



2007 REPORT CARD on Child and Family Poverty in Ontario

THE ROAD AHEAD: POVERTY REDUCTION IN ONTARIO

- **1 in 8 children in Ontario – 345,000 – live in poverty when income is measured after taxes.** Before income taxes, 1 in every 6 children lives in poverty.
- **A job is not a guaranteed pathway out of poverty.** 70% of all low-income children live in families with at least one parent working, part-time or full-time.
- **Having to rely on social assistance is a guarantee of poverty.** Rates are lower now than at any time since 1967. 67% of children on social assistance are in female lone-parent families.
- **Poor families are in deep poverty.** The average two-parent low-income family lives \$10,000 below the poverty line.
- **Poverty rates for children in Aboriginal, racialized, new immigrant and lone mother-led families are at least double the average rate.**



Concern about persistently high rates of child and family poverty in Ontario despite years of economic growth translated into some positive steps forward in 2007. The provincial budget included a focus on child poverty and introduced a new Ontario Child Benefit for low-income families. The minimum wage has increased to \$8.75 and will reach \$10.25/hour by 2010. The re-elected provincial government has committed to develop a Poverty Reduction Strategy for Ontario with targets and measures, and appointed a lead minister and Cabinet Committee on Poverty Reduction.

In preparation for public consultations on poverty reduction, this report provides the most recent information on child and family poverty in Ontario, followed by Campaign 2000 recommendations for an effective Ontario Poverty Reduction Strategy. This should be a long-term plan coordinated across government ministries, with key indicators monitored annually to track progress and ensure accountability. Federal and municipal governments have a role to play, along with business and labour stakeholders.

We repeat our call for a strategy that sets a minimum target of 25% reduction in the child poverty rate over the next five years, and a minimum 50% reduction over ten years to put Ontario solidly on the path to poverty eradication. One cornerstone of this strategy must be to assure every adult working full-time, year-round a living standard above poverty.

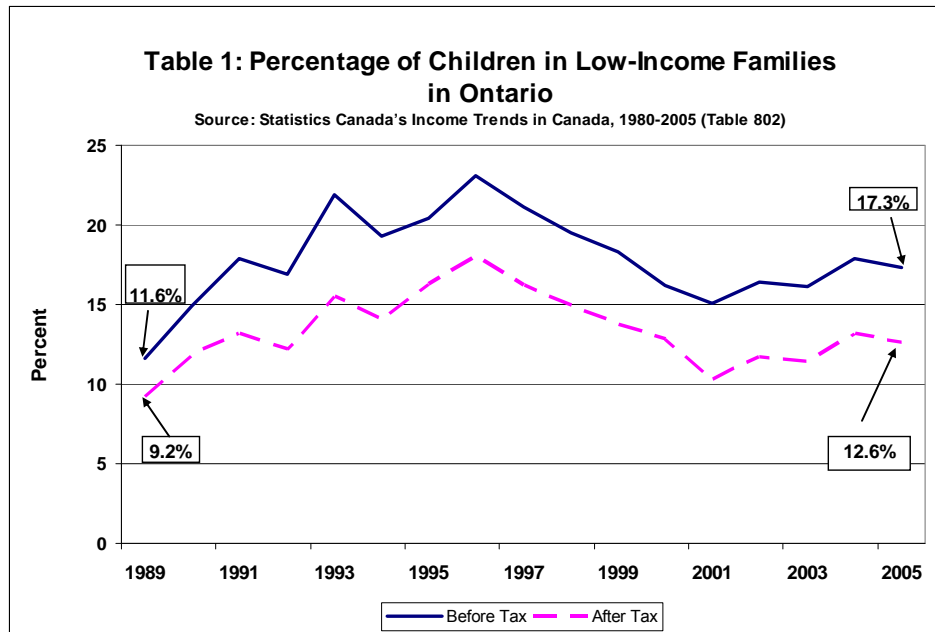
Campaign 2000 thanks Family Service Association of Toronto, our host agency, supported by United Way of Toronto

