



# AMO Response to Ontario's Poverty Reduction Strategy Consultation

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Submission to the Ministry of Children, Community and Social Services

May 8, 2020

## Introduction

The Association of Municipalities of Ontario (AMO) welcomes the opportunity to respond to this consultation and provide feedback on poverty reduction efforts in Ontario and suggest the tools and investments needed to strengthen Ontario's new Poverty Reduction Strategy. Poverty is a collective problem that affects individuals and families in all municipalities across Ontario. AMO's goal is to work together with the Province and provide recommendations and general comments on how to implement effective strategies that will strengthen local poverty reduction efforts and further promote vibrant, healthy and prosperous communities.

Given the timing of this consultation, it is important that measures be evaluated and implemented that will respond to the economic and social impacts that the COVID-19 pandemic has brought upon our local communities. Since the release of the online consultation by the Ministry of Children Community and Social Services (MCCSS), times have drastically changed. The onset of the COVID-19 pandemic will further exacerbate the current economic and social status of low-income individuals and families across Ontario. This pandemic threatens to displace more individuals and families into the harsh cycle of poverty that will prove to be even more difficult to escape if targeted investments and systems improvements are not made by the Province in crucial human services areas.

In order to alleviate poverty, the new strategy should tackle the root causes of poverty and bring forward systemic policy changes that will improve employment opportunities and skills training, invest in human services, bolster social support systems and build the necessary community infrastructure and transportation networks needed for those living in poverty. Poverty is a public health problem and there is a direct link between poverty and poorer health outcomes. The social determinants of health are primary factors of poverty reduction initiatives. Therefore, targeted investments in municipal human services community infrastructure that address the social determinants of health will positively contribute to poverty reduction efforts.

The [AMO 2020 Pre-budget Submission](#) recognized the need to strengthen the partnership between municipalities and the Province and continuing the current path to building strong and sustainable communities. For Ontario to continue to grow and prosper, we need to ensure there are affordable and sustainable municipal services and infrastructure investments. These all play a role to reduce poverty in the province. Municipal governments have invested more than \$50 billion annually in key public services and infrastructure and is why they continue to be a major force in the economic well-being of both Ontario and Canada. There is a key trend that has been highlighted in the AMO 2020 Pre-budget Submission that is concerned with affordability for property taxpayers in local communities across the province.

The submission will elaborate on the recommendations and key messages that we believe are important to address when considering the mechanisms and tools to utilize in the new strategy. Many of our recommendations coincide with the Province's key themes providing direct support for people and the economy, protecting and creating jobs and making life more affordable for families. It will be helpful to begin with some context regarding the issue of poverty and the role that different orders of government play in the fight to reduce poverty in our local communities.

## Context

Poverty can be broadly defined as the fundamental lack of financial resources to meet one's basic needs. Basic needs include shelter, food, clothing, transportation and other items that individuals

require to maintain a modest standard of living. The presence of poverty in our local communities continues to hinder socio-economic opportunities for individuals, negatively impact our local economies, exacerbate health outcomes and weaken the ability to live in a fair and inclusive society. In short, there is a cost to inaction. There are several dimensions to poverty including education, food security, employment opportunities, child care, housing affordability and many others that will be observed in this written submission. The cost of poverty in Ontario is estimated to be approximately \$27.1 to \$33 billion annually. The costs have been broken down in the table below:

INDICATOR	COST
1. Health	\$3.9 billion
2. Crime	\$1.1 billion
3. Opportunity: Taxes Forgone	\$2.7 – \$3 billion
4. Opportunity: Lost Income	\$19.4 – \$25 billion
<b>Total Cost of Poverty in Ontario</b>	<b>\$27.1 – \$33 billion</b>

Source: [The Cost of Poverty in Ontario 2019](#)

Health expenditures increase when individuals experience deteriorations in their health due to inadequate access to food and medicine, housing, and problems related to mental health and addiction. This is evident through an increase in emergency department visits and greater usage of other medical resources that can potentially be avoided.

Opportunity costs are the loss of revenue from unemployed/underemployed individuals and the loss of tax revenues. When fewer individuals are employed, there is less money going into the tax system. This results in an overall decrease in government revenue that can be used to fund necessary human services and health programs. Individuals living in poverty are more likely to be both victims of crime as well as participants in the justice system. Crime costs are related to greater use of the justice system due to trials, appeals and evictions.

The [Poverty Reduction Act](#) requires the Province to assess the current poverty reduction strategy and create a new one every five years. As a result, the Province is seeking to update the [2014-2019 Poverty Reduction Strategy](#) and has launched a public consultation. The consultation is being conducted through an online survey that will be open for feedback and submissions until April 30, 2020. The public consultation is seeking feedback in four key areas:

1. Encouraging job creation and connecting individuals to employment opportunities
2. Providing people with the right supports and services
3. Lowering the cost of living and making life more affordable
4. Feedback on Ontario’s Poverty Reduction Strategy and poverty reduction in your community

Reducing poverty in our local communities is beyond the magnitude of any one order of government to accomplish. Coordinated efforts are required between all orders of government in order to successfully achieve short-term and long-term poverty reduction goals. The federal and provincial governments are ensuring that immediate relief measures are provided that will cushion

the impact caused by the pandemic. A description of the role of each order of government in the fight against poverty is summarized below.

