

What is poverty?

It has been established that poverty and homelessness are strongly correlated; in fact, loss of income acts as a major factor associated with homelessness.

Public opinions and government policy regarding the nature and causes of poverty tend to oscillate between two positions. On one hand, poverty is often seen as a shortcoming of individuals who will not (or cannot) do what is required to maintain a reasonable life. In this view, poverty is often a moral failing. Measures to provide extra supports to poor people are believed to encourage a lack of initiative and make the problem worse. The opposing view is that poverty arises mainly from systematic inequities in the economy and society, and is largely the result of factors (lack of work, low wages, or discrimination) beyond the control of individuals. It is generally understood these factors impact some populations more than others.

Canada without Poverty provides a helpful snapshot on the current state of poverty and homelessness in Canada:

- 1 in 7 (or 4.9 million) people in Canada live in poverty.
- Poverty costs Canada as a whole between \$72 billion and \$84 billion annually.
- Low-income families are not only more vulnerable to poor health than those earning a living wage, they also use more healthcare resources because illness can make it harder to get out of poverty. Poverty can lead to sickness because of inadequate housing, poor nutrition, and less access to preventative health care. For example, poverty costs B.C. \$1.2 to \$3.8 billion a year in health-related costs.
- Between 1980 and 2005, the average earnings among the least wealthy Canadians fell by 20%.
- Over the past 25 years, Canada's population has increased by 30% and yet, annual national investment in housing has decreased by 46%.
- Due to the epidemic of unaffordable housing in Canada, almost 1 in every 5 households experience serious housing affordability issues (spending over 50% of their low income on rent) which puts them at risk of homelessness.
- In Toronto, one study found that there were approximately 5,219 people who were homeless in 2013. Roughly half of those experiencing homelessness were on wait lists for affordable housing during the same period.

- It is estimated people experiencing homelessness with a disability or mental illness represent 45% or more of those experiencing homelessness. This can be explained by the fact that people living with disabilities, both mental and physical, are twice as likely to live below the poverty line.
- 21% of single mothers in Canada raise their children while living in poverty, where women who work full-time earn about 72 cents for every dollar earned by men. (In contrast, 7% of single fathers raise their children in poverty.)
- Women parenting on their own enter shelters at twice the rate of two-parent families.
- Due to Canada's history of colonization of Indigenous Peoples and their lands, Indigenous Peoples are overrepresented amongst those experiencing homelessness in virtually all urban centres in Canada.
- 1 in 2 Status First Nations children lives in poverty.
- 1 in 5 racialized families live in poverty in Canada, as opposed to 1 in 20 non-racialized families, where racialized women living in poverty were almost twice as likely to work in manufacturing jobs than other women living in poverty.

One notable factor these statistics show is that poverty occurs on a wide scale across race, gender, ability and citizenship status. It is clear that despite misconceptions of poverty and/or homelessness as individualized failures, the massive scale at which [1 in 7 Canadians experience financial insecurity](#) signifies that poverty is a structural, systemic problem that requires structural and systemic solutions.

Two factors account for increasing poverty in Canada: 1) the eroding employment opportunities for large segments of the workforce, and 2) the declining value and availability of government assistance in times of crisis. People experiencing poverty are frequently unable to pay for housing, food, childcare, health care and education. Difficult choices must be made when limited resources cover only some of these necessities. And often, it is housing - which absorbs a high proportion of income - that must be sacrificed. Being unable to afford the basic necessities despite working full-time at minimum wage brings forth the concept of a "living wage."

Child Poverty

Child poverty has a negative and long-lasting impact on a child's ability to learn, build skills, find employment and avoid poverty. It is well-understood that children who experience poverty and lack of educational opportunities often grow up to become adults who experience poverty and low education levels. A lack of healthy food, health care, and

a stimulating environment lowers a child's ability to learn for the rest of their lives. A child's experience during the early years of development (prenatal to 8 years of age) sets a critical foundation for their entire life course. All aspects of Early Childhood Development (ECD) - including physical, social/emotional and language/cognitive domains - strongly influence basic learning, school success, economic participation, social citizenry and health. The environments where children grow up, live and learn - with parents, caregivers, family, and teachers - have the most significant impact on their development.

Children living in poverty show almost 3.5 times the number of conduct disorders, almost twice the chronic illnesses and twice the rate of school problems, hyperactivity and emotional disorders as children who don't experience poverty. Canadian children that live in poverty often suffer from iron deficiencies, which lead to difficulties in cognitive development. They also have such health, social, and cognitive disadvantages compared to other children, that they are generally less equipped - socially, emotionally and physically - to undertake school programs. If their disadvantaged position and different day-to-day experiences are not taken into account by school education, they are unable to benefit fully from the school system. Numerous studies have consistently shown that the strongest single predictor of educational achievement and attainment is the socio-economic status of the student's family. Education - in close co-operation with health care, guidance and counseling services, and income generating activities - is pivotal in breaking the vicious cycle of poverty and social exclusion that is the reality for many families.

Living wage vs. minimum wage

We are all familiar with the concept of a minimum wage, which is the lowest wage rate an employer can pay an employee. The minimum wage is set by the provinces and territories based on economic conditions, cost of living along with many other factors. However, Canadians living on minimum wage are struggling to afford the basic necessities of life. Essentially, increased costs of living such as rent, gas prices, utilities and others have dramatically outpaced increases in wages. On the other hand, a living wage would provide an income that considers the actual costs of living in a specific community. This would ensure families could afford the basics such as food, clothing, housing payments, childcare and transportation. In October 2018, Alberta's minimum wage will increase to \$15 an hour. Ontario has also agreed to raise the minimum wage to \$15 by 2019, and several provinces are set to raise their minimum wages throughout 2017 to various amounts. But for some, this still may not be enough.

The increase in advocacy for a living wage is not only happening in [Canada](#), but in the [U.S.](#) and [U.K.](#) as well, signalling an international outcry. The demand for a living wage simply highlights the fact that a minimum wage fails to approximate the basic expenses of individuals and families, pushing them into a state of poverty and financial insecurity.

[A living wage is calculated based](#) on a family of four with both parents working full-time for 37.5 hours a week and does not cover finances needed for owning a home, savings accounts or paying off debts. Living wages would also vary from each community, as the cost of living in Toronto (\$18.52), for instance, will be far more than Windsor (\$14.15).

One critique of the living wage is that companies will hire fewer employees as a result of increased labour costs. However, studies show that businesses usually absorb cost increases related to living wage policies through a combination of price and productivity increases, reduced turnover and redistribution of staff.

Some worry that a living wage will hurt local business owners. However, as small businesses gain their revenue from their community, an increase in wages indicates more purchasing power, putting wages earned back into the community.

Others argue that if wages go up, prices go up. However, there is no correlation between the two, as costs rise all the time without workers receiving a pay increase. [One study in Seattle](#) found that the increase in minimum wage to \$15/hour had no impact on the prices of goods and that costs went up by the same amount in Seattle as they did in surrounding communities that didn't see a raise to their minimum wage.

A living wage for families experiencing poverty poses many [benefits](#) such as the ability to afford nutritious food and adequate housing, more time to spend with one's family, not having to juggle several jobs, time for civic engagement, positive early childhood development, increased psychological well being, reduced stressors from financial insecurity and several more.

Employment

Despite the multiple benefits of a living wage, especially to those already earning a minimum wage, these benefits would not be accessible to those who face difficulty in gaining employment all together. Contrary to popular belief, [many individuals experiencing homelessness are employed](#) -- [one study](#) found that 25% of 3.5 million Americans experiencing homelessness have jobs. Similarly, the 2016 [Vancouver Homeless](#)

[count](#) reported that 23% of those experiencing homelessness in Vancouver was considered “overall employed.” It should be noted individuals experiencing homelessness often face [barriers to attaining and maintaining employment](#) that include:

- No access to a phone or permanent address
- A lack of work-appropriate (or interview-appropriate) attire
- Gaps in employment history
- Unreliable transportation (inability to afford a vehicle or public transit fares) to get to interviews and/or employment
- Conflict between hours of work and hours of operation of homeless services including shelter access and meal programs
- Health and/or mental health issues can interfere with work, and lack of food, sleep and rest can make maintaining employment difficult, if not impossible

[Other research found](#) that for parents experiencing homelessness, inaccessibility to childcare is a barrier to employment. This study also found that along with an overall reluctance to hire individuals who have or are experiencing homelessness, stereotypes surrounding homelessness cast considerable doubts on the ability for individuals experiencing homelessness to obtain or maintain employment. It is also important to note that individuals experiencing homelessness are not a homogenous group, and that those experiencing homelessness that also face hiring discrimination based on race, citizenship status, disability, sexual orientation and gender.

What can be done?

The barriers listed above clearly shows addressing and preventing homelessness through the eradication of poverty cannot be done by isolated interventions. Solutions such as reverting the decline in Canada’s social safety net, implementing a living wage, creating sustainable jobs, and providing affordable long-term housing supports are all necessary to approach homelessness and poverty via a [preventative framework](#).



the **DIGNITY
PROJECT**



debunking myths about poverty in canada

SalvationArmy.ca/**dignity**

overview

You may not come across poverty on a daily basis in Canada, but believe us, it's there. In fact, **one in 11 Canadians**, a number that has gone relatively unchanged over the past decade, live in poverty today. This year, to coincide with the launch of our new initiative, ***the Dignity Project***, The Salvation Army is releasing data to illustrate public perceptions of poverty and the poor.

One of the primary motivations for launching ***the Dignity Project*** is to educate the public about the reality of poverty in the 21st century — and underscore the point that everyone deserves fundamental human dignity. In order to achieve this, we felt it was first important to take stock and answer this question: **How do average Canadians feel about the poor living among them today?**

Our goal in releasing this data is to educate the public and address some of the misconceptions about Canadians living in poverty. The report findings reflect some good news and some bad news. The vast majority of Canadians do believe that everyone, despite their socioeconomic status, deserves dignity and most agree that the poor deserve a helping hand. The bad news is that many still believe that the poor have mostly themselves to blame and that poverty is a choice. This is contrary to The Salvation Army's experience serving the poor in Canada for nearly 130 years.

According to our survey, Canadians believe that **poverty is the third most important issue** facing the country today, behind the economy and health care.

Other key findings of the report include:

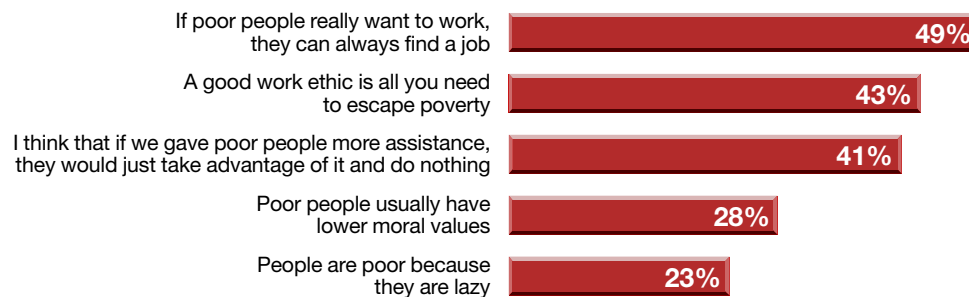
- About **50 percent of Canadians** feel that a family of four could get by on **\$10,000 – \$30,000 per year or less**.
- **Nearly half** of all Canadians feel that **if poor people really want to work, they can always find a job**.
- **Nearly 40 percent** believe people who live in poverty in Canada “**still have it pretty good**.”
- **About a quarter** of Canadians feel that people are poor because they are **lazy** and have **lower moral values** than average.
- **96 percent** of Canadians believe that **everyone deserves a sense of dignity**, but only **65 percent** believe that **being poor can rob you of dignity**.

Today, approximately **three million Canadians live in poverty** and each year The Salvation Army serves 1.6 million people across the country with basic needs — many among the nation's poor. The Salvation Army takes a holistic approach to service and makes every effort to restore a sense of dignity to our clients. With the launch of ***the Dignity Project***, The Salvation Army is working to address the dehumanizing scourge of poverty and injustice and educate the public about what it means to live in poverty — and what they can do to help. With your support, dignity is within reach for all!

Myth: Poverty is a choice and the poor are the problem.

Fact: There are systemic barriers that make escaping poverty difficult, if not impossible, for many.

Canadians' attitude towards the poor



Our report revealed startling perceptions about the poor. Many Canadians hold opinions that perpetuate the idea that “the poor are the problem” and that their decisions and choices led them to a life of poverty:

- **Nearly half** of all respondents agreed with the notion that, if poor people really want to work, they **can always find a job**.
- **43 percent** agreed that “a **good work ethic is all you need** to escape poverty.”
- **41 percent** believe that the poor would “take advantage” of any assistance given and “**do nothing**.”
- **28 percent** believe the poor have **lower moral values** than average.
- And **nearly a quarter** believe that “people are **poor because they are lazy**.”

Certainly, personal choice plays a role in all of our lives and some individuals make poor decisions that contribute to future problems. However, there are also significant systemic barriers that perpetuate a cycle of poverty. Many individuals that are living in poverty experience difficulty retaining stable employment, due to challenges such as mental health issues and addiction that inhibit their success, and with the Canadian unemployment rate currently at 7.8 percent, finding a job is easier said than done.

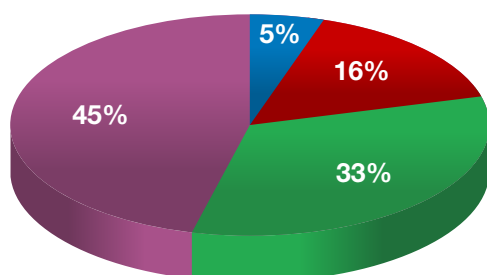
A 2009 study of men at Salvation Army shelters nationwide showed that **90 percent would prefer to live in permanent housing** and **51 percent reported making attempts to find permanent housing**. More than **one-quarter of these shelter users were actually employed** in some capacity — and yet were still utilizing the shelter system. As Canada continues to emerge from one of the most severe economic recessions in recent history, The Salvation Army is seeing many former donors coming through our doors to keep their families cared for and fed. Everyday, we witness people making strides to escape poverty.



Myth: A family of four is able to live off of \$10,000 – \$30,000 a year.

Fact: It is extremely difficult to get by on this amount. For a family of four living in an urban area, the actual poverty level cut-off is nearly \$35,000.

What is the least amount of money a family of four can get by on in Canada?



- < \$10,000
- \$10,000 – \$20,000
- \$20,000 – \$30,000
- \$30,000 +



Many Canadians underestimate the level at which a family of four qualifies as impoverished with **more than half of all respondents** pegging the “get by” level between \$10,000 and \$30,000. Specifically:

- **A third of respondents** felt that a family of four could subsist at **\$20,000 – \$30,000 per year**.
- **16 percent** believed **\$10,000 – \$20,000** was reasonable.
- **Five percent** suggested the family could live on **less than \$10,000**.
- On a positive note, **85 percent** of respondents recognized that it is **almost impossible to survive on minimum wage**.

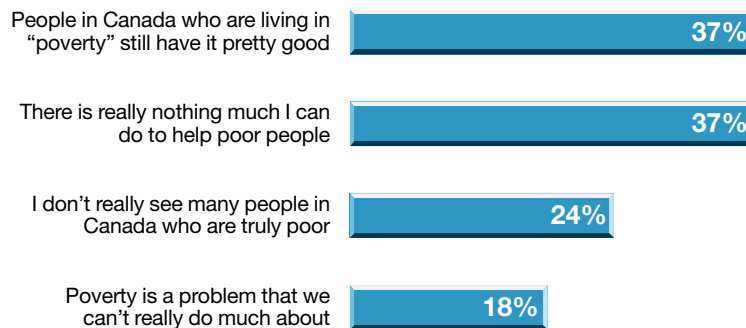
In fact, it is extremely difficult for a family of four to live on less than \$40,000 per year in an urban area. According to Statistics Canada, the average family of four, with two working parents, has an annual income of \$84,800. To qualify as impoverished, a family’s total income needs to amount to \$34,289, less than half of this average. In a rural area, the poverty level is \$22,783. Often, The Salvation Army serves clients whose annual income is actually slightly higher than these cut-off rates, demonstrating that even these poverty levels may be slightly unrealistic.



Myth: People in Canada who are living in poverty still have it pretty good.

Fact: A life in poverty is extremely difficult and can rob you of basic dignity.

Canadians' perceptions on the poor.



Many Canadians continue to believe the myth that Canadians living in poverty still have it "okay" and that, even if it was a problem, there's not much they can do to help. A significant minority agree that:

- People living in poverty in Canada "**still have it pretty good.**" (37 percent)
- There is really **nothing much I can do** to help poor people. (37 percent)
- Poverty is a problem that we **can't really do much about.** (18 percent)

A life in poverty is far from good. According to a 2009 study of Salvation Army shelter residents, nearly half indicated that they were experiencing an ongoing health problem brought on by challenging living conditions. While many poor receive government assistance, research has demonstrated that this typically does not cover the cost of affordable housing.

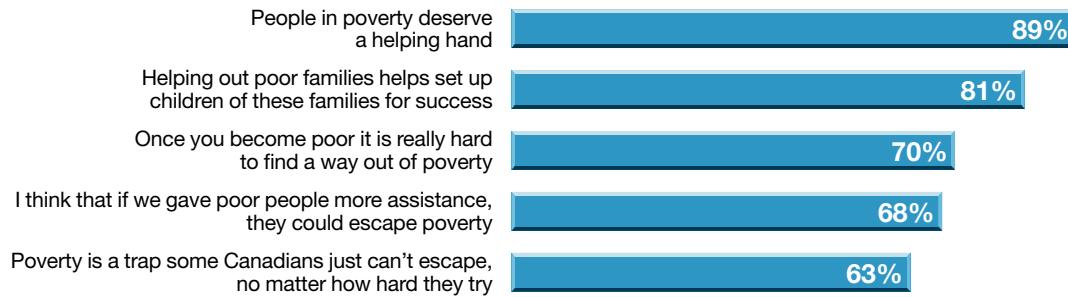
The good news is that, despite perceptions to the contrary, there is something you can do to help by donating to, or volunteering with, a variety of human service organizations across the country.