Child Poverty in Ontario

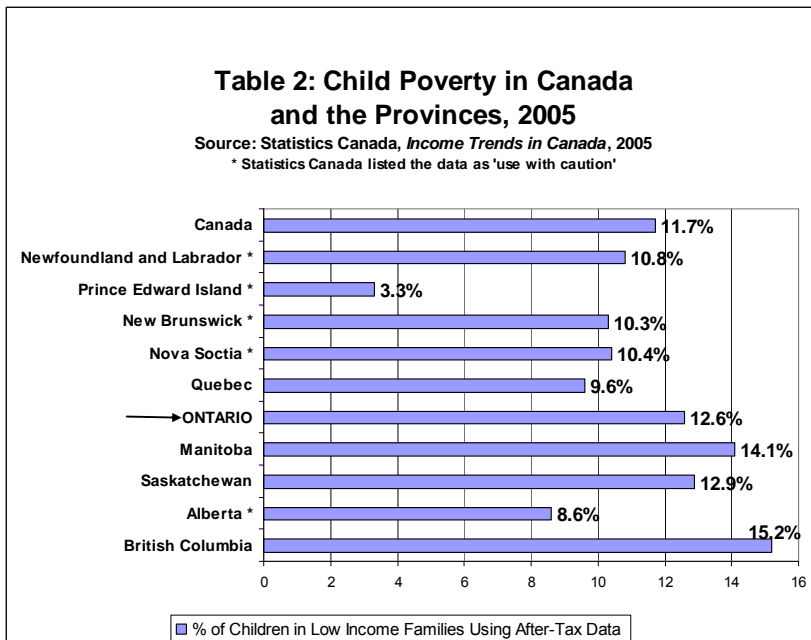
Ontario's child poverty rate has been on an upward trend since 2001, despite a growing economy. One child in every eight in Ontario is in a family that lives below the poverty line (based on after-tax income). That is 345,000, or 12.6 % of Ontario children and youth under age 18. Before income taxes, 1 in 6 or 474,000 children live in poverty.¹

The provincial child poverty rate declined slightly from 2004 to 2005, but remains double-digit. It is well above the 9.2% rate (after tax) of 1989 – the year that Canada's Parliament resolved unanimously to end child poverty in Canada by the year 2000.

Only three provinces have child poverty rates higher than Ontario (B.C., Manitoba and Saskatchewan). Quebec's child poverty rate is 9.6% and has been steadily declining from a peak of 22% in 1997. New family supports were implemented that year including expansion of affordable child care, an increased child benefit, and improved parental leave. The Quebec government action plan for poverty reduction began implementation in 2004.



As Canada's largest province, 44% of all low-income children in the nation live in Ontario. If Ontario implements an effective poverty reduction strategy in this province, that will have a significant impact in bringing down Canada's 11.7% child poverty rate.



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Statistics Canada produces two sets of low-income indicators, the first based on before-tax income and the second based on after-tax income. Campaign 2000 uses both indicators to track child poverty. There is about a 5 percentage point difference between child poverty rates based on before-tax income and after-tax income. Both poverty indicators reveal that there has been little change in the material circumstances of children given current levels of prosperity. The following discussion uses after-tax poverty indicators, except where noted otherwise.

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Low-income Families are Living in Deepening Poverty

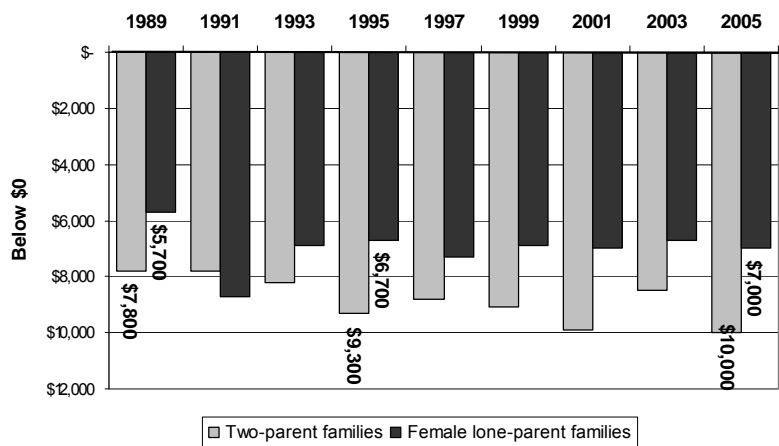
The depth of poverty is indicated by how far below the poverty line a low-income family is living. In Ontario, the average low-income two-parent family would need an additional \$10,000/year to bring them up to the poverty line (after tax). The average low-income, female lone-parent family would need an additional \$7,000/year.

Although Ontario's child and family poverty rate has declined since the peak in the mid 1990s, the average low-income family is living as deeply in poverty now as they were ten years ago when the economy was in a downturn. Deepening poverty is reflected in increasing food bank use. The number of people using Ontario food banks increased by 14.3% between 2001 and 2007. Of the 318,540 Ontarians relying on food banks in 2007, 123,600 were children.²

An effective poverty reduction strategy in Ontario must reduce both the rate and the depth of poverty by bringing the incomes of poor families up to and above the poverty line over a set timeline.

