

## Briefing Note: Moving Forward with a Comprehensive Poverty Reduction Strategy for Ontario

The time for Ontario to take action on a comprehensive poverty reduction strategy is now. The 2007 Ontario Budget with its introduction of the Ontario Child Benefit, the provincial election campaign that focused on poverty as a key issue, and the 2007 Throne Speech with its introduction of a new Cabinet Committee on Poverty Reduction – these are all signs of the growing political and social will to tackle poverty and social exclusion. We urge the government and opposition parties to build on this momentum to address the hardships of Ontarians who face a daily struggle for survival and dignity.

### RNAO calls for:

- A meaningful, inclusive **consultation process** with a wide range of stakeholders including those with low income, the most seriously disadvantaged groups, policy thinkers, and community and civic leaders about what kind of targets, accountability measures, and policies will make a difference for Ontario.
- Setting bold but achievable **targets** for poverty reduction within a specific timeline, such as a 25 per cent reduction in poverty rates in five years and a 50 per cent reduction within ten years.
- Selecting **accountability measures** in order to measure progress is important but it should not delay implanting a long-term, coordinated, comprehensive plan with mechanisms for ongoing monitoring.
- Implementation of **public policies** that safeguard the health and dignity of all Ontarians by addressing key issues such as:
  - Ensuring **basic income support** by increasing social assistance to reflect real costs of living and index to inflation.
  - Promoting **good jobs at living wages** by increasing minimum wage; improving *Employment Standards Act* to cover precarious employment and improve enforcement of standards; and urge federal government to improve access to employment insurance.
  - Increasing access to **affordable housing**.
- **Investing the resources** needed to meet the objectives of poverty reduction. In this year's budget, we will be looking for a substantial down payment on a poverty reduction strategy, including:
  - Significant increases in Ontario Works, ODSP and OCB rates in 2008 to make progress on having these rates reflect the actual cost of living in health and dignity in Ontario.
  - An immediate increase of the minimum wage to \$10 per hour in 2007 dollars, or \$10.25 in 2008 dollars, and index to inflation.
  - Ramp up provincial spending on affordable housing.

**Adequate social assistance, living wages with enforced labour standards, and affordable housing are essential elements in the struggle against poverty.**

### **Background: Health Impacts of Poverty and Social Exclusion**

- Differences in social and economic privilege are directly linked with health inequities. Ontarians who live in poverty and are socially excluded experience a greater burden of disease and die younger than those who have better access to economic, social, and political resources.
- There is clear evidence that insufficient income support compromises health. An analysis of the 1996/1997 National Population Health Survey found that as income adequacy deteriorates the risk of reporting food insufficiency increases.<sup>1</sup> Household food insufficiency is clearly linked with poorer reported and functional health, including higher odds of restricted activity, multiple chronic conditions, major depression, heart disease, diabetes, high blood pressure, and food allergies.<sup>2</sup> Infants and toddlers who experience food insecurity are at a greater risk for poor health, growth problems, and hospitalization.<sup>3</sup>
- Even hypothetically, average monthly incomes for households in Toronto supported by welfare cannot afford a nutritious diet.<sup>4</sup> Food intakes for women in deprived circumstances decreased significantly as the time since they received income increased.<sup>5</sup> Low-income lone mothers compromise their own nutritional intake in order to feed their children.<sup>6</sup>
- People who are homeless are sicker and have higher death rates than the general population. A study of men using homeless shelters in Toronto found mortality rates 8.3 times and 3.7 times higher than rates among men in the general population aged 18-24 and 24-44 respectively.<sup>7</sup> Homeless women aged 18-44 years were 10 times more likely to die than women in the general population of Toronto.<sup>8</sup> A Street Health Nursing Foundation 2007 survey found that the daily lives of homeless people was stressful, isolating, and dangerous where people were often hungry, chronically ill, and unable to access the health care that they urgently required.<sup>9</sup>

### **Background: Poverty and Social Exclusion in Ontario**

- The latest statistics from the National Council of Welfare indicate that Ontario's poverty rate is 14.3 per cent, which represents 1,733,000 Ontarians according to 2003 data.<sup>10</sup> Campaign 2000 has identified our province as "the child poverty capital of Canada" with 345,000 children living here in poverty in 2005.<sup>11</sup>
- A visible sign of Ontario's inadequate policy response to the most vulnerable members of our community is the existence of hunger and food insecurity. The number of Ontarians served by food banks has increased by 14.3 per cent since 2001.<sup>12</sup> Ontario food banks served 318,540 Ontarians per month in 2007..