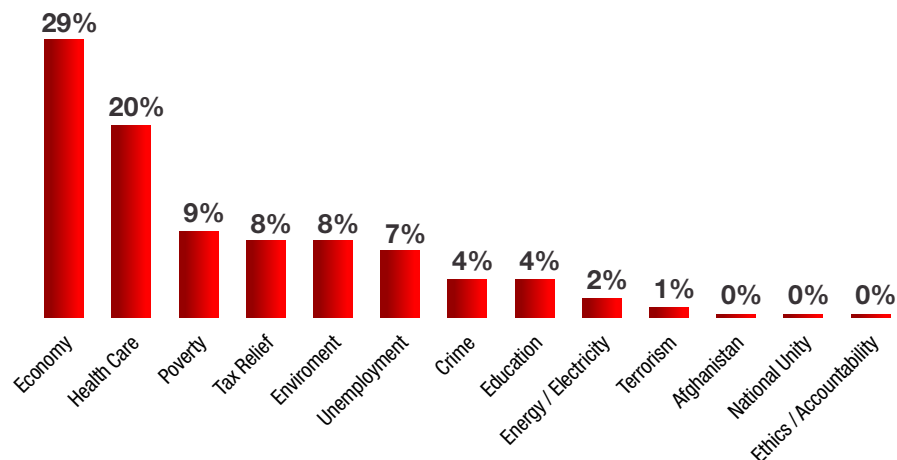
Myth: Canadians are apathetic about the topic of poverty.

Fact: Canadians ranked poverty as the third most important issue facing the country today.

Perceptions on poverty



The most important issues facing Canada today



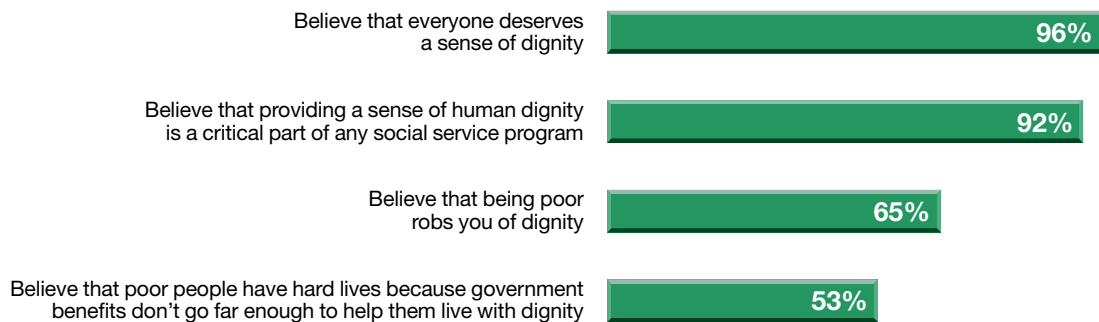
Now for the good news. Many Canadians recognize that poverty is a critical issue. In fact, poverty was ranked as the **third most critical issue facing the country** in our survey, with nine percent of responses. Coupled with related topics like **unemployment (seven percent)** and the economy (**29 percent**), Canadians clearly recognize the importance of an economically well-off populace. Most Canadians also agree that people deserve help to escape poverty:

- **89 percent** of respondents agreed that people living in poverty **deserve a helping hand**.
- **81 percent** agreed that helping out poor families helps **set up children of these families for success**.
- **63 percent** agreed that **poverty is a trap** that is hard to escape.

Canadians are far from apathetic about issues of poverty. While some may have misconceptions about what it means to be poor, there is a general understanding that poverty is an important problem that deserves the attention of society and individuals.

conclusion

Fact: Human dignity is a fundamental right for all.



As the largest non-governmental direct provider of social services in Canada, The Salvation Army believes that everyone deserves dignity. Our survey respondents tend to agree:

- **96 percent** of respondents believe that **everyone deserves a sense of dignity**.
- **92 percent** believe that providing a sense of **human dignity is a critical part** of any social service program.
- **65 percent** believe **being poor robs you of dignity**, meaning more than one-third disagree with this fundamental fact.

For too many Canadians, the basic necessities of life required for human dignity are out of reach. Poverty is often the root cause, leaving three million Canadians without access to everyday resources such as food, clothing and shelter.

For The Salvation Army it is important to understand the public's perceptions on poverty. Breaking through misconceptions and moving towards facts are critical ways we can help break the cycle of poverty. This report demonstrates the road ahead to get the Canadian public to overcome false impressions of the poor and educate them on the reality of a life in poverty.

We have developed ***the Dignity Project*** to inspire and educate the public about the challenges facing society's most vulnerable people. We believe that together, we can address the dehumanizing nature of poverty and injustice. We are asking all Canadians to join ***the Dignity Project*** — let's restore dignity and hope for all!

survey methodology

This study was conducted online by Angus Reid Public Opinion with a sample of 1,025 Canadians drawn from the Angus Reid Forum, a panel of 100,000+ Canadians who have agreed to participate in research. The survey was conducted January 26-27, 2011 in both English and French. The data was weighed by age, gender, region, language and past Federal vote, to ensure a representative sample of Canadian public opinion.

With a sample of this size, the data can be considered accurate approximately +/- 3.1%, 19 times out of 20.

the DIGNITY PROJECT

SalvationArmy.ca/dignity



The Salvation Army is an international Christian organization that began its work in Canada in 1882 and has grown to become the largest non-governmental direct provider of social services in the country. The Salvation Army gives hope and support to vulnerable people today and everyday in 400 communities across Canada and more than 120 countries around the world.

The Salvation Army offers practical assistance for children and families, often tending to the basic necessities of life, providing shelter for homeless people and rehabilitation for people who have lost control of their lives to an addiction. When you give to The Salvation Army, you are investing in the future of marginalized and overlooked people in your community.



Just the Facts

[Canada Without Poverty](#) > [Poverty](#) > [Just the Facts](#)

Nearly five million people in Canada – that's one out of every seven individuals – currently live in poverty. Poverty is a widespread issue across the country and the world, but vulnerable groups such as people living with disabilities, single parents, elderly individuals, youth, and racialized communities are more susceptible. The effects of poverty can be expressed in different aspects of a person's life, including food security, health, and housing. The following statistics show the different manifestations of poverty in Canada.

If you have any questions or would like to request more information, please [contact us](#) or subscribe to our [newsletter](#).

[Poverty & Demographics](#)

[The Impact of Poverty](#)

[International Rankings](#)

Basic statistics about poverty in Canada

The following are statistics about the current reality of poverty in Canada.

- [1 in 7 \(or 4.9 million\)](#) people in Canada live in poverty.
- In Edmonton, [1 in 8](#) individuals are currently living in poverty.
- Poverty [costs](#) Canada billions of dollar annually.
- Precarious employment has increased by nearly [50%](#) over the past two decades.
- Between 1980 and 2005, the average earnings among the least wealthy Canadians fell by [20%](#).
- Over the past 25 years, Canada's population has increased by 30% and yet annual national investment in housing has decreased by [46%](#).

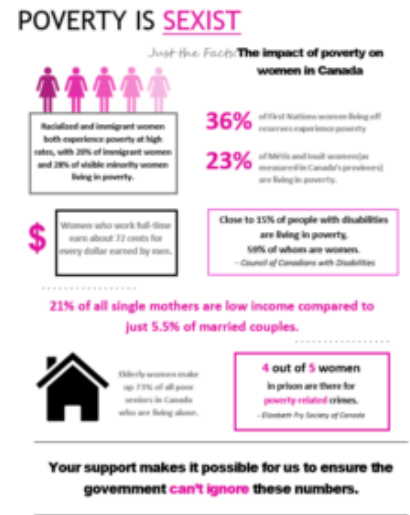
Poverty & Demographics

Marginalized Communities

Some members of society are particularly susceptible to the effects of poverty. The following statistics suggest groups who are particularly likely to experience poverty.

- People living with disabilities (both mental and physical) are [twice](#) as likely to live below the poverty line.
- Nearly [15%](#) of people with disabilities live in poverty, 59% of which are women.
- Estimates place the number of homeless individuals living with a disability or mental illness as high as [45%](#) of the overall homeless population.
- Children with disabilities are [twice](#) as likely to live in households relying on social assistance
- [21%](#) of single mothers in Canada raise their children while living in poverty ([7%](#) of single fathers raise their children in poverty).
- Women parenting on their own enter shelters at [twice](#) the rate of two-parent families.

- Indigenous Peoples (including First Nations, Métis, and Inuit peoples) are **overrepresented** among the homeless population in virtually all urban centres in Canada.
- **28%-34%** of shelter users are Indigenous.
- **1 in 5 racialized** families live in poverty in Canada, as opposed to 1 in 20 non-racialized families.
- Racialized women living in poverty were almost **twice** as likely to work in manufacturing jobs than other women living in poverty.
- Overall, racialized women earn **32%** less at work.
- Nearly **15%** of elderly single individuals live in poverty.
- Nearly 2 million seniors receive the Guaranteed Income Supplement, and live on about **\$17,000** per year. However, the most basic standard of living in Canada is calculated at \$18,000 per year for a single person



Child Poverty

Children and youth under 18 are particularly vulnerable to conditions of poverty. The following statistics outline risk factors and the realities of youth poverty in Canada.

- In Canada, **1.3 million** children live in conditions of poverty (that's 1 in 5).
- **1 in 2** Status First Nations children lives in poverty.
- **8%** of children in British Columbia live in poverty with children under the age of 6 representing an even higher poverty rate of 20.1% (both are higher than the national average of 18.5%)
- **1 in 5** Edmontonian children (under the age of 18) live in poverty, which increases to 1 in 3 children in single-parent families.
- **40%** of Indigenous children in Canada live in poverty, and 60% of Indigenous children on reserves live in poverty.
- More than **one-third** of food bank users across Canada were children in 2016.
- About **1 in 7** of those using shelters in Canada are children.

The Impact of Poverty

Food Insecurity

One aspect of poverty is not having enough food or having limited to access to nutritious and healthful food. The following statistics outline the reality of hunger in Canada.

- Residents in Nunavut spend **twice** as much on food as the rest of the country on average (\$14,800 v. \$7,300 annually).
- **4 million** people in Canada experience food insecurity.
- **1 in 8** Canadian households struggle to put food on the table.
- In 2014, the majority of food insecure households – **62.2%** – were reliant on wages or salary from employment.
- **8 out of 10** provinces saw an increase in food bank usage in 2016.
- **62%** of children living in the North are food insecure.
- **2 out of every 5** Northern households are food insecure.
- Food bank usage across Canada is **3%** higher than 2015 and 28% higher than it was in 2008.
- In Nunavut, **7 of 10** Inuit preschoolers live in food insecure households.
- Food bank usage has **increased in all provinces** since 2008, apart from Newfoundland and Labrador.
- **2%** of food bank users are Indigenous.



Health

The effects of poverty are wide-ranging and can be difficult to see from the outside. The following statistics show the risks and effects poverty has on an individual's physical and mental health.

- **1 in 10** Canadians cannot afford to fill their medical prescriptions. Canada is the only industrialized country with a universal healthcare system but without a national pharmacare policy.
- A McMaster University study found a **21-year difference** in life expectancy between the poorest and wealthiest residents of Hamilton, Ontario.
- Researchers have found that men in the wealthiest 20% of neighbourhoods in Canada live on average **more than four years longer** than men in the poorest 20% of neighbourhoods.
- Estimates place the cost of socio-economic disparities in the health system to be **20%** of all healthcare spending.
- It has been estimated that \$1 invested in the early years of a child's life can **save** up to \$9 in future spending in the healthcare system.
- Food insecure households were 80% **more likely** to report having diabetes, 60% more likely to report high blood pressure, and 70% more likely to report food allergies.

Housing

Homelessness is the most obvious expression of poverty's effect on housing, but it's not the only one. The following facts delve into housing instability and homelessness in Canada.

- **3 million** Canadian households are precariously housed (living in unaffordable, below standards, and/or overcrowded housing conditions).
- An estimated 235,000 people in Canada **experienced** homelessness in 2016, with roughly 35,000 people being homeless on any given night.
- Almost **1 in every 5** households experience serious housing affordability issues (spending over 50% of their low income on rent) which puts them at risk of homelessness.
- Three-quarters of Yukon's population live in **Whitehorse** where the average price of housing increased 80% over six years.
- Estimates place the number of homeless individuals living with a disability or mental illness as high as **45%** of the overall homeless population.
- In Toronto, there were **5,219 people** who were homeless in 2013 (the latest available data). Roughly half of the homeless population were on wait lists for affordable housing during the same period.
- Canada Mortgage and Housing Corporation predicts that its major national housing program funding will fall from **\$3.04 billion (2010) to \$1.68 billion by 2017** — a \$1.36 billion difference.
- According to new research, **spending \$10 on housing** and support for high-need chronically homeless individuals resulted in almost \$22 of savings related to health care, social supports, housing, and the justice system.
- Youth aged 16-24 make up about **20%** of the homeless population
- The number of older adults and seniors experiencing homeless is rising, making up a combined **4%** of shelters users in 2016



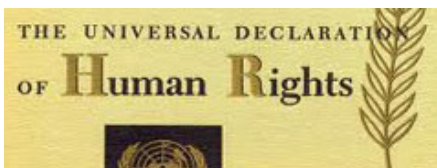
International Rankings

Canada is a wealthy country, but people living in Canada still experience poverty. How does Canada compare to other countries around the world?

- UNICEF rated Canada **17th out of 29 wealthy countries** due to the number of children living in poverty in Canada and 26th out of 35 wealthy countries for overall child inequality.

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Human Rights



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Poverty Progress Profiles

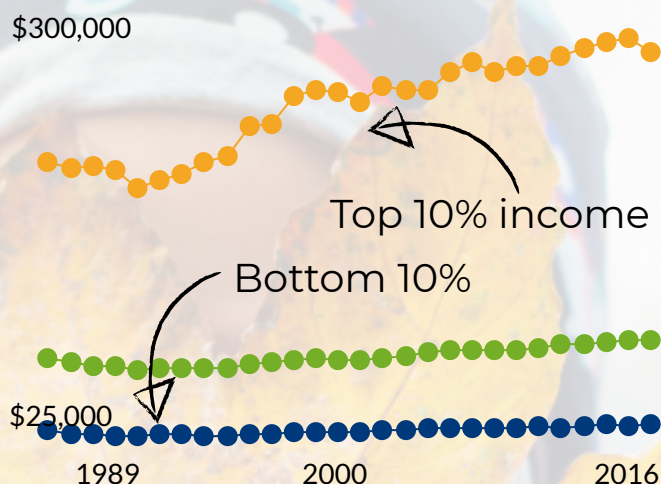


Our profiles look at the human rights compliance of provinces and territories in Canada [...] [More](#)



Canada is a wealthy but **increasingly unequal** country.

Our children pay the price.



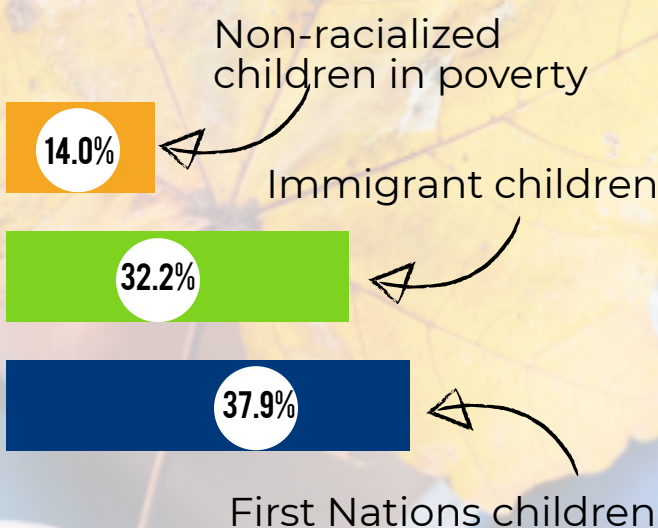
The **top 10%** saw their income grow by **\$100,000** in two decades,

10X

the increase

seen by the bottom 10%.

While the rich get richer, our most **vulnerable children continue to be left behind.**

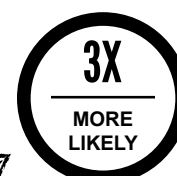


Immigrant children are more than



and

First Nations children are nearly



to be in poverty than non-racialized children.