Table 3: Depth of Poverty for Low Income Families with Children in Ontario, 1989-2005 (in constant 2005 \$)

Source: Statistics Canada's *Income Trends in Canada, 1980-2005, Table 804*
(using after-tax income)



Some Children Face Greater Risk: Discrimination and Family Poverty

For Ontario children, the risk of poverty is no more homogeneous than the population itself. Children from communities and groups that face systemic discrimination are much more likely to be growing up in poverty. To succeed in reducing poverty, a comprehensive provincial poverty reduction strategy needs specific policies and instruments that effectively address systemic barriers and promote greater equity in our communities.

Census data with demographic breakouts is based on before-tax income. This data³ shows that children with disabilities, children in families of single mothers, Aboriginal children, racialized children⁴ and children in immigrant families are between 1.5 and almost 3 times more likely to be living in poverty than all children. For children facing multiple social exclusions – for example, an African-Canadian child of a single mother – the risk and depth of family poverty increases.

Poverty rates are highest for lone-mother led families. Just under half – 49% – of female lone-parent families with children in Ontario live in

poverty. In 2003, the average income in families led by a woman alone was two-thirds that of families led by a sole male.⁵ These strategies can begin to address the gap:

- raising the minimum wage
- financial assistance for training programs
- pay equity programs
- expanding affordable childcare

Concern is growing about the racialization of poverty in Ontario – the ongoing, disproportionate levels of poverty experienced by communities of colour.⁶ Thirty-two per cent of children in racialized families in Ontario live in poverty (2001 Census), and this has increased dramatically over time. Between 1981 and 2001, the poverty rate among racialized families in Toronto increased a startling 362%, while it decreased by 28% for Toronto families of European descent.⁷ Strategies recommended by the Colour of Poverty Campaign and supported by Campaign 2000 include:

- employment equity
- ending discrimination in the workplace
- ensuring all youth finish high school.

Across Canada, the Aboriginal population is young, growing and increasingly urban. New 2006 Census data shows a 29% increase in the number of Aboriginal people living in Ontario since 2001 – more than 5% per year.⁸ At 33% according to the 2001 Census, the poverty rate for Aboriginal children living outside First Nation territories was almost double that of Ontario children generally. National data shows 29% of Aboriginal children were living with a lone mother in 2006, which increases the risk of family poverty.⁹

Canada's constitution recognizes the inherent Aboriginal and treaty rights of the Inuit, First Nations, and Metis peoples. The provincial government should work with the federal government in consultation with Aboriginal communities to develop an Aboriginal poverty reduction strategy.

Children in immigrant families are also at greater risk of living in poverty. According to the 2001 Census, almost one in every two children (47%) in recent immigrant families is living in poverty, and 1

in 2.5 of children in immigrant families (39%) lives in poverty. The Ontario government can support immigrant families by:

- eliminating the waiting period for OHIP coverage,
- enhancing newcomers' access to their trades and professions,
- increasing designated funding for school English as a Second Language programs,
- offering a broad range of family supports from affordable housing and child care to a living wage and expanded workplace regulation.¹⁰

One in every four Ontario children with a disability (26%) lives in a low-income family which faces a lack of support services and social and financial stress. Almost half of all Canadian children with disabilities who require aids and devices are not able to obtain them, and the main reason is financial.¹¹ The provincial government needs to expand services and support for these families including adequate transportation, safe, affordable and accessible housing, and adequate funding for children's mental health services as well as special education in the public school system. New federal support programs must be kept free from any provincial clawback.¹²

Children and Social Assistance: Close the Poverty Gap

As an income program of last resort, social assistance is a crucial support for many Ontarians. But children and families who rely on social assistance struggle with inadequate incomes, punitive and sometimes incoherent rules and regulations, and undeserved social stigma.

