



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

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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.
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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, educators who belong to ETFO, OSSTF and OECTA, the healthcare and community sectors serving children and families, labour, academics and low income and working families from Thunder Bay to Peel Region to Windsor. For almost 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.

Poverty Hurts Ontario: All Children and Families in Ontario Deserve a Strong Start

Ontario is a wealthy province, yet the latest child and family poverty data illustrate that not all Ontarians start from an equal place. According to the latest tax filer data, 19.5% of children under the age of 18 live in poverty (Census Family Low Income Measure After Tax).¹ 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.² Significant levels of child and family poverty are present in each and every riding across Ontario.

In Ontario, nearly 10% of couples with children and a third of lone-parent families live in poverty.³ The depth of poverty for lone-parent families with one child, predominantly led by women, is nearly \$10,000 below the CFLIM-AT.⁴ Poverty hurts Ontario but first and foremost it hurts children who are at a higher likelihood of developing physical and mental health issues, including preventable life-long chronic illnesses such as asthma and diabetes, stress and anxiety.⁵ As low wage work grows and social assistance rates decline, the costs of food, housing, utilities and childcare are climbing. This puts families at risk of hunger, homelessness and developing significant health issues.

2019 Budget Recommendations

Families in Ontario need a strong social safety net to escape poverty. The Ontario government has the opportunity to drive down poverty rates through the 2019 budget by investing in key areas to support work becoming a pathway out poverty, access to child care, improved income security and affordable housing. Ontario's next Poverty Reduction Strategy (PRS) can provide an

¹ Statistics Canada. Table: 11-10-0018-01. After-tax low income status of tax filers and dependants based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition

² Mustachi, Jessica. (2017 December). Ending Child & Family Poverty Is Not Negotiable: Building Stronger Foundations for Ontario Families. Ontario Campaign 2000

³ Statistics Canada. Table 11-10-0020-01 After-tax low income status of census families based on Census Family Low Income Measure (CFLIM-AT), by family type and family composition

⁴ Ibid.

⁵ King, A & Quan, A. (2018). Hunger Report 2018 - Looming Crisis: Senior Hunger in Ontario. Ontario Association of Food Banks. Retrieved from: <https://oafb.ca/wp-content/uploads/2018/11/Hunger-Report-2018-Digital.pdf>

important and comprehensive approach to tackling poverty. With targeted social policies accompanied by strategic investments and guided by implementation targets, the PRS can set an ambitious target to reduce poverty by 50% by 2024. Ontario Campaign 2000's Budget 2019 recommendations form essential elements of a successful PRS.

In Budget 2019, Ontario Campaign 2000 recommends that the Ontario government:

- 1. Help ensure paid work is a path out of poverty**
- 2. Ensure universal child care for all**
- 3. Strengthen income security programs**
- 4. Ensure affordable and appropriate housing for all**

1. Help Ensure Paid Work is a Path out of Poverty

To prevent and escape poverty, families need good jobs supported by adequate wages, health benefits, and a stable and reliable work schedule: however, for many workers in Ontario the reality is the opposite. Precarious work has grown and now characterizes 32% of all jobs⁶. It takes the form of full-time, contract, part-time, or temporary work with low wages and few or no benefits. A precarious job is also often defined by poor working conditions which include unstable scheduling hours and lack of paid sick days which places stress on a worker's health. Poverty induced health costs are estimated to be \$2.9 billion a year which hurts not only Ontario's people but also the economy.⁷ Ontario's current labour market conditions disproportionately affect those who are part of marginalized groups such as women, racialized workers, Indigenous people, and temporary foreign workers. Improving the minimum standards within the Employment Standards Act (ESA) and Labour Relations Act (LRA) to ensure decent work is critical for workers in Ontario to be able to provide for their families and escape poverty.

Recommendations for Budget 2019:

- Improve the quality of jobs and help families leave the cycle of poverty by strengthening the ESA and LRA to ensure all workers receive fair wages, equal pay for equal work, reliable work schedules and paid sick days.

2. Ensure Universal Child Care for all

Without affordable, high-quality, accessible child care, many parents are unable to find a worry-free solution that enables them to work or go to school. Ontario has the highest child care fees in Canada relative to income and they are rising faster than inflation.⁸ It is increasingly difficult for

⁶ Mitchell, C.M., & Murray, J.C. (2017). The Changing Workplaces Review - Final Report. Retrieved from: <https://www.ontario.ca/document/changing-workplaces-review-final-report/chapter-4-vulnerable-workers-precarious-jobs>

⁷ National Collaborating Centre for Determinants of Health. (2016). Economic Arguments for Shifting Health Dollars Upstream. A Discussion Paper. Retrieved from http://nccdh.ca/images/uploads/comments/Economic_Arguments_EN_April_28.pdf.