Fair taxation could pay for:

Universal childcare

Affordable housing

Equitable service funding



These are the **bold ambitions** that can **end child poverty this generation.**

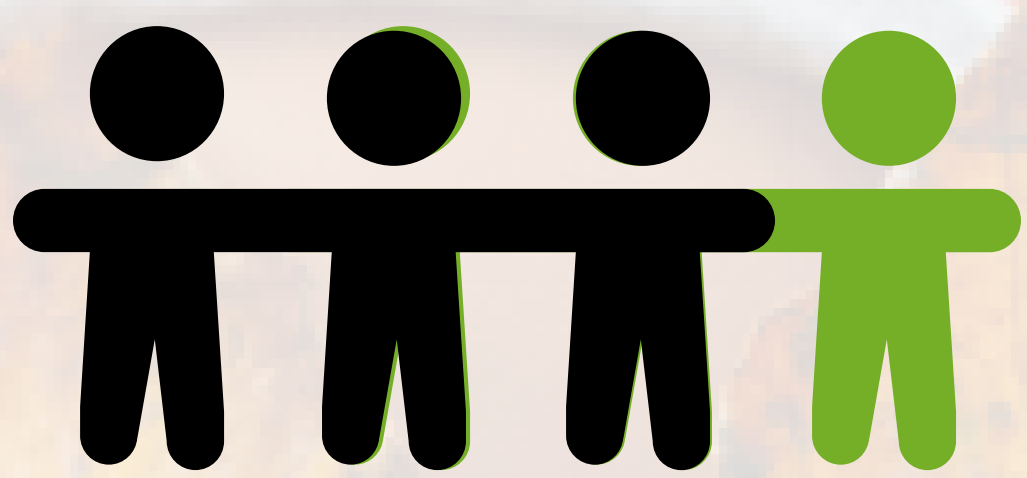
2018

Report Card on Child and
Family Poverty in Canada

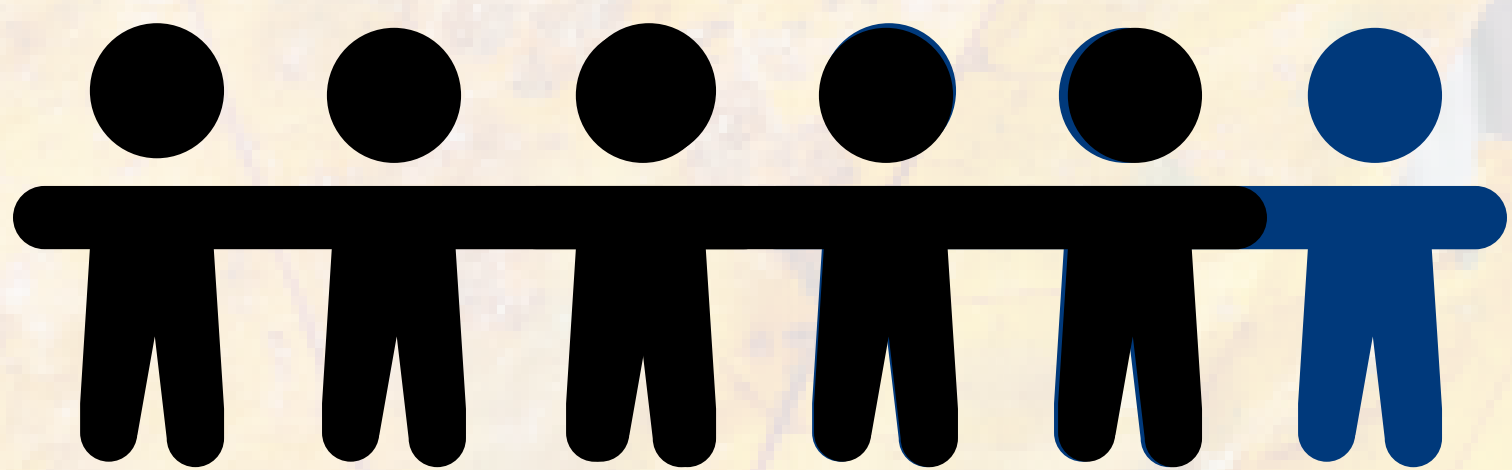
#BoldAmbitions



1 in 5 children live in
poverty.



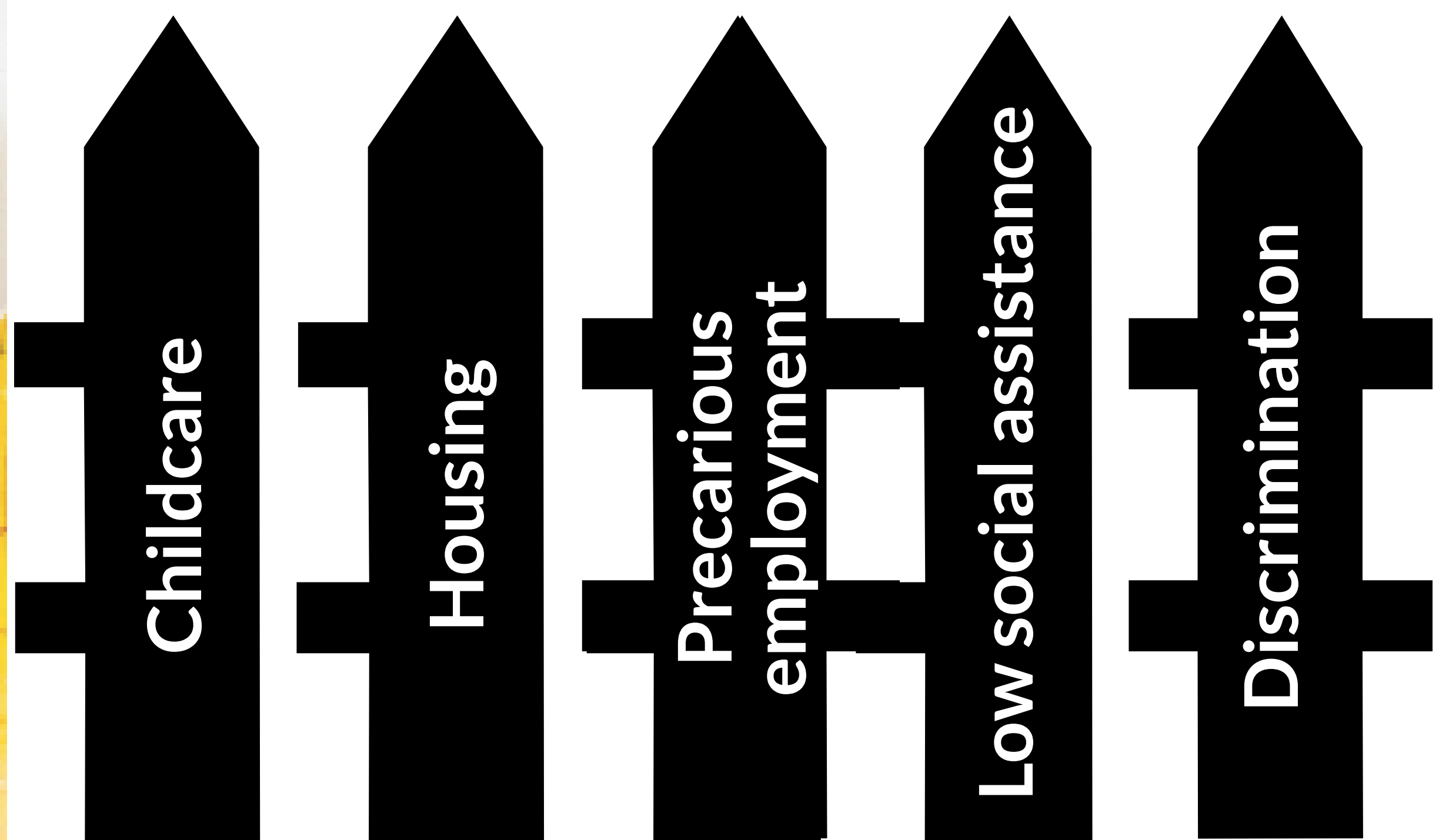
1 in 4 live in
unaffordable housing.



1 in 6 live with food
insecurity.

1.4 million children
currently live in poverty.

Their families face several
barriers to climbing out of
poverty.



The government plans to cut poverty in half by 2030. But
with children's lives at stake, we can't afford to wait.



CAMPAIGN 2000
END CHILD & FAMILY POVERTY

campaign2000.ca



Poverty Hurts Children and Families

All Ontario children deserve a strong beginning
2018

1 in 5

children under the age of 18 live in poverty in Ontario (544,710)



While child poverty rates slightly declined by 1.6% from 2015 (21.1%) to 2016 (19.5%) - much more must be done to eradicate poverty and provide every child with a fair chance for a healthy life.

Child poverty often looks like



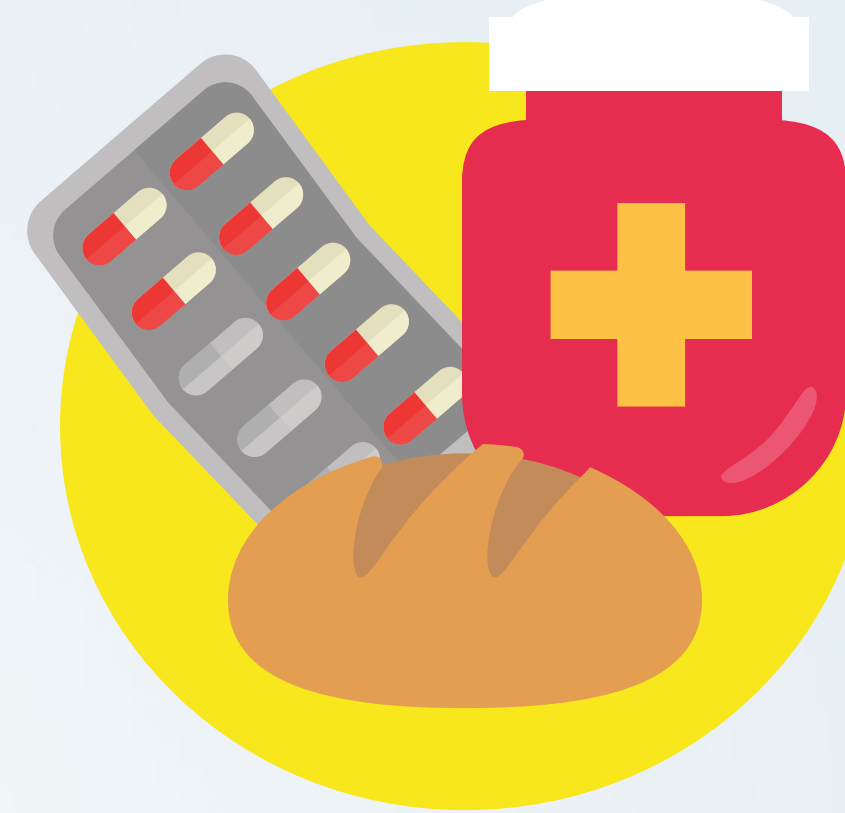
Chronic illness



Stress, depression and anxiety

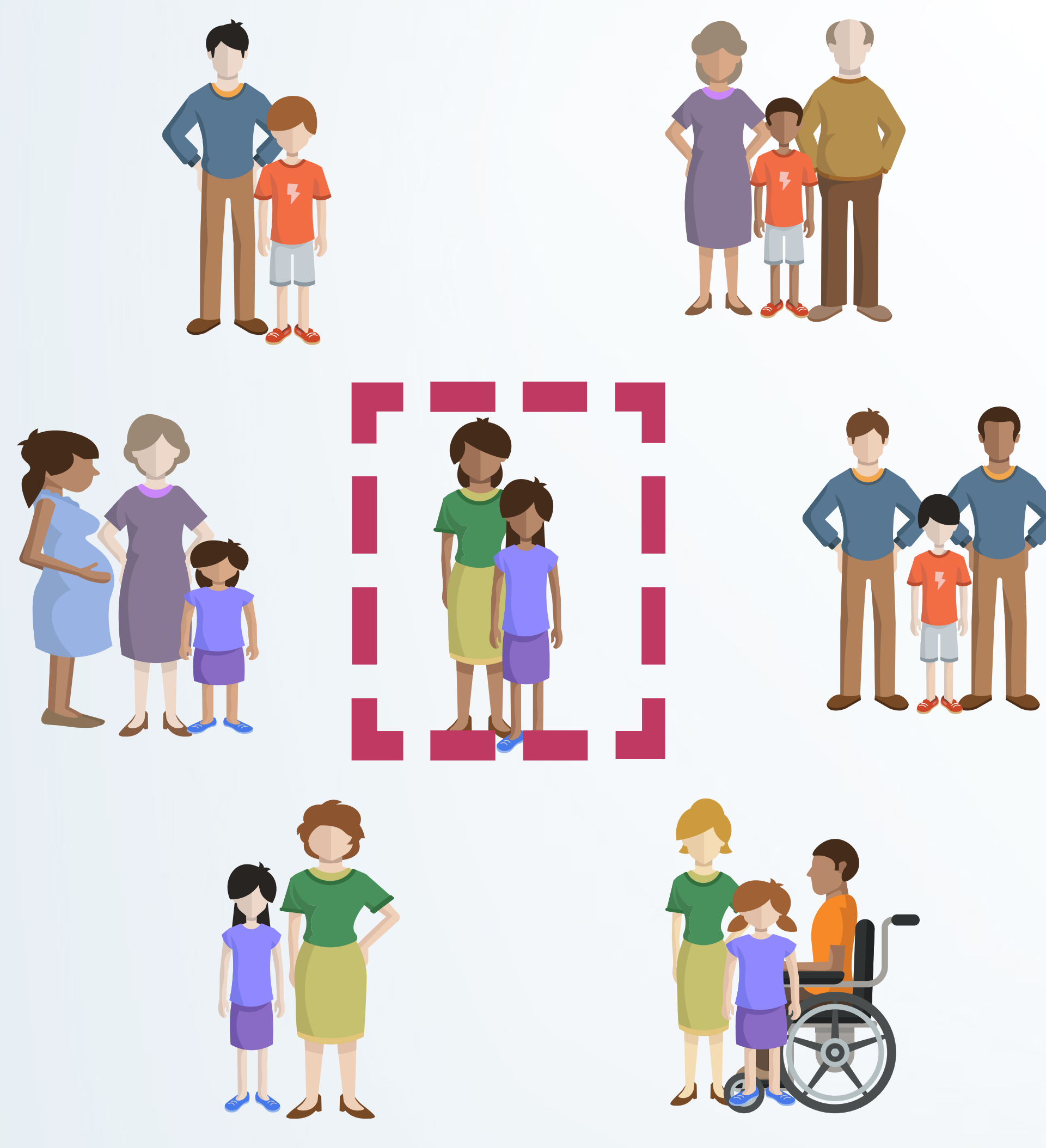


Discrimination



Difficulties affording necessities of life

Families in Poverty



1 in 7

families with children live in poverty in Ontario (351,490)

Some causes of Poverty



Precarious Employment



Weak social assistance programs



Unaffordable housing



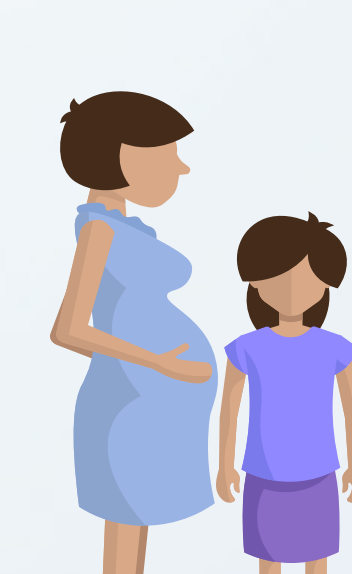
Expensive childcare

Poverty Discriminates

Due to structural inequalities and discrimination, poverty rates are even higher among most marginalized groups.



Low-income households in Ontario are more likely to include Indigenous Peoples, women, racialized people, immigrants, people with disabilities, and lone-parent families



Key Recommendations

Our solutions target the roots from where poverty stems



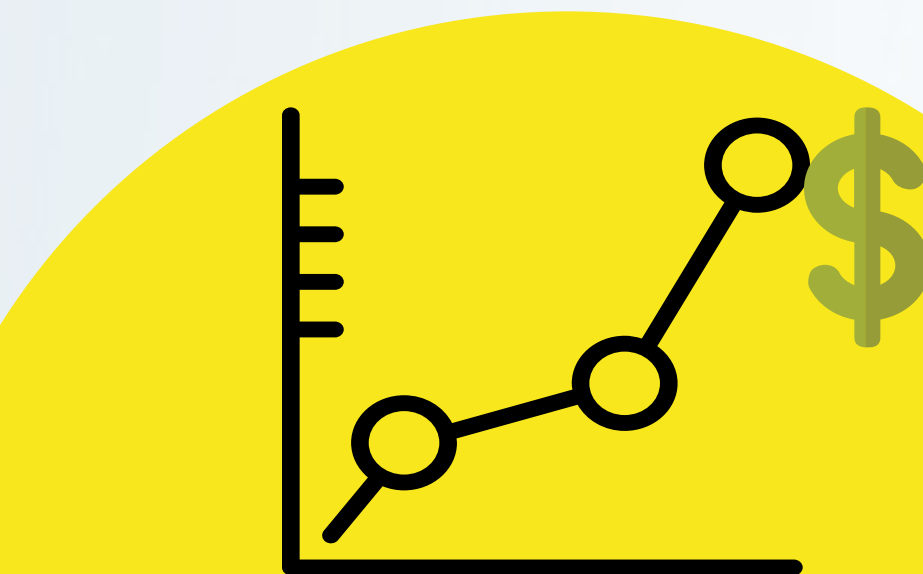
Raise minimum wage to \$15/hr and pass labour laws which protect workers' rights



Implement targeted programs, like employment equity, to reduce poverty among marginalized groups



Strengthen income security, including raising social assistance



Raise Ontario Child Benefit by \$100 per child in 2019

Strong Ontario-wide poverty reduction strategy



Build affordable housing and multi-year strategy to end homelessness



Publicly funded childcare - accessible, affordable, high quality



ONTARIO CAMPAIGN 2000

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November 20, 2018

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Poverty Measures: Opportunity or Distraction?

Ricardo Tranjan





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Poverty Measures: Opportunity or Distraction?

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Poverty Measures: Opportunity or Distraction?

STARTING IN 2004, almost all provinces and territories, several regions and municipalities, and the federal government have released poverty reduction strategies or discussion papers. Initially, the willingness of governments to develop plans focused on poverty reduction was met with enthusiasm from communities and advocates who had long demanded them. As time passed, it became clear that having these plans was not enough to drive the expected actions and investments. Today, as some governments embark on the renewal of their strategies (e.g. Ontario has begun developing its third five-year plan), and others catch up (e.g. British Columbia and the federal government are developing their first plans), a consensus has formed on the need for poverty reduction strategies to include clear measurements.

Governments seem to be taking this call seriously: the 2018 federal budget earmarked \$12 million over the next five years, and \$1.5 million per year thereafter, to “address key gaps in poverty measurement;”¹ Halifax, Toronto, Saskatchewan, British Columbia, and the Northwest Territories have also mentioned poverty measurement in recent budgets. Experts, in turn, are debating the issue and presenting decision makers with alternatives. These are encouraging steps, but we must not lose sight of the prize: action.

Policy work on poverty measurement must not become a search for a Holy Grail indicator, a scholarly debate, an endless public consultation, or another sort of distraction. The call for poverty measurement is, ultimately, meant to distinguish between strategies that simply convey aspirational commitments — and, as such, receive broad political support but little funding — and strategies that bear the political will and investments needed to move the needle on poverty reduction.

