' health, it may also unfairly determine their ability to access medicine and health care services, including hearing aids, prescription drugs and glasses. Families who are engaged in precarious work (including part-time, and contract positions) often do not have access to employer provided extended health benefits, frequently leaving low-income families faced with the need to pay for health services that are not covered under OHIP. In Budget 2014, Ontario committed to creating a low income health benefit for children and youth that would include assistive devices, prescription drugs, vision care and mental health services. However, families and children are still waiting for action on this commitment.

This benefit is needed not only for children but also for all low income adults. Children live in families, and if their caregivers are not able to access the health services they need they will face even great barriers to providing care to their children. Additionally, when people are unhealthy they are not able to participate fully in the economy, thus negatively impacting both the health of individuals and also the health of the Ontario economy.

Recommendations for Budget 2017:

- Create and implement a health benefit for all low income people (children, adults, seniors) providing coverage for dental, prescription drugs, eye care, assistive devices and mental health services.

4. Provide Early Learning and Child Care for All

Ontario needs a universal, high quality, and affordable child care system that is inclusive, accessible and responsive to the needs of all Ontario families. Ontario continues to have the highest child care costs in the country and long waiting lists. This not only places a great burden on Ontario families with

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children, but also poses a particular challenge for families living in poverty. The high cost of child care has resulted in families – often women - having to go into debt, reduce working hours and even choosing not to return to the job market. This not only impacts the lifetime earnings of these parents, but also reduces the overall potential of the Ontario economy.

The creation of a publicly funded universal child care system that is adaptable to the current financial and employment realities of Ontario families would support parents' ability to participate fully in the workforce or pursue higher education to improve their qualifications. This has the potential to decrease child and family poverty in the province and create a healthier economy.

Recommendations for Budget 2017:

- Create a universal, high quality and affordable child care program that is accessible, inclusive and responsive to the needs of all Ontario families.

5. Ensure Affordable and Appropriate Housing for All

Safe, affordable, good quality and accessible housing is a key pillar in ending child and family poverty. Many families in the province struggle to pay for climbing housing costs and are in Core Housing Need; living in housing which is unaffordable, overcrowded or requires major repair. The need for affordable, good quality housing is particularly seen in renter households; one in three with at least one child under 18 are in core housing need.⁶ This increases to 49% for renters who are female lone parents.⁷ There are also many households currently waiting for rent-geared to income (RGI) housing, 31% of whom are families with children. The province's portable housing benefit pilot for survivors fleeing violence is promising and must be closely monitored. Further work is needed to improve people's access to affordable housing while the pilot is being conducted. Unstable housing reduces people's ability to find employment and is also associated with negative health outcomes. Without stable, good quality housing that is safe, affordable and accessible, families will continue to be unable to lift themselves out of poverty.

Recommendations for Budget 2017:

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- Create new affordable housing and improve access to safe, accessible, good quality housing, prioritizing families experiencing high rates of poverty, including Indigenous people, female lone-parent families, and women and children fleeing violence
- Create a portable housing benefit available for all Ontarians with separate funding from existing social housing units and connected to social and economic services and supports
- Define housing affordability based on income (shelter costs must be less than 30% of before tax income)
- Change rent control guidelines to include units built after 1993 to improve tenant protections.

6. Support Opportunities for Youth

Investing in programs for youth is key to ensuring a prosperous future for the province. Youth experience high rates of homelessness, food insecurity, and difficulties finding employment.

Investments and programming in these areas must be made to ensure that Ontario youth can thrive. Access to post-secondary education is a key component in finding employment.

While the province has made important investments in creating the Ontario Student Grant for students whose family income is less than \$50,000, tuition fees continue to rise and many youth carry large amounts of debt well into their working years. With the increase in precarious jobs with few or no benefits, the province must ensure that students with large post-secondary debt loads do not end up living in poverty.

Recommendations for Budget 2017:

- Commit to the reduction and elimination of tuition fees
- Convert provincial student loans into non-repayable grants
- Eliminate interest on student loans and provide debt-relief programs for low and middle income students
- Revise maximum age for extended care and maintenance (ECM) to 25 for youth in care.

7. Address Inequities faced by Marginalized Groups

Systemic inequities have resulted in certain groups of people experiencing higher rates of poverty throughout the province. This includes First Peoples, people living with disabilities, racialized people, and women. This is a result of the discrimination these groups experience in finding housing, work, or being paid equitably. There is a strong need for the province to collect and report on disaggregated data to create policies which will be effective in ending poverty and in addressing who is most

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impacted. The province has committed initial steps to address some of these systemic inequalities including creating the Anti-Racism Directorate and commissioning the report on Gender Equity. It is now time to follow-through by committing to implement recommendations, allocating sufficient funds and creating a time line with targets to ensure these reports and initiatives lead to increased equity and reduced rates of poverty across the province.

Recommendations for Budget 2017:

- Implement the Calls to Action from the Truth and Reconciliation Commission report
- Implement the recommendations of the Gender Equity Report
- Implement wage parity regardless of job status
- Implement the Colour of Poverty – Colour of Change recommendations for the Anti-Racism Directorate
- Collect and report disaggregated data.

Conclusion

Ontario Campaign 2000 urges the province to commit to eradicating child and family poverty by investing in programs and policies which will provide a strong foundation for all Ontarians to live free from poverty and with dignity and respect. In such a wealthy province, no one should be without the necessities of a safe home to live in, nutritious food to eat and appropriate health care services. Given the Ontario government's commitment to reduce poverty through its Poverty Reduction Strategy, Ontario Campaign 2000 urges the government to continue investing in and implementing poverty eradication programs, including: making paid work a path out of poverty by increasing the minimum wage to \$15; lifting people out of poverty by increasing social assistance rates; ensuring health equity by implementing a low income health benefit; creating a universal, good quality and affordable child care system; ensuring appropriate housing for all by creating more affordable housing; supporting opportunities for youth; and addressing inequalities faced by marginalized groups.

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

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