### **The Federal Role in Poverty Reduction**

Despite the local nature of poverty, the federal government's role is to ensure that critical investments are being made to alleviate poverty at the national level. They provide funding to ensure that critical investments are being made to alleviate poverty and that there is collaboration and coordination between them and the Province. Below is a list of some of the federal initiatives that seek to reduce poverty in our local communities:

- [National Housing Strategy](#): A \$55+ billion, 10-year plan that will work with stakeholders to create more affordable, stable and livable communities across the country. This includes reducing chronic homelessness by 50% and building up to 125,000 new homes.
- [Investing in Canada Infrastructure Program – Public Transit Stream](#): Long-term \$20.1 billion investment plan for public transit expansions in municipalities across Canada.
- [Opportunity for All – Canada's First Poverty Reduction Strategy](#) is a new poverty reduction initiative that will invest \$12.1 million over 5 years and \$1.5 million per year thereafter to address key gaps and improve poverty measurement.

A commitment to utilizing a whole of government approach should be recognized and maintained if poverty reduction efforts are to be successful. This includes collaboration with municipalities, community organizations, stakeholders and government ministries.

The federal government has implemented numerous funding programs that will help Canadians across the country and reduce the negative impacts that the COVID-19 pandemic has had on our local communities. These includes emergency benefit funds, increased child benefit funds and many other programs and initiatives that will help lift Ontarians during these difficult times. This will decrease the number of individuals and families who may have otherwise fallen into poverty. These targeted investments are welcomed and will strengthen the tools available to municipal governments to reduce the levels of poverty within their communities.

### **The Provincial Role in Poverty Reduction**

The role of the Province in reducing poverty involves the creation of programs, support systems and targeted investments. For example, the Province has responsibility for creating and co-funding programs in areas like affordable housing, social assistance, child care and mental health services and supports. As the provincial government collects income taxes, the most appropriate tax revenue source for income redistribution programs, it has the fiscal capacity to provide funding to local communities for many programs. The Province is a key player in the fight against poverty and plays a significant role by co-funding federal initiatives such as the National Housing Strategy.

In addition, the Province has implemented measures to assist low-income individuals and families in poverty. The Low-Income Individual and Families Tax Credit (LIFT) and Childcare Access and Relief from Expenses (CARE) are tax credits that are intended to help low-income families and individuals and make life more affordable for those living in poverty. As these tax credit programs are fairly new, metrics and outputs should be monitored and evaluated to determine its overall value.

In responding to the COVID-19 pandemic, the Province has taken the initiative to initiate various funding and relief measures that will strengthen municipal efforts to assist those who are in need and soften the impact that the COVID-19 pandemic has on our local communities. During these unprecedented times, every dollar of support for low-income individuals can make the world of a difference. These targeted investments are welcomed and will provide much-needed relief and income support for thousands of individuals in Ontario. Some of the initiatives and funding supports provide much needed funds to emergency services, food banks, public health services and many others that will help cushion the impacts caused by the COVID-19 pandemic.

## **The Municipal Role in Poverty Reduction**

Municipal governments often act as conveners with local stakeholders to allocate funding, plan, manage, deliver, and coordinate social and health services that can help reduce poverty in their communities. Local communities across Ontario feel the impacts of poverty firsthand. As the order of government that is most directly connected with its residents, municipal governments are becoming more involved with poverty reduction efforts, with some going as far as creating local poverty reduction action plans and strategies.

Municipal governments can contribute to the fight against poverty by collaborating with community stakeholders and developing policies that expand on affordable housing, early childhood development, education and skills development, social infrastructure and income security. There are municipal governments that have taken the initiative in developing city-wide affordable transit pass programs, food programs and affordable housing programs to assist those living in poverty.

Municipal governments provide the services that Ontarians rely on the most. Many services in Ontario like housing, public health and childcare are funded by municipal governments/municipal entities. Consolidated Municipal Service Managers (CMSM) and District Social Service Administration Boards (DSSAB) have responsibility for co-funding and managing the delivery of social assistance and employment services for low-income Ontarians. Municipal governments in Ontario delivered \$44 billion in services in 2017, of which \$12 billion were mostly human services that are typically funded by the provincial/territorial government in other Canadian jurisdictions.<sup>1</sup>

In order to address issues of inequality and alleviate poverty, some municipalities have taken the initiative of developing a local poverty reduction action plan and roundtables for their local community. Municipalities that have drafted poverty reduction plans and strategies are undertaking consultations with their local community members. Poverty reduction action plans and strategies at the local level can further compliment strategies at the federal and provincial level and further focus on key problem areas that one municipality may encounter over another.

During these unprecedented times with the COVID-19 pandemic, municipal governments are playing a critical role in maintaining social services to residents and delivering provincially funded programs. The municipal response to the pandemic reflects outstanding leadership, effective emergency planning and recognizes the critically important role that municipal governments play in essential health and social services that further support healthy and prosperous communities. This highlights the key role that municipal governments play and why a collaborative government approach is necessitated.