#### **Poverty is Not Random**

- Those found to be more vulnerable to persistent low income include: lone parents (most frequently mothers); individuals aged 45-64 years who are living

- alone; recent immigrants; persons with a work-limiting disability; aboriginal people; high school drop-outs;<sup>13 14</sup> women;<sup>15</sup> and racialized group members.<sup>16</sup>
- The racialization of poverty merits particular concern as the poverty rate for the racialized family population in Toronto increased steadily from 20.4 per cent in 1981, to 25.5 per cent in 1991, to 29.5 per cent in 2001. This is significantly higher than the 11.6 per cent poverty rate in 2001 for the non-racialized family population.<sup>17</sup>

### **Social Exclusion**

- The government of the United Kingdom uses social exclusion as “a short-hand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, bad health and family breakdown.”<sup>18</sup> Various forms of exclusion are often combined and mutually reinforcing thereby creating webs of vulnerability.<sup>19</sup>
- The racialization of poverty in Canada, for example, has increasingly been made visible by segregated neighbourhoods where racialized groups are relegated to substandard housing, limited access to employment, and inadequate social services.<sup>20</sup> Evidence for this alarming trend is that the poor racialized family population went from making up slightly more than one-third of the total poor family population in Toronto’s higher poverty neighborhoods in 1981 to more than three-quarters by 2001.<sup>21</sup>

### **A Strong Safety Net: Social Assistance**

- A comparative study of minimum income protection in 18 industrialized countries saw Canada plummet from 10<sup>th</sup> place in 1990 (\$8,512)<sup>22</sup> for a single-person household to 17<sup>th</sup> place (\$5,469) in 2005.<sup>23</sup>
- Moving from one of the leading Canadian provinces in the provision of minimum income protection, Ontario was specifically mentioned in a discussion of welfare “laggards” due to the more than 20 per cent cut to social assistance in 1995.<sup>24</sup> The years from 2000 to 2005 in Ontario are on record with the lowest levels of welfare income since 1986, with recipients receiving only 34 per cent to 58 per cent of the poverty line in 2005.<sup>25</sup>
- Social assistance rates were increased by three per cent in March 2005, two per cent in November 2006, and two per cent in November 2007. While a step in the right direction, 676,500 Ontarians receiving social assistance<sup>26</sup> need sufficient resources so that they can live in health and in dignity.
- The Auditor General of Ontario,<sup>27</sup> the Ombudsman of Ontario,<sup>28</sup> and the Street Health Community Nursing Foundation<sup>29</sup> have all documented deficiencies in the administration and service delivery of the Ontario Disability Support Program (ODSP) that adversely affect clients. Increasing access to ODSP by addressing barriers within the disability support system would provide significant benefit to Ontario’s most vulnerable people, including those who are homeless.

### **Living Wages and Protection of Vulnerable Workers**

- Approximately 200,000 people in Ontario earn the minimum wage, and approximately 1.2 million workers earn less than \$10 per hour.<sup>30</sup>
- The minimum wage was increased to \$8 per hour in February 2007, with an increase to \$8.75 per hour proposed for March 2008. However, working people earning the minimum wage are still far below the poverty line. The proposed

- increase in the minimum wage to \$10.25 by 2010 in Ontario's 2007 Budget<sup>31</sup> is too gradual for people struggling in poverty today.
- With 37 per cent of all jobs now being “non-standard” as part-time, temporary, contract, or self-employed work, many low-income families juggle multiple jobs with little security.<sup>32 33</sup>
  - The Provincial Auditor of Ontario found in 2004<sup>34</sup> and 2006<sup>35</sup> that the Ministry of Labour fails to protect vulnerable workers by not adequately enforcing the *Employment Standards Act*. The *Employment Standards Act* must be strengthened to better protect vulnerable workers,<sup>36</sup> and the government of Ontario must better enforce these employment standards.