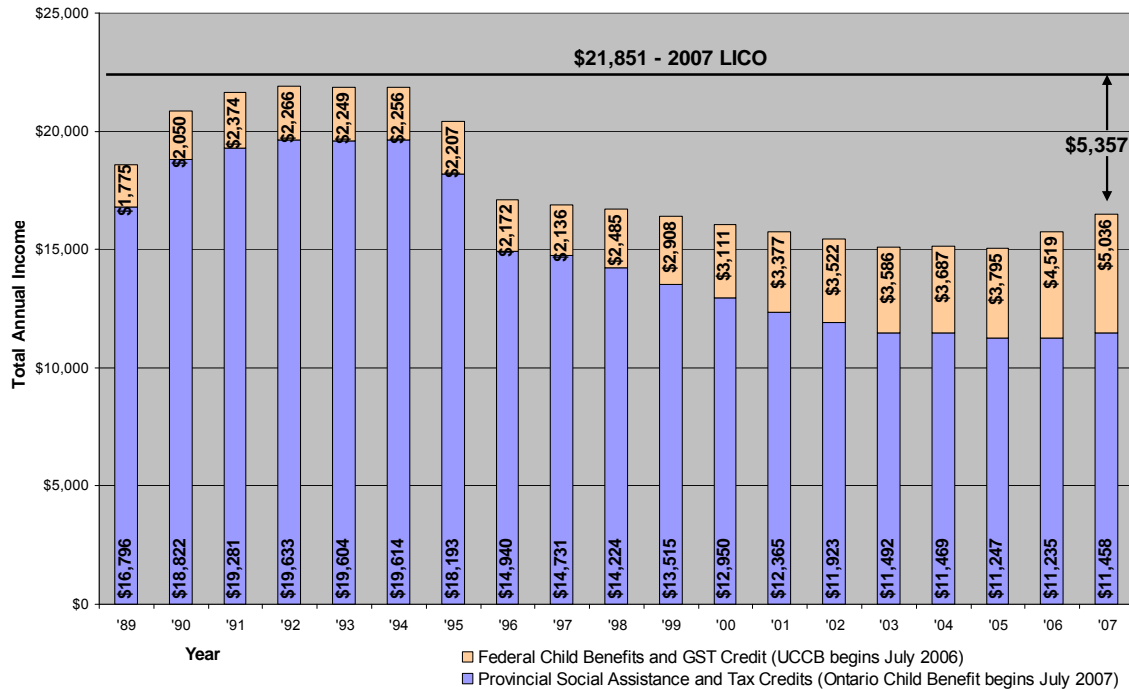
In December 2007, there were 195,327 children in families relying on social assistance in Ontario. 146,640 of them received Ontario Works benefits, and 48,687 received Ontario Disability Support Program benefits. Of these, 139,868 (72%) were in lone-parent families. Sixty-seven percent of all children relying on social assistance live in lone-mother led families.¹³

These families rely on social assistance for a variety of reasons, including un- or under-employment, separation from a spouse, poor health, disability, or ineligibility for federal programs such as Employment Insurance. Single parents, for example, are often unable to participate in the workforce due to barriers like chronic poor health (their own or that of their children), physical or mental health issues, the need to care for other family members, and personal experiences of violence and abuse.¹⁴ They need a standard of living that allows them to live and raise their children in dignity and decency.

In 2007, a single mother living in a large city like Toronto, who had one child under six and was receiving maximum Ontario Works and other benefits, was living \$5,357 below the poverty line.¹⁵ This depth of poverty exists despite recent improvements in child benefits that have just begun to have a positive effect on ten years of drastically declining incomes. But the upward income trend is unlikely to continue. The federal government has made no commitment to increase benefit rates for the Canada Child Tax Benefit or the National Child Benefit Supplement beyond 2007. The new Ontario Child Benefit will increase between 2008 and 2011, but a gradual reduction in social assistance rates will lessen its impact.

**Table 4: Total Maximum Family Income on Social Assistance (Ontario Works)
1989 to 2007**

Lone Parent, One Child under 6 (2007 dollars) and After-Tax Low Income Cut-Off



Source: Adapted from National Council of Welfare: *Welfare Incomes, 2005*, p.64.

Steps must be taken immediately to close the poverty gap:

Adequacy of Income

In real dollars, social assistance rates are lower now than at any time since 1967.¹⁶ As the table below illustrates, incomes for people relying on social assistance are grossly inadequate. After paying for a two-bedroom apartment, groceries, and a telephone, the single mother in the example has \$38 per month to provide clothing, transportation, school fees, personal care items, entertainment, and everything else she and her child need. A telephone may well be a luxury she gives up in favour of essentials like toothpaste, shampoo, soap, and adequate food and clothing for her child.

Table 5: Single mother with 6 year-old receiving Ontario Works, 2007¹⁷

Monthly Income	\$
Ontario Works	901
Tax Credits and Child Benefits	474
Total Income	1,375
Basic Monthly Expenses	
Two-bedroom Apartment	1,067
Nutritious Groceries	235
Telephone	35
Total Basic Expenses	1,337
Amount Remaining	\$38

It's clear that families on social assistance can't wait for Ontario's Poverty Reduction Strategy. A significant social assistance increase must be provided immediately to ensure families can meet the real costs of living. And a rational and just mechanism for setting rates – one that takes real costs into account – must be put into place.