⁸ Macdonald, D. and Friendly, M. (2017). Time Out: Child care fees in Canada 2017. Ottawa: CCPA.

parents to find spaces for their children. Low income families must choose between reducing working hours or going into debt to pay exorbitant child care fees. Some make the difficult choice not to return to the workforce because of the cost of child care.

Child care responsibilities often fall upon women and become a barrier to employment. This reduces the lifetime earnings of these parents and diminishes the overall potential of Ontario's economy. There are child care models around the world and within Canada which provide base funding and affordable fees, demonstrating that high quality, accessible child care does not need to be expensive.⁹ Furthermore, research within Canada illustrates that a universal child care system can provide significant positive economic benefits and create a healthier economy.¹⁰

Recommendations for Budget 2019:

- Create a universal, high quality, accessible, inclusive, affordable, and publicly delivered child care system which includes investing in more public and non-profit child care spaces without compromising the safety of children

3. Strengthen Income Security Programs

Ontario's social assistance program does not provide adequate support for Ontario families who live in poverty. Being on social assistance is a last resort for people dealing with job loss, health issues, or the death of a loved one. It is deplorable that those who have exhausted all other avenues of income and support live in poverty. In 2007, thanks to the introduction of the Ontario Child Benefit (OCB), welfare income for families with children rose and received another bump in 2015 because of the Canada Child Benefit. However, overall welfare income has remained stagnant since the late 1990's and current rates are insufficient.¹¹ Low income families face the difficulty of deciding whether to spend their income on housing, child care, transportation, or food.

The government must commit to income adequacy to ensure all people live free from poverty, with good health, dignity, and respect by increasing Ontario Works (OW) and the Ontario Disability Support Program (ODSP) rates to a minimum of 75% of the Low Income Measure (LIM) for all recipients. The Ontario Child Benefit (OCB) is an important benefit and proven anti-poverty measure - an increase will help families afford necessities but also buy things their children love, including healthy snacks and participation in extracurricular activities.

Recommendations for Budget 2019:

⁹ Ferns, C & Viktoria, B. (2016 August). "Chapter 5: Financing Child Care." *Guide to Early Learning and Child Care in Ontario*. Toronto: Ontario Coalition for Better Child Care

¹⁰ Ferns, C & Viktoria, B. (2016 August). "Chapter 7: The Great Debates." *Guide to Early Learning and Child Care in Ontario*. Toronto: Ontario Coalition for Better Child Care

¹¹ Income Security Advocacy Centre. (September 2018). 10 Myths and 10 Realities of Social Assistance in Ontario.

- Increase the Ontario Child Benefit by \$100 per child annually and work with the federal government to ensure all children have access to the CCB and OCB.¹²
- Maintain an inclusive definition of disability for the ODSP which understands that disabilities can be episodic or relatively less severe but still cause a person to face barriers in gaining employment or participating in daily life.

4. Ensure Affordable and Appropriate Housing for All

People without a home cannot escape poverty or live with dignity. In Ontario, the vacancy rate for rental properties has consistently remained below 3% since 2010.¹³ In 2016, the average yearly rent for a 2-bedroom apartment in Ontario was \$13,812¹⁴ while the after-tax median income of a lone-parent with one child was \$18,930.¹⁵ Many low income families spend up to two-thirds of their income on housing which leaves less than \$700 per month for food, medicine, clothing, transit, and other necessities. Families struggle to find affordable housing because of lengthy waiting lists. Affordable housing is more than having an address - it is about creating a safe home where children can thrive.

Recommendations for Budget 2019:

- Create new affordable housing of all kinds to help build mixed communities and improve access to safe, good quality housing. This includes creating a portable housing benefit which will help families afford rent regardless of where they live in Ontario.

Conclusion

Poverty hurts Ontario's children and families and our economy. Ontario Campaign 2000 urges the government to invest in programs and policies to help all families thrive. The Ontario government can address the core issues many low income families face by ensuring their next Poverty Reduction strategy for 2020-2025 strengthens employment standards, creates good quality jobs, invests in high-quality, accessible public child care, improves income security and

¹² This includes Indigenous people, people with precarious immigration status, and those who do not currently file tax returns

¹³ Canadian Mortgage and Housing Corporation (CMHC). (n.d.). Ontario - Historical Vacancy Rates by Bedroom Type. Retrieved from: <https://www03.cmhc-schl.gc.ca/hmippimh/en#TableMapChart/35/2/Ontario>.

¹⁴ Canadian Mortgage and Housing Corporation (CMHC). (2016 October). Ontario – Average Rent by Bedroom Type by Metropolitan Areas, Census Agglomeration and Cities. Retrieved from: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#TableMapChart/35/2/Ontario>.

¹⁵ Statistics Canada. Table 11-10-0020-01 After-tax low income status of census families based on Census Family Low Income Measure (CFLIM-AT), by family type and family composition

creates affordable housing. A strong Ontario is one where all children are protected from poverty and families are able to realize their full potential.

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