With this in mind, this paper puts forward five recommendations for how to use targets, indicators, and evaluations to fuel action and investments on poverty reduction.

1. Give up the search for a Holy Grail measure of poverty
2. Use existing indicators to monitor trends in key social policy areas
3. Try to understand the dynamics of poverty
4. Use investment targets to keep governments accountable
5. Use evaluation resources strategically

The background section presents an abridged account of the emergence of poverty reduction strategies as a social policy framework in Canada and a brief overview of their content. This background provides the necessary context for the five recommendations, which are discussed in detail in the subsequent section.

Background

The social policies and programs implemented in industrialized countries in the post-World War II period (1945–1973) were rarely framed as comprising a poverty reduction strategy. One exception was United States President Lyndon B. Johnson’s “war on poverty,” which drove the creation of Job Corps, Medicaid, and the Food Stamp Program, among other initiatives.² In Canada, this period brought universal health care, the Canada (and Québec) Pension Plan, the Guaranteed Income Supplement, the Canada Assistance Plan, and the extension of social housing programs. These programs were not framed as anti-poverty strategies. In fact, the word “poverty” appeared only three times in federal budgets from 1957 to 1972, when most of these changes came into effect.³ Jump forward 35 years: the 2018 federal budget mentioned poverty 55 times.

There is very little research on how poverty reduction became a pervasive concept in policy debates in Canada, its ideological underpinnings, and the political-economic context in which strategies emerge.⁴ This line of inquiry — which is explored internationally — could yield useful lessons nationally. But what we do know is that poverty reduction strategies made their debut in Canada in the early-2000s and that they have been promoted for by advocacy groups in all sectors and espoused by all political parties.⁵

Quebec approved the *Plan d'action gouvernemental en matière de lutte contre la pauvreté et l'exclusion sociale* in 2004. The premier of the day was Liberal Jean Charest, former leader of the Progressive Conservative Party (PC). Newfoundland and Labrador approved the second poverty reduction strategy in 2006 during the term of former PC Premier Danny Williams.⁶ Nova Scotia's PC government and Ontario's Liberals released their strategies in 2009. Since then, several municipalities and regions, and almost all provinces and territories, have approved poverty reduction strategies.⁷ The latecomer province, British Columbia, is presently working on it. In 2017, its newly elected NDP government renamed the Ministry of Social Development and Social Innovation to Ministry of Social Development and Poverty Reduction. At the federal level, Prime Minister Justin Trudeau's Liberal government is working on Canada's first national poverty reduction strategy.⁸

In addition to being tabled by all parties, poverty reduction strategies often receive unanimous approval. Take, for example, Ontario's 2009 strategy: tabled by the Liberals, it passed third reading with 78 votes in favour and none against it. Those who said “aye” included NDP leader Andrea Howarth, interim PC leader Bob Runciman, and later to be Liberal leader Kathleen Wynne.⁹ In Toronto, Mayor John Tory, former PC party leader, named Councillor Pam McConnell, a progressive politician and long-time NDP supporter, deputy mayor in charge of developing the city's first poverty reduction strategy—which city council unanimously approved in 2015.

But what do these strategies contain? A careful analysis of 30 poverty reduction strategies released in Canada in the past 25 years allowed us to group their content into four broad categories: income supports, work, social equity, and access to services.¹⁰

Most poverty reduction strategies pay attention to individuals and families who experience poverty for prolonged periods, if not all of their life, for whom full-time employment may not be an alternative. Even Quebec's strategy, which has a marked emphasis on labour market integration, concedes that people facing “personal constraints and significant employment limitations” require long-term supports to “achieve personal success in a

productive activity” that may not be a regular job. Proposed responses to this type of poverty usually focus on direct income transfers and supports delivered through social assistance.

Employment supports and workforce development programs are also discussed in nearly all strategies. Almost every provincial strategy features minimum wage increases or proposals to index it to the cost of living. Unable to overlook the growth of working poverty, but having no jurisdiction over employment, municipal strategies tend to focus on encouraging businesses to adopt a living wage and other voluntary employment standards.

A third prevailing theme in Canadian strategies is racism and discrimination, often framed as social equity. Strategies consistently stress that poverty disproportionately affects specific population groups. Toronto’s poverty reduction strategy contends that poverty is systemic: “social, economic, and financial policies have led to the racialization, feminization and geographic concentration of poverty.” Proposed responses in this area include population-specific action plans, targeted interventions, and disaggregated data plans.

Finally, poverty reduction strategies call for investments in a broad variety of public services, from hospital beds to swimming lessons, depending on the level of government and the prevalence of the issue in any given jurisdiction. Education, child care, health care, affordable housing, recreation, long-term care, and transit are service areas often included in these strategies. Proposed responses are more, better, and easier to access services.

But what happens once strategies are approved? The development of poverty reduction strategies brings about active government communications, broad public consultations, media coverage, and heightened community expectations. Once they are approved, life goes back to normal: civil servants chipping away at incremental change, elected officials negotiating budget trade-offs, and journalists moving on to the next story. Communities and advocates who fought for a poverty reduction strategy, who actively participated in consultations, and whose expectations have now been raised understandably feel as if nothing is being done. Hence the calls for measures, indicators, targets, reports, or anything that will provide some accountability.

The danger is that measurement discussions can suck all of the air out of the room and provide governments with an excuse to delay action and investment. With this in mind, this paper presents five recommendations for a focus on measures that fuel concrete and effective actions, not merely further discussions and dispiriting government promises.

1. Give up the search for a holy grail measure of poverty

Whereas the concept of poverty used to be primarily connected to physiological deprivation, today it captures notions of social exclusion, inequality, vulnerability, and human rights. Whereas causal analyses tended to focus on human and economic variables, today they include social, cultural, political, institutional, and environmental factors. Concepts and causal explanations combine into distinct approaches to the study of poverty. Each approach has its measurement toolbox, the focus of which can be: the amount of income necessary to satisfy minimum nutritional requirements; the fulfillment of basic needs; access to the resources needed to avoid social exclusion; lack of dignity, self-respect, and security; income inequality; or the violation of basic human rights.¹¹ The upshot: there are many ways to measure poverty and no agreement on which is the best way.

In Canada, recently proposed approaches include a provincially based low-income measure coupled with a market basket measure;¹² combining equally imperfect income measures and material deprivation surveys for an overall more accurate measurement;¹³ a dashboard of ever-evolving pan-Canadian indicators;¹⁴ a set of national-level indicators linked to local outcome indicators;¹⁵ and a focus on “game changer” actions that can have a visible impact on poverty reduction.¹⁶ This debate is unlikely to come to a close anytime soon, and new approaches are likely to come and go.

From a research perspective, this is a rich debate. From a short-to-mid-term policy perspective, it is unlikely that governments will find a silver bullet approach that directly captures progress across all areas of responsibility, and for which there is consensus. But agreeing on the perfect poverty measure is not necessary in order to act on poverty.

2. Use existing indicators to monitor trends in key social policy areas

Developing effective programs and policies requires tracking trends in key social policy areas. Given that poverty is complex, and that poverty reduction strategies are broad, several measures and indicators are required. The good news is that governments have entire ministries, plenty of expertise, and useful indicators for most, if not all, the issue areas bundled under poverty reduction.

As noted earlier, poverty reduction strategies tackle problems that have been around for a while: income inequality, employment, discrimination,

housing, and access to public services like education and health care. It is not necessary to create new measures to act on these issues. Take Newfoundland and Labrador for example: its strategy places great emphasis on education and has, therefore, high school dropout rates as one of its poverty reduction indicators. That's a good indicator for a provincial government focused on education as a tool to promote social inclusion.

Indicators must be strengthened to include disaggregated data, which is crucial in addressing racism and discrimination that so often underpins poverty. But, more often than not, indicators already exist and focusing on recreating them would be a distraction.

3. Try to understand the dynamics of poverty

While there is a fair amount of data and measures for the various social policy areas included in poverty reduction strategies, there is little systematic knowledge about the dynamics of poverty in Canada.

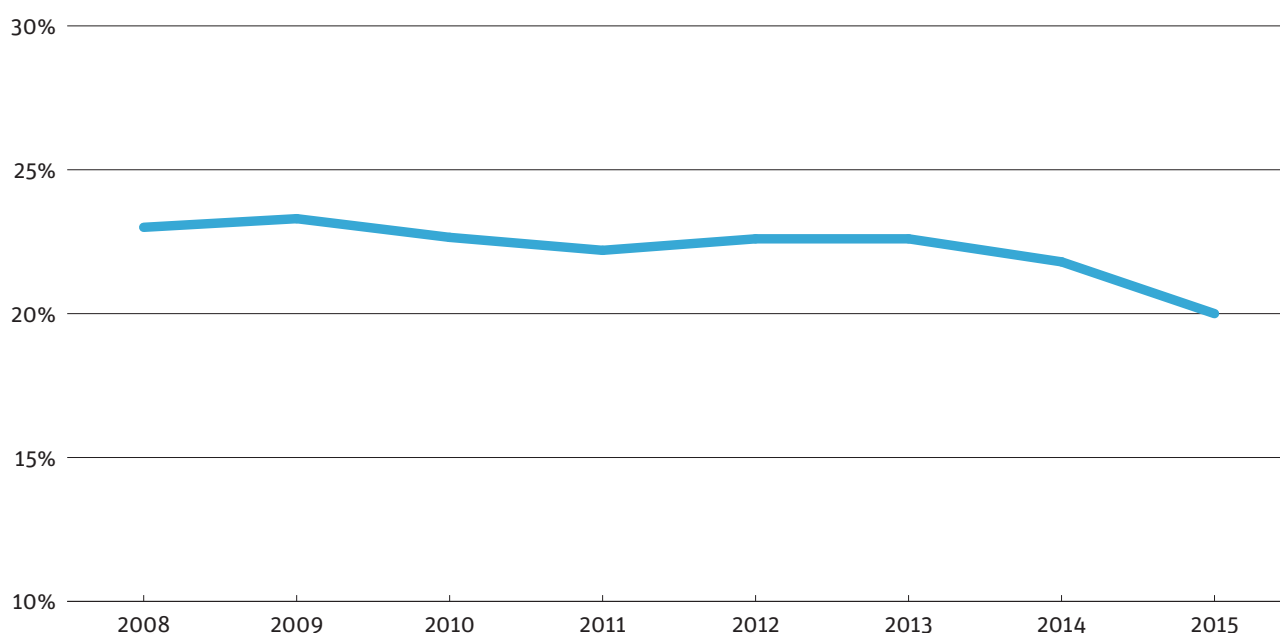
In the international literature on poverty, the idea of a static stock of chronically poor people who need to be “pulled out of poverty” has been slowly replaced with an understanding that shocks, stresses, coping mechanisms, and survival strategies drive people into and out of different levels of poverty for varying lengths of time.¹⁷ The goal here is not so much to measure poverty but to understand it. How frequently do people flow in and out of poverty? How deep do they go into it? How long do they stay? What helps them to move out? What prevents them from doing so?

We can graphically contrast these two ways of thinking about poverty. *Figure 1* presents the traditional, static depiction of low-income rates in Toronto between 2008 (23 per cent) and 2015 (20 per cent). A plausible explanation for the gradual three per cent drop is that the 2008 recession pushed people into the low-income bracket and the economic recovery slowly brought them back up.

This way of depicting poverty ultimately reinforces the notion that some people are poor, others are not, and that the poor can be pulled out of poverty to reach middle-class status. It misses the fact that people flow in and out of poverty: in any given year, the number of people who fell into poverty may have been offset by people whose income rose above the low-income line.

A 2012 Statistics Canada study went beyond describing low-income trends to also look at the dynamics of poverty. Using the Survey of Labour Income Dynamics, the authors tracked transition rates in and out of low

FIGURE 1 Individual low-income rates (LIM-AT) in Toronto between 2008 and 2015



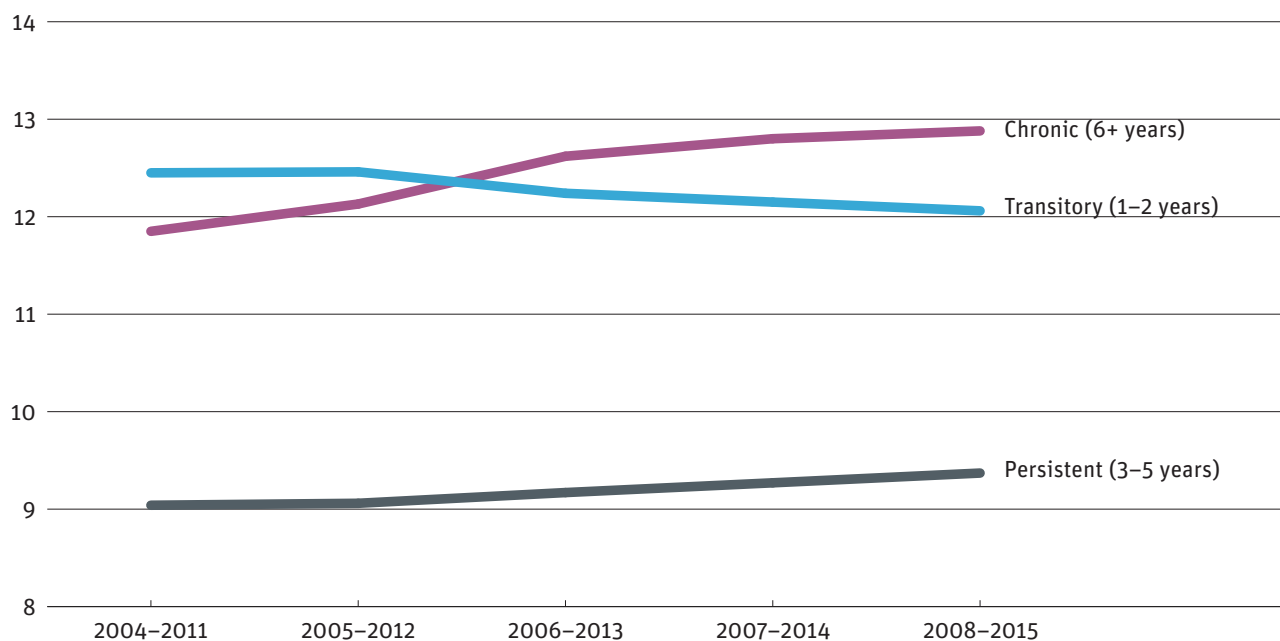
Source City of Toronto, *Social Development Dashboard October 2016*; City of Toronto, *2016 Census Backgrounder: Income*.

income and distinguished between (in their words) transitory, persistent, and chronic low-income trends. The analysis found that lone parents and unattached non-elderly people were the most likely to have a low income for more extended periods. Recent immigrants were overrepresented in the overall low-income population, but their level of chronic low income was lower than other groups. The study also found interesting regional differences: between 1997 and 2013, persistent low-income trends decreased in Montreal, increased in Vancouver, and remained the same in Toronto.¹⁸

In 2017, policy staff at York Region replicated the Statistics Canada analysis¹⁹ and assisted the City of Toronto's poverty reduction strategy team in doing the same. The method consists of comparing transition rates in and out of poverty in eight-year panels. In other words, this data shows the percentage of people who, in the given eight-year period, never experienced low income, experienced low income, were low income for between one and two years (transitory), were low income for between three and five years (persistent), and experienced low income for six or more years (chronic).

This way of analyzing the data provides a more dynamic understanding of low-income rates in Toronto: between 2008 and 2015, 34.3 per cent of all Torontonians experienced low income at some point, 12 per cent were

FIGURE 2 Number of years individuals spent in low income in Toronto between 2004 and 2015 (eight-year panels)



Source Statistics Canada Longitudinal Administrative Data; City of Toronto custom request and calculations.

in this situation for less than two years, 9.4 per cent were in it from three to five years, and nearly 13 per cent were low income for six years or more. By comparing eight-year panels, we can identify trends over time.

Figure 2 shows that between 2004 and 2015 there was a small decline in the incidence of transitory low income, from 12.5 to 12.1 per cent, a slight increase in persistent low income, from 9 to 9.4 per cent, and a noticeable increase in chronic low income, from 11.8 to 12.9 per cent. This finding suggests that it is becoming increasingly difficult to move out of poverty in Toronto.

These findings raise several policy questions, including: What worked for people who managed to move out of low income? What thwarted those trying to do so? What happened to people between two or more low-income spells? Answering these questions would require combining this type of income analysis with more qualitative studies. The effort is justifiable since a better understanding the dynamics of poverty can help governments design programs and policies that effectively support people in poverty.

4. Use investment targets to keep governments accountable

A simple but effective way to track government commitment to an issue is to follow the money. This is easier to do on issue areas for which there are assigned funding envelopes (e.g. health care, education), but more complicated for broad strategies that touch programs and services across several ministries.

The political consensus behind poverty reduction has generally failed to translate into upfront funding commitments, designated funding streams, or dedicated revenue sources. Poverty reduction investments tend to become part of existing budget processes and funding envelopes and, therefore, are incremental, ongoing, and piecemeal. Timid investments naturally cast doubt on governments' commitment to poverty reduction.

Here it is important to separate the art and science of policy making. Measures and indicators belong on the science side: they capture mid- and long-term trends, often stumble into technical challenges related to attribution, and, at best, provide cautious statements about the impact of any individual action or investment. Evaluations are on the science side too, and the challenges in evaluating catch all poverty reduction strategies are many (more on this later). On the art side, the political side of policy making, investment targets are the best measures; they capture what advocates are often concerned with: elected officials' commitment to getting things done, in whichever way, however much it costs, and in a timely way.

5. Use evaluation resources strategically

It is impractical to evaluate the impact of broad strategies that include ongoing work for which resources are not always available.