<sup>1</sup> <http://www.amo.on.ca/AMO-PDFs/Reports/2020/Partnering-for-a-Stronger-Ontario-AMO-2020-Prebudg.aspx>

## Consultation Feedback

The negative experiences associated with living in poverty are felt at the local level by low-income individuals and families. These experiences are not isolated in one area and can occur in northern, urban and rural communities across Ontario. Although the negative effects of poverty are intrinsically the same across different communities, some communities can feel greater deficiencies due to a lack of resources available in some neighbourhoods, more isolated and smaller communities. The lived experiences of priority populations such as the Indigenous and Francophone communities require further attention as these populations experience poverty in relatively different ways.

Studies have shown that the Indigenous population face higher rates of poverty compared to other groups. Not only do they experience higher rates of poverty, but they also experience homelessness at a rate that is disproportionate to the rest of the population. In many major urban areas, Indigenous people make up a significant percentage of the population that experience homelessness and are eight times more likely to experience homelessness than the general population<sup>2</sup>. The disproportionate levels of poverty and homelessness experienced by Indigenous People have led to higher unemployment rates, poorer health and lower income.

The Francophone community in Ontario is much older in age and more susceptible to poverty than the general population. The latest figures from 2016 show that Francophone communities have faced significant barriers due to lower levels of educational attainment, lower level of income and a lower rate of employment<sup>3</sup>. This includes greater access to health services in French and the need for Francophone long-term care services and residences. The experiences of the Francophone community should be considered in implementing concrete changes and stimulate strategic thinking that can raise awareness and bring meaningful change.

The expansion of human services programs that address the social determinants of health is the first step in alleviating poverty. Addressing these concerns and issues will require coordination and collaboration between all orders of government to identify innovative and strategic methods that can be employed and produce successful results in reducing poverty. Collaboration between different orders of government can better inform, guide, and complement municipal poverty reduction strategies.

Municipal governments play a key role in reducing poverty in our local communities by convening relevant stakeholders, funding, and delivering human and infrastructure programs that address the social determinants of health and create good-quality jobs. Investing in municipalities is a strong investment for the provincial economy and will help to create and maintain healthy and prosperous communities. Affordability needs to be at the forefront of any poverty reduction strategy and maintaining property taxes at reasonable rates will make life more affordable for the people of Ontario including homeowners and renters.

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<sup>2</sup> <https://www.homelesshub.ca/about-homelessness/population-specific/indigenous-peoples>

<sup>3</sup> <https://monassemblee.ca/wp-content/uploads/2019/09/White-Paper-Aging-Finale-version-FFF.pdf>

## General Recommendations

1. That the provincial government develop a new Poverty Reduction Strategy that addresses the unique needs of diverse regions in Ontario in urban, rural, and northern Ontario paying special attention to priority populations such as Indigenous People and Francophones.
2. That the provincial government continue to pursue a 'whole of government' approach to reducing poverty and work with municipal government partners to do so.

## Section 1: Encouraging job creation and connecting people to employment

### Section 1 Recommendations:

1. That the Ministry of Economic Development, Job Creation and Trade work with municipal associations, municipalities, and local economic development corporations to develop and implement work force and economic development strategies that create good job opportunities.
2. That the Ministry of Labour, Training and Skills Development work to ensure that the employment services, workforce, and skills development system meet the needs of both employers and job seekers.
3. That the provincial government consider a broad spectrum of investments in municipal infrastructure and services that can create good jobs and economic benefits that will help reduce poverty and improve quality of life overall for the people of Ontario including: transit, community transportation, recreation facilities, affordable housing stock, and meeting the needs of persons with disabilities in communities.

The creation of good-quality jobs and local workforce and economic development strategies are one of many steps that can be taken to alleviate poverty in communities across Ontario. Municipal governments can create networks and build partnerships with local community stakeholders that will facilitate the discovery of employment opportunities for those seeking work.

Creating more job opportunities for individuals seeking work is a key driver in reducing the rate of poverty within our local communities. Measures creating employment opportunities should focus on the creation of good-quality jobs that are sustainable in the long-term. This notion can be further stressed in the wake of the COVID-19 pandemic that has negatively affected the economy and employment market. In the month of March 2020, Canada had shed one million jobs across the country. Many of the job losses were concentrated in lower wage industries (i.e. culture and recreation, wholesale and retail trade and food services and accommodation occupations). A further increase in the number of unemployed people is projected in the coming months as the ongoing pandemic continues to devastate large number of industries. The creation of good-quality and sustainable jobs is an investment that cannot be forgone, and special attention must be given to these investments so that we can provide the necessary support to those who need it the most.

Rapid changes to technology and increasing global competition has intensified the need for workers and employers to remain competitive using skills development and training programs and initiatives. Ontario faces numerous skilled labour shortages in many industries, with the most notable industry being manufacturing. Investments in these programs make sense as increases in unemployment and low-wage jobs can hinder further economic growth and reduce labour force

capacity. Many of the jobs that will be generated in the years to come will appeal for greater utilization of skills and the need for local economies to keep their competitive edge.