### Affordable Housing

- With rents outpacing inflation for many tenants, an all-time record number of 64,864 tenant households faced eviction in Ontario in 2005 because they could not pay their rent.<sup>37</sup>
- Insufficient amounts of affordable housing for low and moderate income households, reflected in long waiting lists<sup>38</sup> and physically deteriorating, aging rental stock,<sup>39</sup> have created an urgent need for the provincial government to take action on affordable housing.
- Providing social housing is far more cost effective than the alternatives, as these average monthly costs of housing and homelessness indicate: social housing (\$199.92); shelter bed (\$1,932); provincial jail (\$4,333); and hospital bed (\$10,900).<sup>40</sup>
- More than two million Ontarians are currently forced to live in homes that are unaffordable, substandard, or both.<sup>41</sup>

### Background: Poverty Reduction and Social Inclusion Initiatives in Canada

- The two Canadian provinces that have implemented comprehensive anti-poverty strategies as of 2007 are Quebec and Newfoundland and Labrador.<sup>42</sup> In December 2007, Royal Assent was given in Nova Scotia for an *Act to Establish a Poverty Reduction Strategy Working Group in Nova Scotia*.<sup>43</sup>
- The National Assembly of **Québec** unanimously adopted Bill 112, *An Act to Combat Poverty and Social Exclusion*, on December 13, 2002. The intent of this legislation is to “make Québec, by 2013, one of the industrialized nations having the least number of persons living in poverty.”<sup>44</sup> This Act includes the concept of social exclusion within its definition of poverty as “the condition of a human being who is deprived of the resources, means, choices and power necessary to acquire and maintain economic self-sufficiency or to facilitate integration and participation in society.”<sup>45</sup>
- The government of Québec announced in its 2004-2005 Budget that a total of \$2.5 billion would be allocated over five years to carry out the provisions of this Act.<sup>46</sup>
- **Newfoundland and Labrador** became the second province in Canada to adopt a comprehensive poverty reduction plan in 2006.<sup>47</sup> As in other jurisdictions previously discussed, this plan acknowledges that poverty is a multi-dimensional

concept that includes not only lack of adequate financial resources but also social exclusion.<sup>48</sup>

- The government undertook a formal consultation process in 2005, which included a background document and workbook.<sup>49</sup>
- In Budget 2006, the government committed over \$30.5 million in 2006-2007, and \$64 million annually thereafter, to develop and implement an integrated package of 20 initiatives to reduce poverty in the province.
- Budget 2007 promised an additional \$28.9 million for the poverty reduction strategy, for a total annualized investment of over \$91 million.<sup>50</sup>

### Background: Poverty Reduction and Social Inclusion Initiatives in Europe

- Leaders of the **European Union (EU)** established the Social Inclusion Process in 2000 “to make a decisive impact on eradicating poverty by 2010.”<sup>51</sup> The EU has provided a framework for national strategy development and policy coordination between Member States on issues related to poverty and social exclusion. The EU has developed common objectives and a set of common indicators for the social protection and social inclusion process that provide a common framework for national reports.<sup>52</sup> National Reports on Strategies for Social Protection and Social Inclusion 2006-2008 and updates 2007 are available, many in English, for 27 Member States.<sup>53</sup>
- The **United Kingdom** and Ireland are often given as examples of countries that have successfully reduced poverty and social exclusion. In 1999, Prime Minister Tony Blair announced the goal of reducing child poverty by 25 per cent by 2005, by 50 per cent by 2010, and to eradicate it completely by 2020. The United Kingdom’s multi-pronged approach has resulted in a decrease from among the highest in Europe, with a rate of 27 per cent in 1997-1998, to 22 per cent in 2004-2005. There are now 800,000 fewer children living in relative-low-income households than in 1997.<sup>54</sup>
- The government of **Ireland** adopted a national anti-poverty strategy in 1997. This strategy aimed to address all aspects of poverty and social exclusion, which was defined as:

People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.<sup>55</sup>

- Initial targets set in 1997 to reduce the number of people found to be “consistently poor” ranged from 9 per cent to 15 per cent in 1994 to under 5 per cent to 10 per cent over the 1997-2007 period. The Irish government revised its targets several times since 1997 as it quickly became evident that targets would be met early.<sup>56</sup> The most recent targets are to reduce the number of those experiencing consistent poverty to between 2 per cent and 4 per cent by 2012 and eliminating consistent poverty by 2016.<sup>57</sup>

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- <sup>3</sup> Cook, J., Frank, D., Berkowitz, C., Black, M. et al. (2004). Food Insecurity is Associated with Adverse Health Outcomes among Human Infants and Toddlers. *Journal of Nutrition*. 134(6), 1432-1438.
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- <sup>6</sup> McIntyre, L., Glanville, N., Raine, K., Dayle, J., Anderson, B., & Battaglia, N. (2003). Do low-income Lone Mothers Compromise their Nutrition to Feed their Children? *Canadian Medical Association Journal*. 168 (8), pp. 686-691.
- <sup>7</sup> Hwang, S. (2000). Mortality Among Men Using Homeless Shelters in Toronto, Ontario. *JAMA* 283(16), pp. 2152-2157.
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- <sup>9</sup> Street Health Nursing Foundation (2007). *The Street Health Report 2007*. Toronto: Author. <http://www.streethealth.ca/Downloads/SHReport2007.pdf>
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- <sup>14</sup> Institute for Competitiveness and Prosperity (2007). *Prosperity, Inequality, and Poverty*. Working Paper 10. Toronto: Author, 28-40.
- <sup>15</sup> Canadian Research Institute for the Advancement of Women (2005). *Women and Poverty*. Ottawa: Author.
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- <sup>17</sup> United Way of Greater Toronto and the Canadian Council on Social Development (2004). *Poverty by Postal Code: The Geography of Neighbourhood Poverty 1981-2001*. Toronto: Author, 49.
- <sup>18</sup> Social Exclusion Unit (2004). *Breaking the Cycle: Taking Stock of Progress and Priorities for the Future*. London: Office of the Deputy Prime Minister, p. 14.
- <sup>19</sup> Chambers, R. (1983). *Rural Development: Putting the Last First*. London: Longman.
- <sup>20</sup> Galabuzi, G., (2004), Social Exclusion, in Raphael, D. (Ed.) *Social Determinants of Health: Canadian Perspectives* (pp. 235-251). Toronto: Canadian Scholars' Press Inc, 245.
- <sup>21</sup> United Way of Greater Toronto, 51.
- <sup>22</sup> Amounts in brackets are in 2005 US dollars, yearly amounts, reflecting purchasing power parity, for the minimum income protection for the single-person type-case household.
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[http://www.onpha.on.ca/affordable\\_housing\\_initiatives/fight\\_resources/doc/whereshome\\_2005.pdf](http://www.onpha.on.ca/affordable_housing_initiatives/fight_resources/doc/whereshome_2005.pdf)
- <sup>39</sup> Canadian Centre for Policy Alternatives (2006). *Ontario Alternative Budget 2006: We Can't Afford Poverty*. Ottawa: Author, p. 19.
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[http://ec.europa.eu/employment\\_social/spsi/strategy\\_reports\\_en.htm](http://ec.europa.eu/employment_social/spsi/strategy_reports_en.htm)
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- <sup>56</sup> Collin, C. *Poverty Reduction Strategies in the United Kingdom and Ireland*, 8.
- <sup>57</sup> Government of Ireland, 26.