Poverty reduction strategies cut across almost everything governments do on the social front. Toronto's strategy names 25 divisions and agencies; Ottawa's strategy has 11 key project areas; federal ministers with portfolios as diverse as agriculture, health, and justice joined the closing consultation on Canada's strategy. This whole-of-government approach speaks to the multifaceted nature of poverty and may be instrumental in advancing institutional change in the public sector, but it also means evaluators have a difficult time determining what is within and what is outside the scope of the evaluation.

Another challenge in trying to evaluate poverty reduction strategies is the counterfactual argument that the same progress would have happened or could have happened without the strategy. As previously noted, Canada's major social programs and policies were created at a time when governments were not talking poverty. A recent example is the Canada Child Benefit, a program that lifted hundreds of thousands of families above the low-income cut-off and which was launched before the drafting of the national poverty reduction strategy. An evaluator would have to decide whether to count the achievements of this program as part of the results of the forthcoming strategy.

Governments have limited evaluation funding, which should not be used trying to evaluate the impact of broad poverty reduction strategies — an evaluation wild goose hunt. This funding is better invested in: assessing new and promising initiatives and whether they are scalable; long-standing programs that may not be yielding the expected results and may need to be discontinued or redesigned; understanding the needs of specific population groups (e.g. families experiencing chronic low income).

For example, Toronto Employment & Social Services recently conducted an in-depth study with social assistance clients who are single. The percentage of singles on Toronto's social assistance caseload has increased from 38 per cent to more than 60 per cent between 1999 and 2016. Policy staff identified 51 singles in receipt of social assistance with whom they spent several hours learning about their lives, challenges, coping mechanisms, and dreams. This is how staff described this work:

Looking at the arc of their lives, rather than simply their time on assistance, or experience with a specific program, allows us to see the whole person, their reasons for turning to assistance, the realities that frame their daily lives and decision-making, the hidden or unaddressed barriers that may restrict progress and their hopes for life after assistance.²⁰

This rich qualitative data, combined with a more nuanced understanding of dynamic trends, can concretely inform the design of effective poverty reduction programs.²¹

Concluding remarks

Canadian governments at all levels have been grouping social policy issue areas under poverty reduction strategies and there is an increased focus on poverty measurement. Paying attention to poverty measures and indicators

is important, but this discussion must not become a distraction from the real issue at hand: addressing poverty. Political courage, existing indicators, civil service expertise, understanding of the dynamics of poverty, and insight from people living in poverty can generate effective and measurable poverty reduction plans.

Notes

- 1 Government of Canada. *Budget Plan*. 2018: 55.
- 2 Corbett, Thomas. “The Rise and Fall of Poverty as a Policy Issue.” *Focus* 30, no. 2, 2013–14: 3–8.
- 3 Budget speeches and other documents dating back to 1969 can be found in the Government of Canada Archived Budget Documents website.
- 4 One of the few examples is Hudson, Carol-Anne, and Graefe, Peter. “The Toronto Origins of Ontario’s 2008 Poverty Reduction Strategy: Mobilizing Multiple Channels of Influence for Progressive Social Policy Change.” *Canadian Review of Social Policy* 65–66 (2011).
- 5 In 1971, *Poverty in Canada: Report of the Special Senate Committee on Poverty*, spearheaded by Senator David A. Croll, documented poverty trends, discussed the shortcomings of welfare programs and social services, and put forward several recommendations for how the federal government should address poverty. But the report was not adopted as an official government strategy.
- 6 Collin, Chantal. *Poverty Reduction Strategies in Quebec and Newfoundland and Labrador*. Library of Parliament, Political and Social Affairs Division, 2007.
- 7 At the provincial level, we have Quebec’s *Plan d’action gouvernemental en matière de lutte contre la pauvreté et l’exclusion sociale* (2004); *Poverty Reduction: An Action Plan for Newfoundland and Labrador* (2006); *Growing Stronger Together: Ontario’s Poverty Reduction Plan* (2008); Nova Scotia’s *Preventing Poverty, Promoting Prosperity* (2009); *Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan* (2009); *All Aboard: Manitoba’s Poverty Reduction and Social Inclusion Strategy* (2011); *A Better Yukon for All: Government of Yukon’s Social Inclusion and Poverty Reduction Strategy* (2012); Prince Edward Island’s *Social Action Plan to Reduce Poverty* (2012); Nunavut’s *The Makimaniq Plan: A Shared Approach to Poverty Reduction* (2012); *Together We Raise Tomorrow: Alberta Poverty Reduction Strategy* (discussion paper, 2013); *Working Together, A Territorial Action Plan to Reduce and Eliminate Poverty in the Northwestern Territories* (2014); *Realizing Our Potential: Ontario’s Poverty Reduction Strategy* (2014); the *Saskatchewan Poverty Reduction Strategy* (2016); and British Columbia’s *Minister of Social Development Advisory Forum on Poverty Reduction* (2017).

8 Thus far the federal government has released two documents: *Towards a Poverty Reduction Strategy* (2016, discussion paper) and *Canadian Poverty Reduction Strategy: What We Heard About Poverty So Far* (2018, consultation report). Several cities and regions across the country have developed strategies in the past 20 years.

9 The proceedings of Ontario Bill 152 (May 6, 2009) can be found in the Legislative Assembly of Ontario's website.

10 This analysis includes the documents listed in notes 7 and 8 and strategies approved by the following municipal and regional governments: Toronto, Ottawa, Hamilton, Montreal, Niagara, Waterloo, Edmonton, Surrey, Peel, New Westminster, Calgary, Kingston, Medicine Hat, London, and Saint John. The author thanks Marsha-lee MacLeod and Lucy Cui for their research assistance.

11 Shaffer, Paul. *Q-Squared: Combining Qualitative and Quantitative Approaches to Poverty Analysis*. Oxford: Oxford University Press, 2013.

12 Noël, Alain. "How Do We Measure Poverty?" *Policy Options*, November 2017.

13 Notten, Geranda and Mendelson, Michael. *Using Low Income and Material Deprivation to Monitor Poverty Reduction*. 2016.

14 Hicks, Peter. "Measuring Poverty? Let's Get Empirical." *Policy Options*, November 2018.

15 White, Anne, Dragicevic, Nevena, and Granofsky, Thomas. *What Works? Proven Approaches to Alleviating Poverty*. Mowat Centre. 2014.

16 Discussion of the 'game changer approach' can be found on the Tamarack Institute's website.

17 Shaeffer, Paul. "New Thinking on Poverty: Implications for Globalisation and Poverty Reduction Strategies" *Real World Economics Review*, no. 47, 2008.

18 Murphy, Brian, Zhang, Xuelin, and Dionne, Claude. *Low Income in Canada: A Multi-Line and Multi-Index Perspective*. Statistics Canada, Income Research Paper Series, 2012. See also, Picot, Garnett and Lu, Yuqian. *Chronic Low Income among Immigrants in Canada and Its Communities*. Statistics Canada, Analytical Studies Branch Research Paper Series, 2017.

19 York Region, Community and Health Services Department. *Low Income Dynamics in York Region, 2004 to 2013*, 2017.

20 This great research project yielded four case studies that can be found at the City of Toronto's research portal, <https://www.toronto.ca/city-government/data-research-maps/research-reports/social-reports/>.

21 Another noteworthy example is the Ontario Basic Income Pilot, which was set up to generate valuable knowledge on how to best support social assistance clients. Information is available at <https://www.ontario.ca/page/ontario-basic-income-pilot>



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2017

Report Card on Child and
Family Poverty in Ontario

Ending Child & Family Poverty Is Not Negotiable

Building Stronger Foundations for Ontario Families



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TORONTO, AN ANCHOR AGENCY OF UNITED WAY
TORONTO & YORK REGION

Ending Child & Family Poverty Is Not Negotiable

Building Stronger Foundations for Ontario Families

2017 Report Card on Child and Family Poverty in Ontario

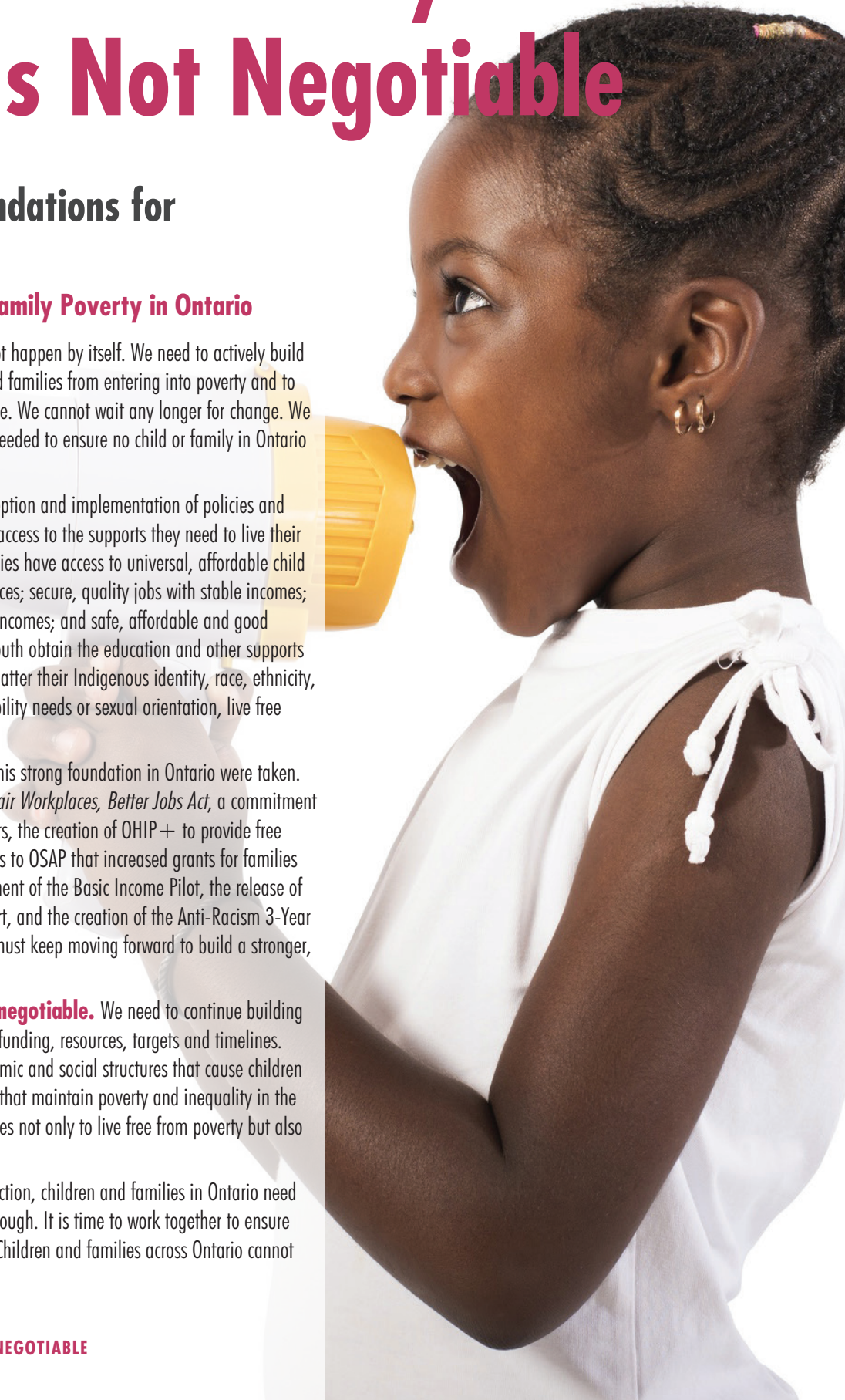
Ending child and family poverty in Ontario will not happen by itself. We need to actively build stronger foundations, both to prevent children and families from entering into poverty and to lift up families living in poverty across the province. We cannot wait any longer for change. We must continue to build the stronger foundations needed to ensure no child or family in Ontario lives in poverty.

Building a poverty-free Ontario requires the conception and implementation of policies and programs to create a society where everyone has access to the supports they need to live their best lives. We envision an Ontario where all families have access to universal, affordable child care; holistic and comprehensive health care services; secure, quality jobs with stable incomes; income security programs that provide adequate incomes; and safe, affordable and good quality housing. We envision an Ontario where youth obtain the education and other supports they need to succeed; and where all people, no matter their Indigenous identity, race, ethnicity, sex, gender, religion, immigration status, accessibility needs or sexual orientation, live free from discrimination and thrive.

In 2017, many essential steps needed to create this strong foundation in Ontario were taken. These included the introduction of Bill 148, the *Fair Workplaces, Better Jobs Act*, a commitment to create 100,000 child care spaces over five years, the creation of OHIP+ to provide free pharmaceutical drugs for youth under 25, changes to OSAP that increased grants for families earning less than \$50,000/year, the commencement of the Basic Income Pilot, the release of the *Income Security: A Roadmap for Change* report, and the creation of the Anti-Racism 3-Year Strategy. These are positive initial steps, but we must keep moving forward to build a stronger, poverty-free Ontario.

Ending child and family poverty is not negotiable. We need to continue building stronger foundations now, with concrete policies, funding, resources, targets and timelines. The government must address the political, economic and social structures that cause children and families to live in poverty and the conditions that maintain poverty and inequality in the province. Every child and family in Ontario deserves not only to live free from poverty but also to thrive.

Moving forward, and into the 2018 provincial election, children and families in Ontario need commitments from all parties to say enough is enough. It is time to work together to ensure ending child and family poverty is a top priority. Children and families across Ontario cannot wait any longer.



Ontario Poverty Reduction Strategy

Issue	2014/2015 Provincial Commitments	Status As Of November 2017
Reduce Child Poverty	Recommit to original 2008 PRS goal: reduce child poverty 25% in 5 years	Ontario government reported child poverty rate at 15.1% (fixed LIM-50, 2014), compared to 18.9% (fixed LIM-50, 2012) ¹
	Index Ontario Child Benefit (OCB) and income threshold to CPI by July 2015	OCB maximum is raised to \$1,368/child under 18 /year with inflation. OCB was indexed to CPI in June 2015
Employment and Income Security	Improve income security and labour protections	<p>Income Security: A Roadmap for Change report released Nov 2017 No implementation commitment from government</p> <p>Basic Income Pilot began in Hamilton/Brantford/Brant County, Thunder Bay and Lindsay in 2017. A separate pilot will be conducted with First Nations groups</p> <p>Rates for all OW and ODSP recipients increased by 2% starting Oct 2017. Asset limits and exemption for cash gifts increased significantly for OW and ODSP recipients, effective Jan 2018 and Sept 2017 respectively. Remote Communities Allowance increased by \$50 for 1st person in family and \$25 for each additional family member</p> <p>Child support payments exempted as income for ODSP and OW in Jan and Feb 2017</p> <p>The Changing Workplaces Review's final report released May 2017. Bill 148, <i>Fair Workplaces, Better Jobs Act</i> introduced June 2017</p>
	Move towards employment and income security for vulnerable groups (including women, single parents, people with disabilities, youth, newcomers, 'visible minorities', seniors, and Indigenous Peoples)	<p>Access Talent: Ontario's Employment Strategy for People with Disabilities released June 2017</p> <p>Gender Wage Gap report released Aug 2016. Women's Economic Empowerment Consultation report expected Fall 2017</p>
	Enhance earnings	<p>Minimum wage increased starting Oct 1 to \$11.60 for adults; liquor servers' rate raised to \$10.10, student rate raised to \$10.90. Minimum wage was indexed to CPI in 2015</p> <p>Bill 148 introduced to raise minimum wage to \$14 on Jan 1, 2018 and \$15 on Jan 1, 2019</p>
Housing and Homelessness	End homelessness in Ontario and end chronic homelessness in 10 years (2025)	A Place to Call Home report released Oct 2015
	Update Long-Term Affordable Housing Strategy (LTAHS) by 2015-16	LTAHS updated March 2016

Housing and Homelessness	Update Long-Term Affordable Housing Strategy (LTAHS) by 2015-16	<i>Promoting Affordable Housing Act</i> passed Dec 2016. Supportive Housing Policy Framework and Best Practice Guide released March 2017
	Create 1,000 new supportive units in 3 years	\$33M for creation of 2,000 units in 2017-2018
Youth and Education	Youth unemployment focus and integration of employment and training services	Youth Job Connection launched in 2015 Employment Ontario Youth Employment Reference Group created in Fall 2017
	Create Ontario Student Grant starting in 2017-2018 school year	OSAP began to cover average tuition cost for full-time undergraduate arts and science programs in 2017-2018 school year for families with income under \$50,000
Child Care and Early Learning	Child Care and Early Years Act	<i>Child Care and Early Years Act</i> passed and came into effect Aug 2015 and revised May 2016 Ontario's Renewed Early Years and Child Care Policy Framework released June 2017
	Invest \$33.6 million to protect licensed spaces and provide subsidies	Funding amount was allocated \$1.6B investment to build 45,000 new licensed child care spaces focusing on schools in 2017 and expanding other public spaces in next 5 years. In 2017 Budget, \$200M to support access to licensed child care for 24,000 children up to 4yrs of age
	Create Ontario Early Years Child and Family Centres by 2018	Announced in early 2016, implementation by 2018
	Full-day kindergarten	Implementation completed 2014-2015 school year.
Health	Introduce additional health benefits for low income children (prescription drugs, assistive devices, vision care and mental health services. Explore options to extend coverage to all low income Ontarians. Commit to provide public dental services to low income adults by 2025)	OHIP+: Children and Youth Pharmacare Program will provide free prescription medications for children and youth under 25 who have OHIP starting Jan 2018 No progress on a broader low income health benefit for children
	Healthy Smiles Ontario	388,114 children enrolled in 2016/17, which is approximately 68% of all eligible children
	Student Nutrition Program	Expanded Student Nutrition Program
Marginalized Groups	Closely track poverty rates of vulnerable populations (including 'Aboriginal' people living off-reserve, newcomers, persons with disabilities, unattached individuals aged 45-64, female lone parents)	Most current statistics reported from 2013, and do not include people with disabilities. Rate between 2012-2013 measured by LIM-50 did not change Anti-Racism Directorate established 2016. <i>Anti-Racism Act</i> passed June 2017 A Better Way Forward: Ontario's 3-Year Anti-Racism Strategic Plan released March 2017. Ontario Black Youth Action Plan released Feb 2017
Build PRS Evidence Base	\$50 M for Local Poverty Reduction Fund and build evidence base to guide effective poverty reduction policies and programs	In 2015 launched Local Poverty Reduction Fund of \$50M over 6 years. 71 projects funded to date with \$28.9M invested. Three streams for funding: homelessness, Indigenous-led, and food security (added in 2017)