The Workforce Development and Training Review that has been announced by the Province is welcomed and will ensure that a thorough review of current programs is being conducted. This will hopefully establish new features and best practices that can be employed in the proposed Workforce Development Action Plan that the Province intends on releasing by the end of 2020. Skills development and employment programs contribute to economic and social integration. Equitable access to these programs will prepare youths and adults with the tools needed to obtain good-quality and sustainable employment.

Disruptions in the labour market will require workers to upgrade their skills in the near future. Innovative efforts such as proactive government-based programs, collaborations between the Province and other public and private sector stakeholders and strategies at the provincial and local level can address these needs. By providing the resources to develop new skills, employers will have access to a more diversified and highly trained labour-market force and employees will have access to good-quality jobs that will help sustain themselves and their families and avoid poverty.

Municipal governments have a role in developing and implementing local workforce development strategies. Community benefit agreements, social procurement and other actions of anchor institutions have shown great potential in creating job opportunities for local residents, including those experiencing barriers to labour market attachment. Anchor institutions are typically the largest employers within a community and often provide employment opportunities that have greater job security, better wages and more benefits (i.e. health and dental). This will be important in tackling the rising trends and increases in precarious employment. There has been a 50% increase in temporary jobs in the last 20 years<sup>4</sup>. Precarious employment further exacerbates the problem of finding sustainable and long-term employment. This is further evident in some rural communities who are heavily dependent on seasonal tourism and mainly offer short-term employment opportunities during a few months of the year.

The large emphasis on helping individuals find good-quality jobs is just one piece of the puzzle. It is just as equally important for individuals to maintain their employment status. There are several factors that are involved with helping those in poverty preserve their employment status. Workers, especially low-income earners living in poverty, need to have supportive mechanisms in place that allow them to affordably live and work in the communities that their employers are situated in. Supportive mechanisms that will assist in preserving an individual's employment status include access to affordable housing, affordable childcare and accessible transportation infrastructure and services. People living in poverty are more susceptible to experiencing poor mental health and addictions and is why greater access to mental health and addictions services are also needed.

Advocating for greater housing affordability and availability is important as the data shows that 80% of social assistance recipients find housing on the private market. Some of these cases would be eligible for social housing if there were enough units available<sup>5</sup>. The Province should allocate funding and investments towards maintaining current community housing structures (some of which are 40 to 60 years old) and commit to building new affordable housing. There are approximately 20% of Ontarians that rely on community housing. Municipal governments administer the housing system locally and is why targeted investments in affordable housing is

<sup>4</sup> <https://www.cbc.ca/news/business/temporary-workers-employment-1.5135310>

<sup>5</sup> [https://munkschool.utoronto.ca/mowatcentre/wp-content/uploads/publications/RCSA\\_Access\\_to\\_Affordable\\_Housing.pdf](https://munkschool.utoronto.ca/mowatcentre/wp-content/uploads/publications/RCSA_Access_to_Affordable_Housing.pdf)

needed by the Province. This not only assists those living in poverty, but also those who experience homelessness.

Poor transportation infrastructure can further exacerbate the inequalities that impact those living in poverty. A stronger transportation network will allow individuals to have greater access to opportunities and other resources. This can positively change the social and economic well-being of not only individuals and families, but businesses and the local communities as a whole. Providing affordable transit options for low-income individuals will allow them greater access to health services, employment opportunities, education and skills development programs and many other essential services that promote a better livelihood for those in poverty.

There are an estimated 315,556 youths aged 16 to 29 that are not in education, employment or skills training (NEET), representing approximately 12.1% of Ontario's youth population<sup>6</sup>. Youth can become NEET for a variety of reasons including gaps in skills and experience, barriers to education, life circumstances, intergenerational and other socio-economic factors. Opportunities for youth employment through co-op placements, internships and apprenticeships are important as they assist individuals in acquiring the skills and experience needed to enter the labour market. As more individuals reach the age of retirement, it is critical that investments are made in the youth population that will connect them with employment opportunities, build necessary skills and provide resources that will promote entrepreneurship that will enable them to open their own businesses and further contribute to the overall economy.

Gender dimensions of poverty are present and will need to be addressed in policies and discussion surrounding poverty reduction. Women are disproportionately affected by poverty because of the greater likelihood of them working part-time, seasonal or other low-wage temporary jobs that offer no job security and health benefits. Women are also often viewed as the caregivers in a household. As a result, their number of workable hours are reduced which can result in sacrificing further career development opportunities. This leads to women experiencing a reduction in their earning power and economic sustainability. As a result, they are more susceptible to falling into the poverty cycle.

The COVID-19 pandemic has further exacerbated the gender dimensions of poverty and has been highlighted in the March 2020 labour force report released by Statistics Canada. The report revealed that there were more than one million job losses in Canada in March 2020. Women are bearing the brunt of the economic losses being experienced during this pandemic. The Labour Force Survey data for Ontario published by Statistics Canada revealed that there was a 21% decrease in the number of females employed aged 15 to 24 compared to males that only experienced a 11% decrease. Furthermore, females aged 25 to 54 experienced a 6% decrease in employment while males only experienced a 3% decrease<sup>7</sup>.

The unemployment figures are further troublesome because of the exclusion of individuals who have left the labour market altogether. This is especially pertinent for women who typically take on the primary caregiver role in the household and are required to stay at home to care for children and/or family members who may be ill. The full picture has yet to be painted and we believe that the reality of these job losses will be further highlighted in the next monthly job report. This is why

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<sup>6</sup> <https://blueprint-ade.ca/wp-content/uploads/2018/12/NEET-Youth-Research-Initiative.pdf>

<sup>7</sup> Statistics Canada. [Table 14-10-0017-01 Labour force characteristics by sex and detailed age group, monthly, unadjusted for seasonality \(x 1,000\)](#)

it is important that targeted investments are made, and that support is provided to the thousands of women who may not be able to meet their basic needs during these unprecedented times.

There are approximately 1.85 million Ontarians living with a disability. This number is anticipated to grow even further as the population ages. Adequate support systems for this group of Ontarians will only lead to a further decrease in levels of poverty and improve the socio-economic status of these individuals. Many individuals who have a disability are limited in their employment options and are often in low-wage precarious employment. Support should be given to persons with disabilities through greater investments in job training and improved accessibility.

## Section 2: Providing people with the right supports and services

### Section 2 Recommendations:

1. That the provincial government continue to work with municipal partners and support them to continuously improve the effectiveness and efficiency of integrated human service programs that address the social determinants of health.
2. That the provincial government continue to work towards reducing administrative burden and increasing human service integration in ways that shift resources to frontline services.
3. That the Ministry of Municipal Affairs and Housing work with municipal partners to develop an action plan to end chronic homelessness in Ontario by 2030 or sooner.
4. That the Ministry of Children, Community and Social Services share and disseminate the best practices and learnings based on an evaluation of the projects previously funded under the Local Poverty Reduction Fund and also consider targeted funding to scale up these practices across Ontario based on what worked.

Poverty reduction initiatives are beyond the magnitude of just any one government. There is a need for an overarching and robust provincial and federal strategy paired with local strategies that will complement each other with various poverty reduction actions that are based on appropriate roles and responsibilities. Poverty is experienced disproportionately by individuals who are socially isolated, racialized youth, working-age single adults and people with disabilities.

Although progress has been made in poverty reduction efforts for families and children, Ontario is still experiencing growing rates of poverty within specific groups of people, namely working-age single adults and families without children. With about 1.57 million Ontarians living in poverty<sup>8</sup>, the next poverty reduction strategy must establish new initiatives that encourage good-quality job creation and employment opportunities, increase human service integration and improve the efficiency of human service programs. This includes making targeted investments in programs such as affordable housing and childcare that will help make life more affordable for Ontarians.

Municipal service managers have the administrative expertise to administer social service program for community residents in municipalities across Ontario. This will create a more efficient system and reduce administrative burdens. However, targeted investments and financial support will be

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<sup>8</sup> <https://feedontario.ca/wp-content/uploads/2019/09/Feed-Ontario-Cost-of-Poverty-2019.pdf>

needed by the Province to provide them with the resources needed to effectively perform their duty and responsibility.

Rural municipalities are more susceptible to feeling the brunt of financing social programs in their communities because of a smaller tax base to draw money from. Services in these areas can often be under-funded and lack necessary resources. Localizing the essential services that residents rely on is necessary for the long-term sustainability of rural and small-town communities.

Municipal governments continue to be a key partner with the Province of Ontario and collectively invest \$50 billion annually in important public services and infrastructure that local residents rely on most, on a day-to-day basis<sup>9</sup>. To put this into perspective, \$50 billion is approximately one-third of the total revenue of the Government of Ontario. The amount of municipal investments in these services further confirms that municipal governments continue to be a major force in the economic well-being of this province.

Chronic homelessness continues to affect local communities across Ontario and is a component of poverty that carries many significant health and social implications. Many of the problems that low-income individuals and families experience are further exacerbated for people experiencing homelessness. Homeless individuals are exposed to various communicable diseases, lack healthy and nutritious food and are overall at a greater risk for adverse health outcomes. The Province should continue their efforts to reduce chronic homelessness in Ontario by 2030, or sooner, and should strengthen their initiatives to collect better data. The first step should be to reinstate homelessness enumeration counts. This will provide a better snapshot of the current state of homelessness and can better inform future strategies that look to mitigate and reduce the overall rate of homelessness in our communities.

The Local Poverty Reduction Fund (LPRF) was introduced in 2015 and committed to a \$50 million investment over six years to support innovative, local and community-driven solutions that measurably improve the lives of those most impacted by poverty. From 2015 to 2017, the LPRF had funded approximately 120 projects. Dissemination of the data and best practices learned throughout the duration of the program can help inform the new poverty reduction strategy. We are hopeful that the MCCSS will share this information and consider targeted funding to scale up these practices across Ontario based on the actions that had worked. This is aligned with the need to pursue future evidence-based policies.