Recommendations

Issue	Recommendations
End Child and Family Poverty	<p>Commit to eradicating child and family poverty. Start by reducing child poverty rates by 50% by 2019.</p> <p>Ensure household food insecurity data is collected every year.</p>
Make Paid Work a Path Out of Poverty	<p>Increase minimum wage to \$15/hr with no exemptions for sector or age.</p> <p>Update LRA and ESA to ensure principles of decent work. Commit to all Ontarians being protected at work, having 12 paid PEL days, equal pay for equal work, sufficient hours of work, stable scheduling, protection for temp agency workers, and respect at work.</p> <p>Ensure workers are protected from contract flipping, harassment during the process of unionization and expand access to unionization for workers in precarious work.</p> <p>Advocate to the federal government for reforms to Employment Insurance to improve access to benefits.</p> <p>Implement employment equity legislation. Create fair, equitable employment opportunities including community benefit agreements or similar mechanisms.</p>
Lift People Out of Poverty	<p>Commit to income adequacy to ensure all people live free from poverty, with good health, dignity and respect.</p> <p>Engage community on Income Security: A Roadmap for Change report and take immediate action on consensus recommendations.</p> <p>Implement immediate and significant increase to OW and ODSP rates in Budget 2018-19.</p> <p>Change definition of “spouse” to align with Family Law Act (to 3 years).</p> <p>Work with federal government to ensure all children have access to CCB and OCB, including Indigenous Peoples, people with precarious immigration status, and those who do not file tax returns.</p> <p>Increase OCB by \$200/year.</p>
Equal Health Care for Everyone	<p>Follow through on 2014 commitment to create a Low Income Health Benefit for all low-income people (children, adults, seniors) in Ontario, providing coverage for dental, prescription drugs, eye care, assistive devices and mental health services.</p>
Early Learning and Child Care for All	<p>Ensure access to early learning and child care by creating a universal, high quality, accessible, inclusive and affordable public, nonprofit and publicly delivered child care system, provided by a well-trained and well-paid workforce.</p>
Ensure Appropriate and Affordable Housing for All	<p>Create new affordable housing and improve access to safe, affordable, supportive housing, prioritizing new affordable housing for those in greatest need. Develop guidelines to assess what constitutes ‘greatest need.’</p> <p>Release provincial lands to create affordable rental housing.</p> <p>Define affordable housing for programs and initiatives based on 30% of household income.</p> <p>Finalize inclusionary zoning regulations for municipalities to draft and adopt inclusionary zoning by-laws.</p> <p>End unlimited rent increases when units become vacant. Ensure rent increase guidelines apply to all rental units to maintain affordability when tenants change.</p> <p>Increase funding for the repair and maintenance of social housing units.</p> <p>Exclude child support payments from RGI calculations.</p>
Support Opportunities for Youth	<p>Guarantee access to post-secondary education for all students by eliminating tuition fees.</p> <p>Eliminate interest on student loans coupled with debt-relief programs for low and middle income students.</p> <p>Simplify application and intake process for children and youth with special needs to obtain respite, direct funding and other required Ontario services.</p> <p>Create a continuity of care plan for young people with special needs moving from child to adult systems to ensure there are no support gaps after people turn 18.</p>
Address Inequities faced by Marginalized Groups	<p>Implement the Calls to Action from the Truth and Reconciliation Commission report.</p> <p>Implement Equal Pay Coalition’s 12 Steps to Close the Gender Pay Gap and the recommendations in the Gender Equity Report.</p> <p>Implement targeted policy priorities identified by Colour of Poverty-Colour of Change.</p> <p>Collect and report disaggregated data (for all equity seeking groups).</p> <p>Expand human rights protections to those who are poor, have precarious immigration status, have police records, or are discriminated against based on genetic characteristics, by passing Bill 164.</p>

Measuring Poverty

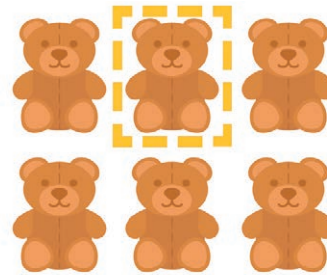
This report tracks changes through a number of indicators, to provide a broad picture of child and family poverty in Ontario and to monitor poverty reduction within the province. In this report Statistics Canada's T1 Family File (T1FF) is used in reporting low income according to the Low Income Measure-After Tax (LIM-AT), unless otherwise indicated. The T1FF survey is based on "Taxfiler" data collected from income tax returns and Canada Child Tax Benefit (CCTB) records. There is a two-year lag in the data available from Statistics Canada and thus the low income rates reported here are based on 2015 data.

The LIM-AT identifies families with income below 50% of median after-tax income adjusted for family size. In the T1FF data, Statistics Canada constructs households and family income levels by matching individual tax files through family income calculations, and does not include income from other relatives living in the same household. The LIM-AT 2015 for one parent with one child 16 years or younger is \$25,498.² Figure 1 shows the LIM-AT 2015 for various family sizes.³

Methodological differences inhibit comparisons between income data derived from T1FF and data from the National Household Survey (NHS), and the Canadian Income Survey (CIS). The Ontario government uses a fixed CIS LIM-AT to track the rate of child poverty. The province has stated the child poverty rate is 15.1% (fixed LIM-50, 2014).⁴ The use of a fixed CIS LIM-AT by the Ontario government results in the difference between their rates and the child poverty rates stated in this report. Raw CIS data (used by the province) is not publicly available for analysis.

There are also methodological differences between the 2016 Census and the T1FF data in calculating low income rates. While both report on low income based on Taxfiler data from 2015, T1FF uses the Census family as the unit of measure while the Census uses the household. This, coupled with the application of different equivalency scales to the data, results in different low income thresholds and slightly different rates of child and family poverty. It is also important to note that the 2016 Census calculation of low income rates excludes First Nations people living on reserve, while these individuals are included in T1FF low income rates. According to the 2016 Census, 18.4% of children under the age of 18 live in poverty in Ontario.⁵

In addition to the LIM Before and After Tax, Statistics Canada also produces the Low Income Cut-Off (LICO) Before and After Tax and the Market Basket Measure (MBM). Both the LIM and the LICO are relative measures of poverty, whereas the MBM is a measure that determines poverty relative to cost of living. Campaign 2000 believes the LIM-AT is the most robust measure available and is also aligned with the LIM-AT used by the ON-PRS.



1 in 6
children under 18
live in poverty in Ontario
(475,230)

Fig 1: Low Income Measure, After-Tax 2015

FAMILY TYPE	LIM -AT
Single Adult (no child)	18,213
Lone Parent with one child*	25,498
Lone Parent with two children*	30,962
Couple (no child)	25,498
Couple with one child*	30,962
Couple with two children*	36,426

*Children under 16

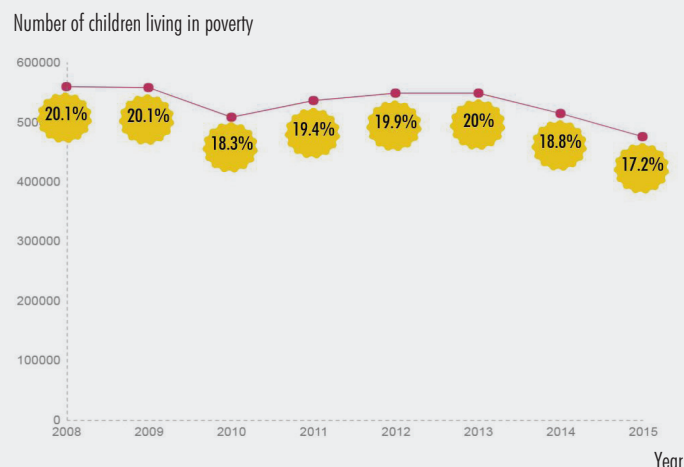
Source: Statistics Canada. Income Statistics Division (2017 July). Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors: T1 Family File, Final Estimates, 2015

Child Poverty In Ontario

No child deserves to live in poverty — yet poverty is the reality for too many children across Ontario. The most recent Taxfiler data show that 475,230 (17.2%) of Ontario children under the age of 18 live in poverty (Figure 2).⁶ This is a 1.6% drop from the 2014 rate and the lowest the child poverty rate has been since the Ontario Poverty Reduction Strategy began in 2008. There has also been a decrease in child poverty rates for children under 6, with 162,240 (18.8%) children under 6 living in poverty in Ontario (Figure 3).⁷ This is a 1.6% drop from the 2014 rate. This shows that targeted poverty reduction efforts are effective and need to be bolstered

While this drop in the rates is important, there is still much work to be done as one in six children and youth under 18 continue to live in poverty. We must work harder to ensure all children in Ontario have the necessities not only to survive but also to thrive. In addition, children and families from different groups, those who are Indigenous, racialized, newcomers, live with disabilities, and/or are led by female lone parents, experience higher rates of poverty. It is important to analyze whether any decreases in child poverty rates in the general population also result in a decrease in child poverty for these groups who are disproportionately impacted by poverty.

Fig 2: Ontario Child Poverty Rate, Children Under 18, 2015



Source: Statistics Canada. Income Statistics Division T1 Family File 2015 Reference 17061.

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Government Transfers and Policies

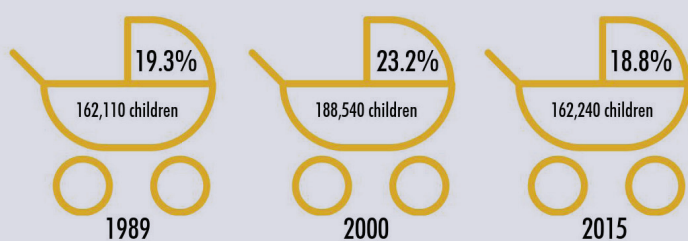
A key foundation for preventing and reducing child and family poverty is through a robust government transfer system and the creation of good policies to benefit children and families across the province. Government transfers include federal and provincial tax credits such as the Canada Child Benefit (CCB), Ontario Child Benefit (OCB) and Ontario Trillium Benefit (OTB). These transfers assist families with children to provide the necessities, such as food, clothing and housing that they require to survive. The effect of government transfers can be seen in Figure 4, which shows that the rate of child poverty in Ontario for 2015 would be 29.1% without transfers instead of 17.2%.⁸ Clearly, government policy makes a difference.

2015 is the second year in a row with a decrease in the poverty rates for both children under 18 and children under 6 in Ontario. This is the first time since the creation of the Ontario Poverty Reduction Strategy in 2008 that there have been two consecutive years of decreases. This reduction in child poverty occurred at the same time as other notable policy changes including the indexation of the OCB to inflation in 2015, which increased the maximum OCB to \$1336 per child, and an increase to the minimum wage from \$11 to \$11.25 on October 1, 2015. In 2015, the federal government also increased the UCCB rates to \$160 per month for children under 6 and \$60 per month for children under 18. Due to the lack of data, it is difficult to assess the direct impact these changes have on the child poverty rates or depth of poverty.

In 2016, the federal government created the Canada Child Benefit (CCB), which provides more income to the lowest income families than the previous CCTB/NCBS system, and the Ontario government committed not to claw back the benefit from families on social assistance. In 2017, the Ontario government eliminated claw backs to child support payments for families on social assistance, and the federal government announced it will index the CCB starting July 2018. These are important changes for families who are most in need of support. In addition, the Ontario government has proposed legislation that would further increase the minimum wage, which would support many families who are working in low-wage and precarious work.

Government transfers and policies have a key role in ending child and family poverty in Ontario. Further strong policies are needed to ensure no child or family is left behind, and everyone can thrive. The government must commit to eradicating child and family poverty and work to reduce child poverty rates by 50% by 2019. Ending child and family poverty is not negotiable, especially in a province such as Ontario where there is so much wealth.

Fig 3: Ontario Child Poverty Rate, Children Under 6, 2015

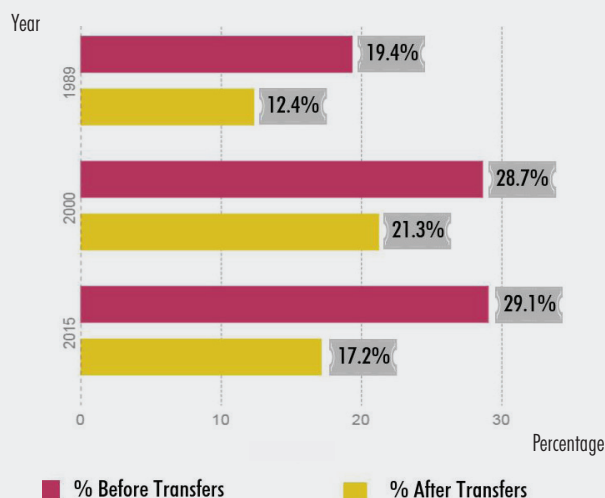


Source: Statistics Canada Custom tabulation, Income Statistics Division. T1 Family File 1989, 2000, Reference #16060

Statistics Canada. Income Statistics Division T1 Family File 2015 Reference 17061.

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Fig 4: Reductions in Child Poverty as a Result of Government Transfers



Source: Statistics Canada. Custom tabulation, Income Statistics Division.

T1 Family File, 1989, 2000 Reference #16060.

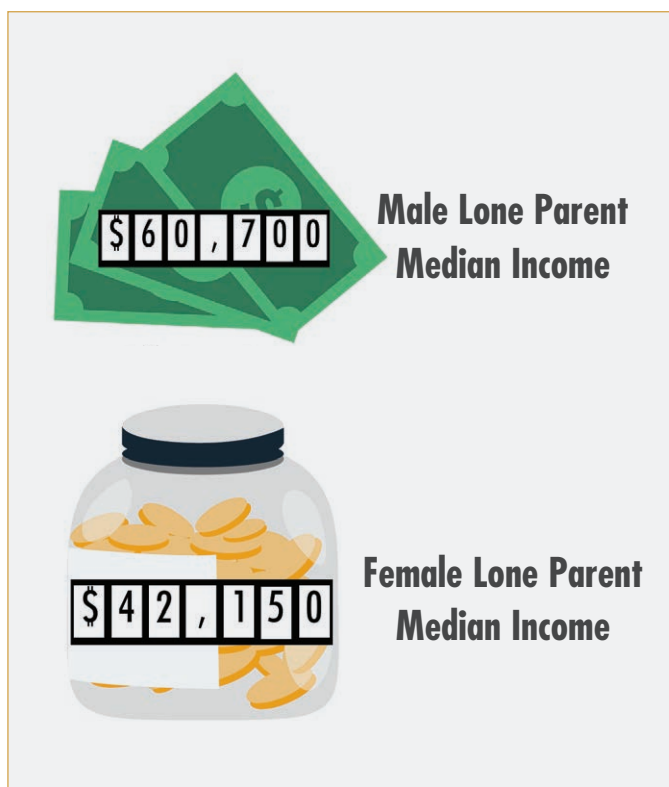
Statistics Canada. Income Statistics Division T1 Family File 2015 Reference 17061.

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Family Poverty In Ontario

All families across Ontario should be able to thrive, yet many continue to struggle to make ends meet. With increasing housing, food and electricity costs, just barely getting by is the norm for many families. In 2015, 306,180 (13.4%) Ontario families with children were living in poverty (Figure 5).⁹ While this is a reduction of 1% from 2014, 1 in 8 families with children continue to live in poverty in Ontario.

Large differences exist in poverty rates between different types of families. For couples with children, 8.4% (144,970) live in poverty,¹⁰ while 28.7% (161,120) of lone parent families in Ontario live in poverty.¹¹



In 2015, lone parent families in Ontario continued to be primarily led by women (Figure 6), and median total income of female lone parent families (\$42,150) continued to be significantly lower than the median income of male lone parents (\$60,700), with a difference of \$18,550.¹² Shockingly, between 2014 and 2015, this income gap increased by \$520. This difference can be attributed in part to the gender wage gap that exists within Ontario, and which leaves female-led households at a much greater risk of living in poverty.

Ending child and family poverty in Ontario must include targeted policies and programs to support families led by female lone-parents, including closing the gender wage gap.