### Section 3: Lowering the cost of living and making life more affordable

#### Section 3 Recommendations:

1. That the provincial government make targeted investments for interventions based on evidence in municipal human service programs that can help make life more affordable and facilitate attachment to the labour market, therefore alleviating poverty with programs such as social assistance, child care, and housing.
2. That the Ministry of Children, Community and Social Services and the Ministry of Agriculture, Food and Rural Affairs develop and implement a provincial food security strategy to ensure that Ontarians have access to adequate and nutritious local food supply.

<sup>9</sup> <http://www.amo.on.ca/AMO-PDFs/Reports/2020/Partnering-for-a-Stronger-Ontario-AMO-2020-Prebudg.aspx>

The creation of any new poverty reduction initiative and program in municipal human services such as social assistance, affordable housing and childcare should be evidence-based and supported by a cost-benefit analysis. This will ensure that the provincial government is getting a favourable return on investment and delivering on public policy outcomes. It is equally important that the strategy continue to provide metrics and outputs and that the Province continue their commitments to provide annual data and reports that will evaluate and monitor the progress being made. Being proactive in releasing data and statistics on important indicators will further strengthen poverty reduction efforts and better guide the strategy as a whole.

Access to affordable childcare is considered to be an important pillar in the fight to reduce poverty and targeted investments in this pillar should be closely examined and considered. Providing equitable access to affordable child care can be highly beneficial for low-income families. These benefits include the opportunity to reduce child poverty rates and for parents to take on full-time employment. The latter opportunity is especially critical for single-parent households who may otherwise struggle with higher costs in childcare. Investments in affordable child care programs are one of the ways in which we can alleviate poverty in our local communities and allow families to thrive.

One in five homeowners in Ontario are spending a minimum of 30% of their income on housing<sup>10</sup>. Property tax levels continue to be a major factor in housing affordability and are amongst the highest in Canada. Municipal governments continue to be fiscally stressed and are seeking assurance from the Province that it is committed to the economic sustainability and prosperity of local communities and are addressing key challenges related to services that municipalities provide like transit and housing.

Food insecurity is one of the social determinants of health and continues to play a critical role in the discussion surrounding poverty. There continues to be consensus amongst experts that there is a connection between food insecurity and low individual/household income. Individuals and families should not have to sacrifice other basic necessities in order to have access to healthy and nutritious food. Households that bring in less money at the end of the month are more susceptible to food insecurity. This can increase the probability of developing health complications and diseases. There is a higher mortality rate for individuals who are food insecure and higher health care costs associated with food insecurity<sup>11</sup>.

Ontario's current approach to improving food security involves the use of food banks, farmer's markets and meal programs. In 2018, over 507,000 people in Ontario accessed food banks with over 3 million annual visits<sup>12</sup>. Developing a comprehensive food security strategy is critical to lifting the health status of individuals living in poverty and ensuring that they have adequate access to a healthy and nutritious food supply. The well-being and health of Ontarians is important and can provide significant long-term benefits for the entire province if access to nutritious food supplies are given the low-income individuals and families.

## Section 4: Poverty reduction in your community

The contents of this section do not provide any recommendations but paints a picture of the difficulties that Ontarians are experiencing using data and statistics. As mentioned in section three

<sup>10</sup> <http://www.amo.on.ca/AMO-PDFs/Reports/2020/Partnering-for-a-Stronger-Ontario-AMO-2020-Prebudg.aspx>

<sup>11</sup> <https://journals.plos.org/plosone/article/file?id=10.1371/journal.pone.0202642&type=printable>

<sup>12</sup> <https://feedontario.ca/wp-content/uploads/2019/09/Feed-Ontario-Cost-of-Poverty-2019.pdf>

of this submission, it is important that future policies and initiatives are validated and supported by evidence. The use of data and statistics can better inform a future policy reduction strategy by prioritizing areas that need attention. The data compiled comes from various resources including Statistics Canada, journal reports/articles, Government of Ontario and other sources as cited. Sources of data and specific indicators can often be lacking in some areas. For the purposes of this submission, we have been diligent to include the most recent data available. The Province's annual poverty reduction report provides information on the status of poverty in Ontario. However, the 2019 report was not available at the time of drafting this submission.

Poverty reduction efforts have contributed to the well-being and prosperity of some groups more than others, namely children and families with children who are faring better than before. However, the same cannot be said for working-age single adults who have struggled to see a reduction in their rate of poverty. Among the working-age single adults in Ontario, approximately 30% of them are currently living in poverty<sup>13</sup>. Individuals in this category are further susceptible to falling into deep poverty, a level of poverty categorized by individuals who fall below 80% of the low-income measure (LIM). The LIM indicator is used to calculate poverty in Ontario.

Approximately 61% of individuals who receive social assistance benefits under Ontario Works (OW) are single adults without children and the average length that a recipient stays on OW has increased from 1.5 to 3 years in the past decade<sup>14</sup>. The OW program seeks to reintegrate individuals back into the workforce. However, the latest numbers reported reveal that the OW Employment Assistance program has only helped 10-13% of recipients find work and leave OW<sup>15</sup>. While the reasons for this vary and are in need of further analysis as to why, there is a potential to increase this rate through more life stabilization supports for clients and help more individuals find good-quality jobs. This can be accomplished if both targeted investments are made towards these employment programs and municipal service managers are provided with the appropriate tools and resources to effectively administer them.

In February 2020, The Province introduced service system managers in three prototype regions; Region of Peel, Hamilton-Niagara and Muskoka-Kawartha. The new model will see employment-related functions of the municipal Ontario Works and the provincial Ontario Disability Support Program integrate with the provincial Employment Ontario network into a single employment services system. The plan is to modernize how employment and social assistance services are provided to recipients and be more responsive to the labour market needs of local communities in Ontario. At this time, there are nine municipalities that have been affected by this change and this number continues to grow as the Province works to fully roll out the new changes in the coming years. Transitional support will be needed for the affected municipalities. AMO is hopeful that the new service system managers will work closely with the municipal governments in the prototype areas to assist and support social assistance recipients and enhance strategies related to local labour force and economic development.

As of March 2020, the total number of unemployed individuals in Ontario has reached 585,600. This is up from 459,300 a year earlier and highlights a 27.5% increase in total unemployment in Ontario<sup>16</sup>. Long-term unemployment is defined as individuals who are unemployed for 27 weeks or

<sup>13</sup> [https://maytree.com/publications/five-ideas-maytree-would-like-to-see-in-ontarios-next-poverty-reduction-strategy/?mc\\_cid=8730f8f41e&mc\\_eid=b65f9900f9](https://maytree.com/publications/five-ideas-maytree-would-like-to-see-in-ontarios-next-poverty-reduction-strategy/?mc_cid=8730f8f41e&mc_eid=b65f9900f9)

<sup>14</sup> [https://on360.ca/wp-content/uploads/2019/10/Resetting-Social-Assistance-Reform\\_FINAL.pdf](https://on360.ca/wp-content/uploads/2019/10/Resetting-Social-Assistance-Reform_FINAL.pdf)

<sup>15</sup> [https://on360.ca/wp-content/uploads/2019/10/Resetting-Social-Assistance-Reform\\_FINAL.pdf](https://on360.ca/wp-content/uploads/2019/10/Resetting-Social-Assistance-Reform_FINAL.pdf)

<sup>16</sup> Statistics Canada. [Table 14-10-0342-01 Duration of unemployment, monthly, seasonally adjusted](#)

longer. Statistics Canada unemployment data from March 2020 shows that there were approximately 63,600 Ontarians experiencing long-term unemployment<sup>17</sup>. This was down from 75,100 a year earlier and highlights a 15.3% decrease. Long-term unemployment in March 2020 accounted for 10.9% of total unemployment in Ontario and is sometimes used as an indicator of long-term unemployment trends. The top five hardest hit industries that experienced major job losses are accommodation and food services, wholesale and retail trade, health care and social assistance, manufacturing and information, culture and recreation. These five industries alone account for 325,100 job losses in Ontario<sup>18</sup>. Many individuals and families who were already on the verge of falling into poverty prior to the pandemic are more at risk.

The importance of long-term unemployment cannot be understated. This remains to be an important poverty indicator because the longer an individual remains unemployed, the more difficulty they will encounter trying find a job and reintegrate themselves back into the labour force. This is not considering the time they remain confined within the poverty cycle. Although it is assuring to see the long-term unemployment numbers are down from a year before, the economic fallout due to the COVID-19 pandemic is expected to further increase the total unemployment numbers and potentially impact long-term unemployment rates in the near future. As of March 2020, estimates show that approximately 1.2 million Ontario workers were directly affected by the shutdowns through either job losses or sharply reduced hours, representing almost one in six jobs in Ontario<sup>19</sup>.

The rate of poverty for racialized communities in Ontario continues to affect thousands of people across the country. Racialized poverty is a stark reality that disproportionately affects thousands of individuals across Ontario. Findings from a 2018 report reveals a much higher prevalence of poverty among racialized communities in comparison to non-racialized communities. Racialized individuals in Ontario accounted for 21.3% of those below the low-income measure after tax compared to only 11.5% of non-racialized Ontarians<sup>20</sup>. The racialized population is more likely to suffer from high unemployment rates, have higher dependency on social assistance and lower rates of educational attainment. These are all circumstances that further condition these individuals to remain in poverty. Targeted investments in education, human services, skills development and employment is important to lift the socio-economic status of this group and other groups that are susceptible to falling into poverty.

## Conclusion

The Province has the opportunity to establish a new poverty reduction strategy that can make life more affordable for those living in poverty and promote prosperous, healthier and safer communities. Open consultations are important and can facilitate discussions with key stakeholders around areas where new innovations and transformations can improve poverty reduction mechanisms. The new strategy should seek to establish positive outcomes to those living in poverty and attend to the growing needs of low-income individuals and families.