Fig 5: Ontario Families with Children Living in Poverty, 2015

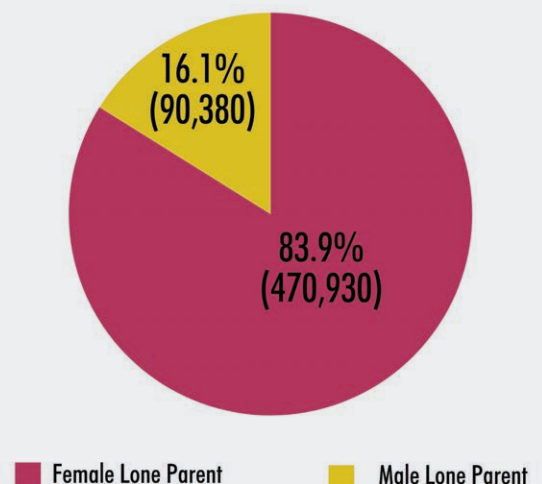
Number of families living in poverty



Source: Statistics Canada. Table F-18 Family data - After-tax low income status (based on census family low income measures, LIMs) by family type and family composition, 2015

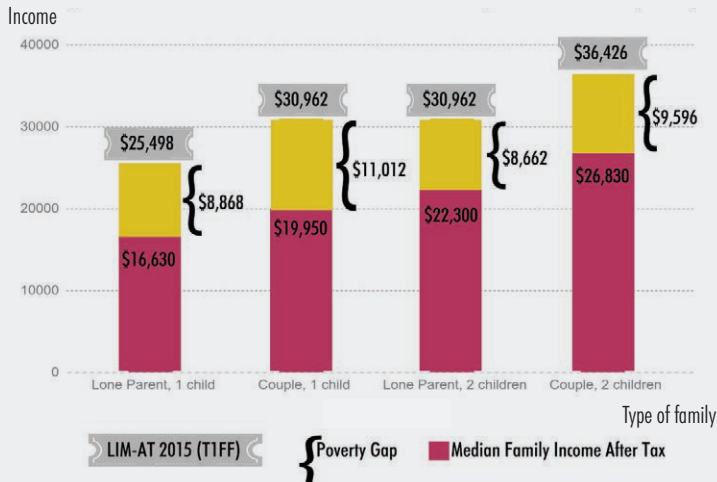


Fig 6: Percentage of Lone Parents Families in Ontario, 2015



Source: Statistics Canada. CANSIM table 111-0011 Characteristics of families, census families by age of older partner or parent and number of children annual

Fig 7: Depth of Low Income for Families in Ontario LIM-AT 2015 (T1FF)



Source: Statistics Canada. Small Area Administrative Data, 2015 Tax File Family Series, Table 18

Depth of Poverty

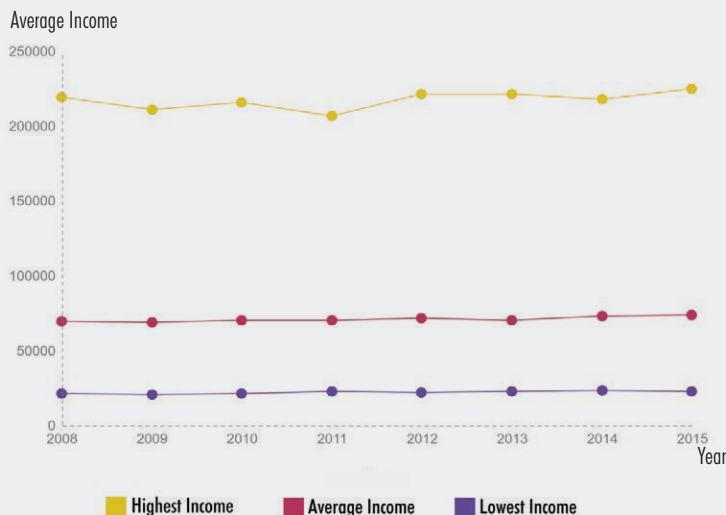
While some progress has been made on child and family poverty rates, the depth of poverty continues to be a significant problem. Many families live on incomes that are far below the low-income threshold measured by the LIM-AT (T1FF). As seen in Figure 7, there is a wide income gap between the median income of low income families and the LIM-AT (T1FF), ranging from \$8,662 for a lone parent with two children, to \$11,012 for a couple with one child.¹³ This gap clearly indicates the critical need for more supports for families living on low income in the province.

Income Inequality

The gap between the rich and the poor in Ontario must be closed in order to reduce and eliminate child and family poverty. Low and middle income families' incomes have been decreasing while high income families' incomes have been rising. Recent research shows that the share of earnings for the bottom half of Ontario families has dropped from 22% (2000-2002) to 19% (2013-2015) while the top half's share of earnings rose from 78% (2000-2002) to 81% (2013-2015).¹⁴ There is also a stark difference in the change of real earnings for families, where the lowest deciles' real earnings dropped 42% from 2000-2002 to 2013-2015, the 9th decile increased 12% over the same time period.¹⁵ Figure 8 shows that families in the highest decile in 2015 earned \$224,700 on average while families in the lowest decile earned \$22,200 on average.¹⁶ This is a \$202,500 difference and is equivalent to 9 years of work for a family in the lowest decile.

Widening income inequality has been linked to negative population health outcomes for people on both ends of the income spectrum.¹⁷ It also impacts economic growth.¹⁸ A recent International Monetary Fund report stated that increases to the income share of the top 20% decreases GDP growth, while increases in the income share of the bottom 20% increases GDP growth.¹⁹ It has also been shown that the impact of growth on poverty reduction strategies decreases when there are high levels of inequality, that low minimum wage in relation to median wage is related to higher income inequality, and that a decrease in the progressiveness of taxation systems has increased income inequality.²⁰ Income inequality can be addressed through good public policies that include increasing the minimum wage, ensuring principles of decent work, eliminating barriers to education, redistributing wealth through improving benefit levels and access to publicly-administered income security programs and eliminating unfair tax advantages for the wealthy. Decreasing income inequality through good public policies is a key foundation to ending child and family poverty.

Fig 8: Average Income* for Lowest, Average and Highest Decile Families



*Using 2015 Constant dollars

Source: Statistics Canada. Table 206-0031 — Upper income limit, income share and average market, total and after-tax income by economic family type and income decile, Ontario

Marginalized Groups

Poverty in Ontario is not experienced equally. Systemic and structural inequities and discrimination result in people with different identities and backgrounds experiencing higher rates of poverty and being more at risk of poverty. This includes Indigenous Peoples, women, people living with disabilities, racialized people and new immigrants. These groups face discrimination in housing and employment, in accessing services and programs and in being paid equitably for their work.

To create effective public policies to eradicate child and family poverty, it is fundamental to understand which children and families are most affected and are at risk of experiencing poverty. The only way to do this is to collect timely disaggregated data. Currently the T1FF data set (used to report poverty statistics within this report) does not collect information on people's identity. While the Census collects this data it only does so every five years, which makes it difficult to have a nuanced understanding of factors which may be affecting the poverty rates of different groups. Collecting yearly disaggregated data would allow assessment of how and whether certain policies are affecting groups who are experiencing higher rates of poverty.

Moving forward, government must ensure that all policies and programs related to poverty reduction address the inequalities that cause poverty among marginalized groups. The government must also work in collaboration with these affected groups to ensure the nuances of their experiences are understood and their needs are adequately addressed. We urge the province to collect and report on disaggregated data in all Ministries. We also continue to call for the province to implement the Calls to Action from the Truth and Reconciliation Commission, the targeted policy priorities identified by Colour of Poverty-Colour of Change, the 12 Steps to Close the Gender Pay Gap by the Equal Pay Coalition, and the recommendations of the Gender Wage Gap Report.

Indigenous Children

Ending child and family poverty in the province must start with firm commitments and concrete actions to end child and family poverty among Indigenous Peoples. Indigenous children experience incredibly high rates of poverty in Ontario. The 2016 Census data shows that 29.5% of Indigenous children in Ontario live in poverty.²¹ This is much higher than the 18.4% rate for all children under 18 in Ontario as reported in the census.²² It is important to note that this data may underestimate the rate of Indigenous children living in low income because the Census only counts people who are registered or are Treaty Indians, and does not have full coverage of Indigenous People living on reserves. The Census data also does not disaggregate the data for groups living on and off-reserve, where there may be greater differences in poverty rates.

The province has begun to recognize the need to include Indigenous Peoples in the creation of policies and the development of programs that have an impact on their lives. This is seen in the creation of a separate Basic Income Pilot for Indigenous Peoples, the creation and implementation of the Ontario Indigenous Children and Youth Strategy, and the creation of an Indigenous Anti-Racism Strategy. However, much more needs to be done to address this deeper gap in the poverty rate experienced by Indigenous children and families in comparison to other groups in the province, and to ensure the right of Indigenous Peoples to self-governance, self-determination and self-administration of the policies and programs that affect them.

The province must urgently address the historical impacts of colonization and the deeply-rooted issues that result in so many Indigenous children and families living in poverty. This includes addressing the need for clean drinking water on reserves, the youth suicide crisis, intergenerational trauma, and the high rates of drug, narcotics and alcohol use by youth. The province must continue to work with Indigenous Peoples and in the spirit of reconciliation take their lead to provide long-term support and funding to address these enduring problems which have affected Indigenous children and families for far too long.



People Living with Disabilities

Living with a disability increases one's risk of living in poverty. In comparison to people without a disability, people living with a disability have lower median incomes, are less likely to have a post-secondary degree and are less likely to be employed.²³ Research has shown that the percentage of people living with a disability and living in low income is related to the severity and type of their disability.²⁴ Being a lone parent and having a disability has also been shown to result in a higher risk of experiencing low income.²⁵ People with disabilities are less likely to work in full-time employment, which reduces their pensions and increases their risk of living in poverty as a senior. Youth who have a disability before the age of 25 may face a greater risk of living in low income as an adult if they are unable to complete their education or become employed.²⁶

In 2017, the government released 'Access Talent: Ontario's Employment Strategy for People with Disabilities'. The government must work with people living with disabilities to address the systemic constraints that result in their higher rates of poverty. Specific policies must be created that recognize the unique needs of people living with disabilities who are most at risk of living in poverty — female lone-parent families, those who live alone, and those with different levels of severity and type of disability. The province must simplify the application and intake process that children and youth with special needs require to obtain respite, direct funding and other required Ontario services. The government must also create a continuity of care plan for young people with special needs when they are moving from child to adult systems to ensure that there are no support gaps after youth turn 18. All people with disabilities should be able to live lives free from poverty and with respect and dignity.

Racialized People & Immigrants

Racialized people and immigrants throughout the province continue to experience systemic barriers that result in higher rates of poverty. These barriers of racism and discrimination result in people not being able to find housing, not being able to find gainful employment, being stuck in low paying precarious work, not being promoted, and not being able to access educational programs and social services. The 2016 Census data shows that 26.3%²⁷ of racialized children and 49.1%²⁸ of recent immigrant (2011-2016) children under the age of 18 live in poverty in Ontario.

In February 2017, the province released the 'Black Youth Action Plan', which was followed by 'A Better Way Forward: Ontario's 3-Year Anti-Racism Strategic Plan,' in March. These are important steps to addressing the systemic issues that result in the poverty experienced by racialized people in Ontario. The province must continue working on this issue. Government must allocate sufficient resources and funding to the 3-year Strategy and work with people and organizations that have a deep understanding of these issues. Anti-racism must also be a core value that is integrated into all provincial departments, policies and programs to ensure the systemic nature of the racialization of poverty is adequately addressed.

Women

Poverty in Ontario is gendered. Women, especially female lone parents, are more at risk of living in poverty. This is the result of a variety of systemic factors including the gender pay gap, the lack of a universal child care system, and the increased risk women face in experiencing violence. Based on annual average earnings, Ontario women experience a wage gap of 30% relative to men.²⁹ This increases to 57% for Indigenous women and recent immigrants, 46% for women living with disabilities, and 37-39% for racialized and immigrant women.³⁰ Over a 45-year career this 30% wage gap equates to women losing about 13 years of pay.³¹ This results in lower annual incomes but also increases women's susceptibility of living in poverty when they are older due to pension gaps and fewer retirement funds.

In January 2017 a new Ministry of Status of Women was established in Ontario and in April 2017 the Gender Wage Gap Working Group held their first meeting. However, the government did not put forward the *Pay Transparency to Close the Gender Pay Gap Act* that was prepared by the Equal Pay Coalition in April 2017. To end child and family poverty in Ontario the province must acknowledge the feminization of poverty through laws, policies and programs that recognize how poverty uniquely impacts the lives of women and their children. This includes introducing pay transparency laws to address the gender pay gap.

Issues

Work

Ensuring families have access to secure, permanent, well-paying jobs, with sufficient and stable hours and benefits is key to ensuring children and families in Ontario do not fall into poverty. The growth of precarious work across the province has resulted in families facing increased financial stress and being unable to meet their daily needs. Working full-time at a minimum wage job does not provide a family with enough income to live above the poverty line. Many low-income families are engaged in precarious, low-wage work with limited access to collective bargaining and few or no benefits. Raising the minimum wage and the minimum standards of the *Employment Standards Act (ESA)* and the *Labour Relations Act (LRA)* will help to ensure that all children and families have a more prosperous and healthy future in Ontario that is free from poverty.

In May 2017, the final report of the Changing Workplaces Review was released. The Review's commissioners made 173 recommendations to amend the ESA and LRA. In June 2017 the provincial government introduced Bill 148, *Fair Workplaces, Better Jobs Act*, which proposed changes to the ESA and LRA including equal pay for equal work, stable scheduling, emergency leave, and other provisions. It also proposed increasing the hourly minimum wage to \$14 on January 1, 2018 and to \$15 on January 1, 2019. At the time of writing this report, the Bill has passed second reading and will be debated by the Standing Committee on Finance and Economic Affairs before going back to the legislature for third reading.

Changes to the ESA and LRA are critical for Ontario families, especially low-income families. Predictable and stable scheduling is important for families with children to be able to arrange child care, or to attend a second job, training or education program. Families with low income also need advance notice of scheduling to better predict their monthly incomes, especially when working flexible or part-time hours. Uncertainty in scheduling may result in parents and caregivers scrambling to find other work on short notice, or going into debt so they can cover their monthly expenses. Ensuring equal pay for equal work is also important for low-income families and will be of particular benefit to some of the most marginalized in the province, including women, female lone parents, people living with disabilities, immigrants, and racialized workers. Many of these groups are forced to work in low-paying jobs that are part-time, contract or temporary. Ensuring that all workers get paid the same when doing the same work will be important to increase families' wages and end employment discrimination.

While the government has taken some important steps in addressing precarious and low-wage work in the introduction of Bill 148, more must be done. The government must continue to update the LRA and ESA to ensure



Photo by John Bonnar

that gains made are not lost over time. The government must also ensure that employees are paid equally for equal work, are provided 12 paid personal emergency leave days, have sufficient hours of work, predictable scheduling and employment laws that are proactively enforced. In addition, the provincial government must advocate with the federal government for reforms to EI that specifically take into consideration the experiences of low-income parents. Further, the government must create employment equity legislation and create fair and equitable employment opportunities such as those provided through community benefit agreements. The government should also ensure that any changes to the LRA and ESA are aligned with the goal of eradicating poverty among all Ontarians. Providing workers with greater income security, job stability, and freedom to organize collectively are crucial elements to ending child and family poverty in the province and to building a strong and healthy Ontario.

Income Security

Building a strong social safety net that ensures all Ontarians live a life of respect and dignity is a fundamental component of ending child and family poverty. The inadequacy of social assistance rates and the many rules to which people on Ontario Works (OW) and the Ontario Disability Support Program (ODSP) must adhere leaves many families struggling to survive, let alone thrive. As seen in Figure 9, the depth of poverty for families on OW is stark. A couple on OW with two children is \$6,656 under the LIM-AT 2017 (T1FF).

The provincial government has made some positive changes to social assistance in the last two years. For example, in January 2017, the province changed OW and ODSP rules to allow people receiving benefits to keep all child support payments they receive. Asset and cash gift limits were increased significantly, effective January 2018 and September 2017 respectively. The Remote Communities Allowance, for those in the remote North, increased by \$50 for the 1st person in a family and \$25 for each additional family member.

Fig 9: Depth of Poverty for Families in Ontario on OW, 2017



Notes:

(1) Total income includes OW Basic Needs and Maximum Shelter amounts, the Ontario Child Benefit, the Canada Child Tax Benefit (CCB), the Ontario Trillium Benefit, and the G/HST credit. In order to receive child benefits and tax credits, families must have filled their prior years' tax returns. Amounts are best estimates.

(2) 2017 LIM-AT figures are calculated based on 2015 LIM-AT from Statistics Canada Income Statistics Division (2017 July), Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors (T1 Family File, Final Estimates, 2015) with inflation added using Bank of Canada inflation calculator.

Calculated by ISAC.

But broader transformation is required. Ending child and family poverty in the province must include transforming social assistance from programs characterized by inadequacy, surveillance, and coercion into ones that provide adequate incomes with quality supports and services, and that recognize the variety of barriers to the labour market that people face.

The Income Security: A Roadmap for Change report was released in early November 2017. This report recommends sweeping changes to social assistance and other income security benefits that would ensure better supports and services as well as adequate incomes. The report also makes recommendations that would better support Indigenous Peoples and recognize their right to self-determination and self-governance. It lays out a program of change and investment over ten years. This report cannot be ignored.

The government's three-year Basic Income Pilot, which is proceeding in Hamilton/Brantford/Brant County, Thunder Bay and Lindsay, and a separate First Nations pilot, which will be created in conjunction with First Nations, may provide important information about the impact of higher incomes and fewer restrictive rules to assist in this transformation.

The Ontario government must make a commitment to income adequacy to ensure all people are able to live free from poverty, with good health, dignity and respect. It must take the Roadmap for Change report seriously, engage the public on its recommendations, and take immediate action.

The government must implement immediate and significant increases to OW and ODSP rates in Budget 2018-19, change the definition of 'spouse' to align with the *Family Law Act* (to 3 years), and increase the OCB by \$200 /year. It must also work with the federal government to ensure all children have access to the CCB and OCB, including Indigenous Peoples, people with precarious immigration status and all those who do not file tax returns. To ensure all children and families are able to thrive, we cannot leave any child or family behind. We must ensure that all families have income security and that government support does not place families further at risk of living in poverty.

Early Learning and Child Care

A key foundation for supporting families and ending child and family poverty is a universal child care system that is affordable, accessible, inclusive, of good quality and that is provided by well-trained and well-paid staff. The early years in a child's life are integral to their development. The importance of providing quality care for children and support for families during this time cannot be overstated. Ontario not only continues to have the highest child care fees in Canada, but parents continue to struggle to find available, good quality, accessible and affordable spaces. Regulated, high-quality child care is an essential service for families and especially those struggling with low income. Without a universal child care program, low income families and children will continue to be left behind, facing greater barriers to exiting poverty.

In 2017, the province released "Ontario's Renewed Early Years and Child Care Policy Framework and Expansion Plan." The framework identifies seven priority areas including increasing access to early years and child care programs and services, and ensuring a more affordable early years and child care system.³² The province allocated \$200 million in the 2017 Budget to support access to licensed child care for 24,000 children up to the age of 4. An expert reviewer was also appointed to lead an affordability strategy to study and identify options to increase child care



accessibility and affordability in Ontario. The report is slated to be released at the end of February 2018. These are positive steps forward; however, it is critical that the strategy address the complexity of issues that families face when accessing child care.