The contents and recommendations found in our submission responds to the themes found in the poverty reduction consultation; encouraging job creation and connecting people to employment, providing people with the rights supports and services, making life more affordable and poverty

<sup>17</sup> Statistics Canada. [Table 14-10-0342-01 Duration of unemployment, monthly, seasonally adjusted](#)

<sup>18</sup> <https://www.fao-on.org/en/Blog/Publications/labour-market-03-2020>

<sup>19</sup> <https://www.fao-on.org/web/default/files/publications/EC2003%20Labour%20Market%20Commentary/2020LabourMarket-EN.pdf>

<sup>20</sup> <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2018/12/Persistent%20inequality.pdf>

reduction in your community. It is imperative that targeted investments are made in social and human services like affordable housing and childcare, transportation and social assistance. Future policies and funding programs should seek to support municipal governments in the services they administer. Today's targeted investments in poverty reduction efforts can build tomorrow's growth and prosperity for Ontarians across the province.

As highlighted in the introduction, the cost of inaction is too high and the Province should recognize the dire needs of Ontarians, especially during such unprecedented times. The COVID-19 pandemic has further exacerbated the livelihoods of millions of Ontarians across the Province which has placed many in economic hardships. The lack of proper support and investments can push people into deep poverty. Events like the COVID-19 pandemic has further raised an alarm and brought more awareness regarding the circumstances that many individuals and families are facing.

Municipalities continue to feel the effects of poverty firsthand. A whole of government approach and targeted investments in municipal services can positively contribute to reducing poverty in our communities. This response to the consultation has provided a thorough review of the problems that poverty presents to our communities and suggests mechanisms and tools that can be implemented by the Province to alleviate poverty, drive economic prosperity and well-being and contribute to a better way of live for individuals and families. The status-quo is no longer a viable option and further unprecedented measures must be undertaken to prevent further damage to the livelihood of millions of Ontarians.

AMO remains committed to working together with the Province to develop a new poverty reduction strategy that will address the needs of the diverse local communities that are present across Ontario. Although AMO recognizes that there is no immediate solution to reducing poverty overnight, there are proven mechanisms that could reduce the number of those living in poverty. Municipal governments are the front-line administrators for various programs and services and have the expertise to operate an efficient system of services that will highly benefit residents in our local communities. Municipal governments cannot commit to doing this alone and this is why the Province is needed to provide the necessary investments and support systems that will alleviate and reduce poverty in our local communities.

At this time, we have yet to experience the long-term impacts that the COVID-19 pandemic will have on the social and economic status of Ontarians. Although there is uncertainty on what the future may hold, there will be a need to generate discussion on the range and depth of measures to address poverty once the situation surrounding the pandemic is relieved. In the interim, our recommendations are still relevant and can be considered as part of the overall solution. However, we do recognize that greater measures and actions may be needed to alleviate and reduce levels of poverty during these unprecedented times. We appreciate the opportunity to respond to this consultation. AMO looks forward to future discussions with the provincial ministries and developing tools and policies that will strengthen social and human services, create good-quality jobs and employment opportunities and make life more affordable for all.

## Summary of Recommendations

1. That the provincial government develop a new Poverty Reduction Strategy that addresses the unique needs of diverse regions in Ontario in urban, rural, and northern Ontario paying special attention to priority populations such as Indigenous People and Francophones.
2. That the provincial government continue to pursue a 'whole of government' approach to reducing poverty and work with municipal government partners to do so.
3. That the Ministry of Economic Development, Job Creation and Trade work with municipal associations, municipalities, and local economic development corporations to develop and implement work force and economic development strategies that create good job opportunities.
4. That the Ministry of Labour, Training and Skills Development work to ensure that the employment services, workforce, and skills development system meet the needs of both employers and job seekers.
5. That the provincial government consider a broad spectrum of investments in municipal infrastructure and services that can create good jobs and economic benefits that will help reduce poverty and improve quality of life overall for the people of Ontario including: transit, community transportation, recreation facilities, affordable housing stock, and meeting the needs of persons with disabilities in communities.
6. That the provincial government continue to work with municipal partners and support them to continuously improve the effectiveness and efficiency of integrated human service programs that address the social determinants of health.
7. That the provincial government continue to work towards reducing administrative burden and increasing human service integration in ways that shift resources to frontline services.
8. That the Ministry of Municipal Affairs and Housing work with municipal partners to develop an action plan to end chronic homelessness in Ontario by 2030 or sooner.
9. That the Ministry of Children, Community and Social Services share and disseminate the best practices and learnings based on an evaluation of the projects previously funded under the Local Poverty Reduction Fund and also consider targeted funding to scale up these practices across Ontario based on what worked.
10. That the provincial government make targeted investments for interventions based on evidence in municipal human service programs that can help make life more affordable and facilitate attachment to the labour market, therefore alleviating poverty with programs such as social assistance, child care, and housing.
11. That the Ministry of Children, Community and Social Services and the Ministry of Agriculture, Food and Rural Affairs develop and implement a provincial food security strategy to ensure that Ontarians have access to adequate and nutritious local food supply.