Child care continues to be a heavy burden for families with children in Ontario, and poses particular challenges for families living in poverty. Low income parents not only struggle to find available spots that take subsidies, they also have to endure long waiting lists to obtain a subsidy (which are not guaranteed even if a child receives a child care space) and then struggle to fall within the parameters to keep their subsidy. Each municipality has rules and regulations mandating who is eligible to receive a subsidy and often this is linked to parent's employment status. This places a great barrier on low income families who may only work part-time hours, who are trying to look for employment, or for parents who work in non-traditional careers and who do not get paid through a direct employer, such as artists or entrepreneurs. Affordable, inclusive child care services should be available to all families who want it and access should be independent of parent's employment status.

Parents also need flexibility in the type of child care services that are available. Many child care centres have set hours similar to regular daytime work schedules, and parents must drop off and pick up their children by a certain time or face extra fees. This becomes incredibly difficult for families who are engaged in precarious work, whose hours are not fixed, and for families who work night shift. The lack of child care centres with flexible schedules places parents in the difficult position of having to choose between placing either their employment or their child care in jeopardy.

Finding and keeping child care is a heavy burden for Ontario families and has resulted in families - usually women - making difficult decisions, including reducing working hours, going into debt, or for some, not returning to the job market. Decisions to reduce working hours or delay returning to work significantly reduce lifetime earnings, including pension contributions, contributing to higher rates of poverty among senior women.

In moving toward a universally accessible system of child care Ontario must provide sufficient resources to ensure that services can adapt to the current economic, financial and employment realities of Ontario families. It must be inclusive of all children no matter their ability, family type, ethnicity, culture, and/or income. It must be publicly funded and managed. Studies show that child care that is publicly funded has reduced the wage gap between women with children and women without children.³³ It must have clear targets and timelines for implementation. It must support parents' seeking to participate in the workforce or pursue higher education to improve their qualifications; and it must provide all children with a strong foundation for their well-being and life long development. If Ontario is committed to ending child and family poverty, creating a high quality, affordable, universal child care system must be made a priority.

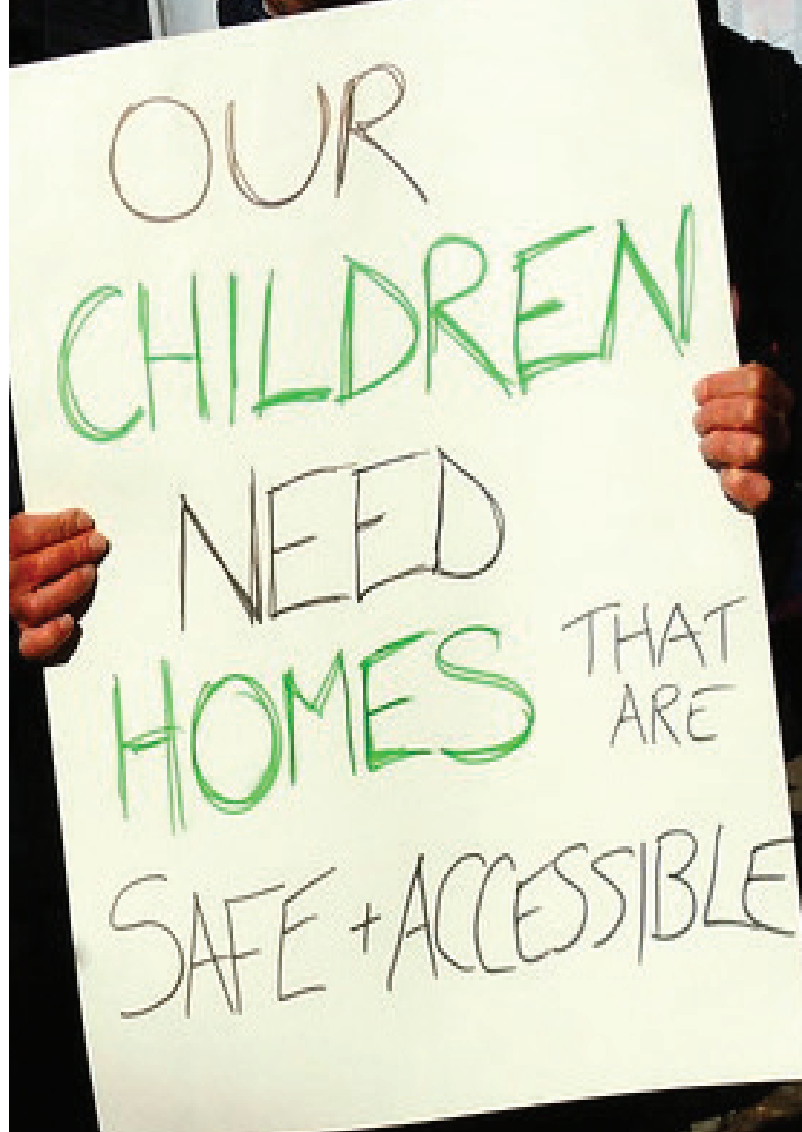


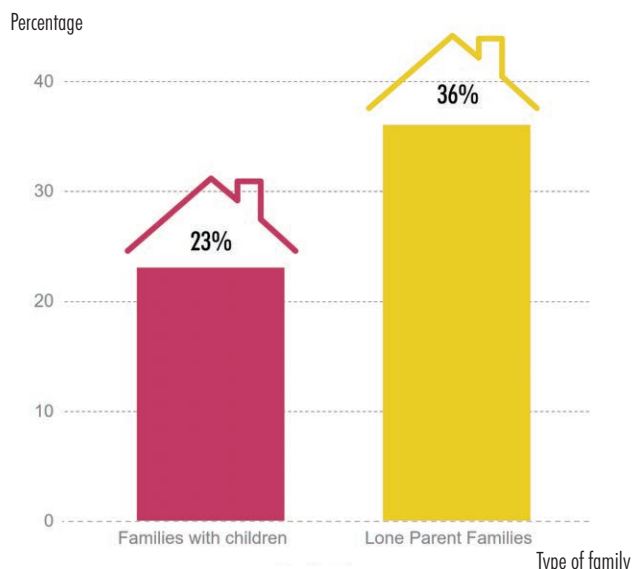
Photo by John Bonnar

Housing

Access to stable, safe, affordable, accessible and quality housing is fundamental to ending child and family poverty in Ontario. However, with increasing housing costs, low vacancy rates and long waiting lists to obtain subsidized housing, low income families face an uphill struggle to get out of poverty and an increased risk of becoming homeless. Unstable housing also greatly impacts health. Research shows that providing stable housing has positive health outcomes, including reducing outpatient and emergency room visits.³⁴ Ensuring families are properly housed is a key component in ending child and family poverty.

For low income families, finding and keeping housing can be a huge struggle. Vacancy rates in Ontario have been lower than 3% since 2010³⁵ and average prices have been increasing at a far greater rate than families' incomes. In 2015, the average monthly rent for a 2-bedroom apartment in Ontario was \$1118.³⁶ In comparison, the after-tax median family income of a low income lone parent with one child, was \$1385.83 a month. Census data shows 36% of lone parent families in Ontario spend 30% or more of their household income on shelter costs (Figure 10).³⁷ Low income families have very little money after paying for housing costs, which is why it is so important for families to have access to affordable housing.

Fig 10: Percent of Households Spending 30% or More of Income on Shelter Costs, Ontario 2016



Source: Statistics Canada., 2016 Census of Population Statistic Canada Catalogue no. 98-400-X2016230

The Ontario government has committed to ending homelessness and specifically chronic homelessness by 2025. In December 2016, the government passed the *Promoting Affordable Housing Act*, and in March 2017 released the Supportive Housing Policy Framework and Best Practices Guide. The government also committed \$33 million for the creation of 2,000 supportive housing units in 2017-2018. Further, in May 2017 the province passed the *Rental Fairness Act*. This legislation extends rent control guidelines to units that were previously exempt, and includes new regulations that provide better protections to tenants terminating tenancies and limit above-guideline rent increases.

The government must create new affordable housing and improve low income families' access to safe, affordable and supportive housing, prioritizing the construction of new affordable housing units for those in greatest need. The province must create a multi-year affordable housing plan that establishes attainable and measurable goals and allocates sufficient funding to achieve these goals. The province must also release provincial lands to create affordable rental housing and finalize regulations for inclusionary zoning to enable municipalities to draft and adopt inclusionary zoning by-laws. Affordable housing for programs and initiatives should also be defined based on 30% of household income, and there should be increased funding for the repair and maintenance of social housing units. Finally, the government must exclude child support payments from rent geared to income calculations and end unlimited rent increases when units become vacant. Rent increase guidelines should apply to all rental units to maintain affordability when there is a change of tenants.

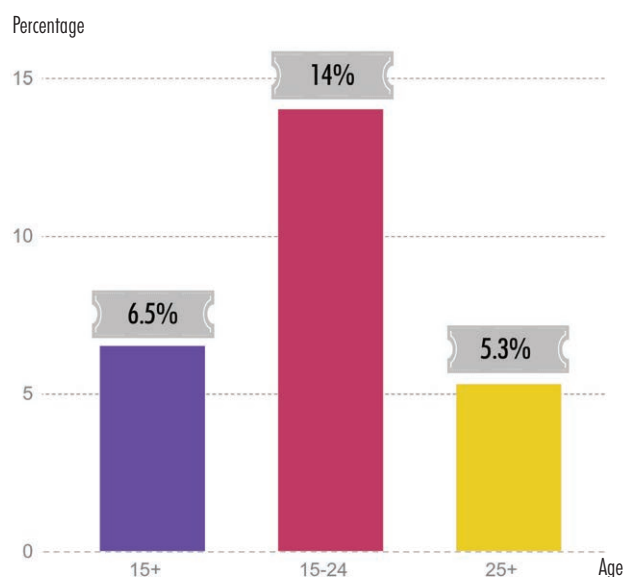
Youth and Education

Supporting youth is fundamental to building a stronger province for the future. Key improvements in the child and youth welfare system, the primary, secondary and post-secondary education systems, and in employment are needed to allow all youth to thrive. Building strong policies and programs for youth both prevents them from living in poverty now and lowers their risk of living in poverty in the future.

Ontario continues to have the highest tuition fees in Canada. Average tuition fees for undergraduate students in Ontario (2017-2018) are \$8,454,³⁸ an increase of 3.7% from 2016-2017.³⁹ Average tuition fees for graduate students in Ontario (2017-2018) are \$9,918,⁴⁰ an increase of 2.0% from 2016-2017.⁴¹ These costs are a major barrier for prospective and current students to obtain a higher education, and increase students' risk of living in poverty, given the difficulty of paying for both tuition and other basic needs, including food. Increased costs also result in increased debt accumulation, increasing students' risk of experiencing poverty post-graduation.

It is also difficult for youth to find employment. For youth aged 15-24 the unemployment rate is more than double the rate for those who are 25+ (Figure 11).⁴² With the increase in precarious jobs and the inability of youth to find full-time permanent employment with benefits, it is difficult for youth to pay for their basic necessities and support themselves. This is even more difficult if they have a family to support, or have a disability. Providing good job opportunities for youth is important to ensure they are not forced to live in poverty.

Fig 11: Ontario Unemployment Rate, Youth and Adults Unadjusted, Sept 2016-Sept 2017



Source: CANSIM 282-0087- Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted (Year-to-date averages)

In 2017 the province made significant changes to the Ontario Student Assistance Program (OSAP). Starting with the 2017-2018 school year, OSAP covered average tuition costs for full-time undergraduate arts and science programs for families with income under \$50,000. In the fall the government created the Employment Ontario Youth Employment Reference Group. In June 2017, the province also passed the *Supporting Children, Youth and Families Act*, which raised the age of protection from 16 to 18. The Act is currently waiting to be proclaimed. To ensure youth can access post-secondary education, the government must eliminate tuition fees and interest on student loans, and create debt-relief programs for low and middle-income students.

Food Insecurity

Reducing household food insecurity is fundamental to reducing and eradicating child and family poverty. A key component of health is having access to a nutritious and well-balanced diet. However, for many households across Ontario it is a daily struggle to provide enough food for their families, let alone food that meets their nutritional needs. Household food insecurity occurs when there is inadequate or insecure access to food as a result of financial constraint.⁴³ In Ontario this affects almost one in eight households.⁴⁴ Household food insecurity has a huge impact on overall health and is strongly related to low and unstable incomes.

Food insecurity not only has a negative impact on people's individual health but also on the financial health of Ontario's health care system. Research has shown that there is a causal relationship between food insecurity and the use of health care services.⁴⁵ Health care costs increase significantly when there is an increase in severity of household food insecurity.⁴⁶ Food insecurity has also been linked to poorer physical and mental health.⁴⁷ Among children it has also been linked to the development of chronic health conditions such as depression and asthma.⁴⁸ Further, a greater severity of food insecurity increases the likelihood of negative health outcomes.⁴⁹ Reducing household food insecurity could decrease health care expenditures for both families and the province.⁵⁰

Food insecurity is highly associated with household income. As household income decreases, there is an elevated risk of being food insecure. Households are also at higher risk of being food insecure if they rely on social assistance, rent, are a female lone-parent family, or if they are Indigenous.⁵¹ Food insecurity also has a direct impact on low income families. Research has shown that adults in low income families will provide resources to their children first while depriving themselves.⁵² While there is no evidence that food insecurity is related to a family's knowledge of food or failure to allocate sufficient income to food,⁵³ there is evidence that household food insecurity decreases when families have both sufficient and reliable income.⁵⁴

In 2014, Ontario had the highest number of food insecure families (594,900) in Canada.⁵⁵ However, the province chose not to monitor food insecurity for 2015 and 2016. This means that for two years there will be

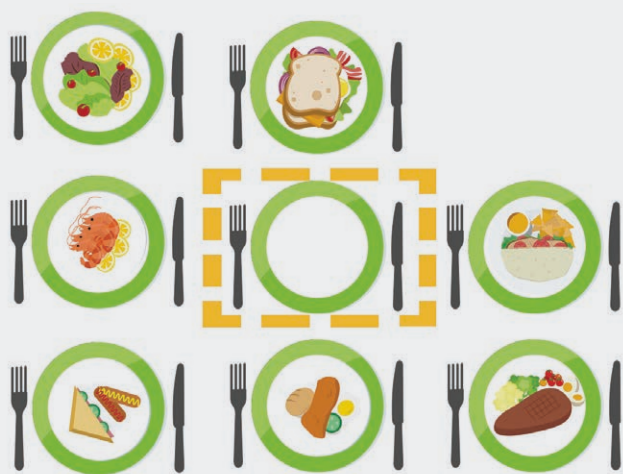


no data to assess the levels of household food insecurity in the province. Household food insecurity is a highly sensitive measure of a household's material deprivation, and this data helps to understand the experiences of poverty across Ontario.⁵⁶ The collection of this data is critical to create evidence-based policy decisions. This is incredibly important as the province's current poverty reduction strategy focuses on food security and nutrition programs, and given that the rate of household food insecurity has not been meaningfully reduced since the implementation of the 2008 Poverty Reduction Strategy.⁵⁷

Food insecurity data is critical to understanding if policies and programs are effective. The Ontario government must mandate the collection of household food insecurity data, and ensure that it is collected longitudinally on a consistent basis to enable the creation of evidence-based policy and programs.



Without comprehensive data we can not have effective policies



1 in 8

Families in Ontario are affected by food insecurity

Health

Adequately addressing the social determinants of health by creating the socio-economic and political conditions to support children and families to be healthy is key to ending child and family poverty in Ontario. Living in poverty negatively affects people's health, leading to an increased incidence of chronic illness, multiple chronic conditions, and a decrease in life expectancy.⁵⁸ However, poverty also results in people receiving worse health care and using an increased amount of healthcare services.⁵⁹ In Ontario, poverty-induced healthcare costs are estimated at \$2.9 billion a year.⁶⁰ Research has shown that people with low incomes are twice as likely to use healthcare services as those with the highest level of income.⁶¹ The creation of policies that address the social determinants of health will not only result in better health outcomes for children and families but also build a healthier, stronger Ontario.

The health of low-income families can be negatively affected by the compound issues of unstable housing, food insecurity, and precarious low-wage work, particularly work that provides no or few health benefits. Low income families face difficult decisions when determining how to pay for health care needs that are not included in OHIP. Parents may dismiss their own health needs (such as not paying for dental care) to ensure they do not reduce the food budget for their children. Low-income families have also been policed by health care providers who have reported them to child welfare agencies if the family has not been able to pay for their children's health needs.⁶² Parents will often go into debt to pay for their children's needs,

especially health care needs. Better access to well-paying jobs, better income security programs, and affordable housing would greatly assist in increasing the health of low income families.

In Budget 2017, the provincial government announced the creation of OHIP+ : Children and Youth Pharmacare Program. The program will provide free prescription medications for youth who are under 25 and eligible for OHIP. The program will begin in January 2018. This is a very important component of ensuring that all children and youth are able to access the medications they need; however it can be even more comprehensive. In the 2014 Poverty Reduction Strategy and the 2014 Budget, the provincial government made a commitment to creating a health benefit for low-income children and youth that would include vision care, prescription drugs, assistive devices and mental health services, and to explore expanding such a program to low-income adults; however there has been no movement on these commitments to date.

The government must work to enact policies that ensure all children and families are able to reach their full health potential. This includes creating and implementing policies that address the social determinants of health. The government must also follow through on their 2014 commitment to create a Low-Income Health Benefit for children and youth and expand the benefit to all low-income people. This benefit should provide holistic coverage for dental care, prescription drugs, eye care, assistive devices and mental health services, in order to ensure that children and their parents/caregivers can access the services they need to stay healthy.

Conclusion

Ontario needs to build a strong foundation to ensure that all children and families are able not only to survive but also to thrive. In a province as rich as Ontario, no child or family should be living in poverty.

This Annual Report Card defines the foundations needed to create change and eliminate poverty in Ontario. We know what we need to do to move forward and now is the time to act.

Ending child and family poverty is not negotiable!

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