Protection against Inflation

Since 2003, the provincial government has provided annual increases to social assistance rates that, when compounded, total 7.16%. While these increases are welcome, their positive

impact has been counteracted by an inflation rate of 8.85%. Families receiving already inadequate social assistance incomes are effectively worse off now than they were in 2003.

As one of the first steps in their poverty reduction strategies, both Quebec and Newfoundland and Labrador raised social assistance rates and permanently indexed them to inflation. Nova Scotia has also indexed rates. Ontario must do the same. Families cannot afford to have their incomes eroded by increases in the cost of living.

Fix the Rules

Recipients must navigate approximately 800 rules and regulations to access benefits. As the Ontario Government's Matthews Report of 2004 states, many of these rules are "punitive and designed not to support people, but rather to keep them out of the system".¹⁸

For example, the single mother in the situation above receives a shelter allowance of \$549/month from Ontario Works.¹⁹ She gets a roommate to share her \$1,067/month apartment, so that her shelter allowance is actually enough to pay the rent. But when people share accommodation, Ontario Works rules reduce shelter allowances in proportion to the number of people sharing. In this case, her shelter allowance is reduced by half and once again, it doesn't even come close to covering her rent.

A range of punitive rules like these keep families trapped in a cycle of poverty and dependency. Families risk losing crucial supports such as health benefits, public housing, student loans, and subsidized child care when they get a job and their income increases.²⁰ The provincial government must undertake a comprehensive review of social assistance rules and how they interact with other social programs. Enforcing punitive and counter-productive rules not only treats people badly, it is a waste of money that could instead be used to improve people's lives.

The Ontario Child Benefit: Fairness and Faster Implementation Needed

In July 2007, the provincial government instituted the Ontario Child Benefit (OCB) with a lump-sum down-payment of \$250. Eligible low-income families with children 18 or under – whether they are working or on social assistance – received the down-payment, and will get a monthly benefit beginning July 2008. The maximum monthly benefit amount will increase gradually from \$50/child in 2008 to \$92/child in 2011.

This important new program will assist many Ontario children. But a fundamental unfairness is being built into the system – the children of parents who receive social assistance will not receive the full value of the OCB. When the monthly OCB starts in July 2008, social assistance rates will be reduced, effectively clawing back a portion of the OCB.²¹

By the time the full benefit is paid out in 2011, children whose parents receive social assistance will get a net benefit of only \$50/month/child, not the full \$92, because OW and ODSP rates will decrease as the OCB increases. In addition, after July 2008, the Winter Clothing and Back-to-School allowances will be rolled-in to the OCB. These small annual allowances help families with the cost of new clothes and school supplies for their growing children, and help low-income children have a fair chance at school. Incorporating them into the monthly payment – when incomes are already so low – will mean forcing families to decide between paying for food and buying their child a warm winter coat.

This is unacceptable. All low-income children, regardless of the source of their parents' income, should receive the full value of the Ontario Child Benefit. 2011 is a long time to make low-income children wait for improvements in their families' incomes. The roll-out of the OCB must be accelerated to allow all low-income families to better cope with the costs of raising children.

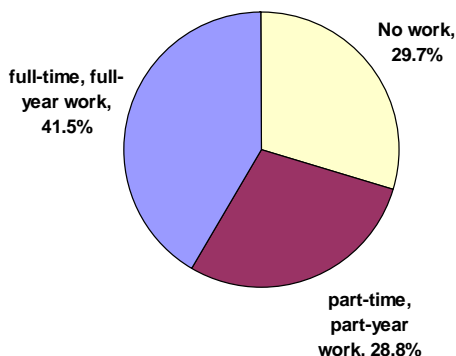
Working, Yet Poor

Government programs are intended to move people off social assistance and into jobs, but with low wages and poor working conditions, social assistance poverty is often replaced by labour market poverty. A job alone is not enough to guarantee that a family will not be poor. When income is measured before tax, fully 2 out of every 5 low-income children (41.5%) in Ontario live in families with at least one parent working full-time, full-year but not earning enough to lift their families out of poverty. The vast majority of low-income children (70%) live with parents who are in the workforce, either part time or full time. Their parents are working in jobs with insufficient pay, hours and benefits to enjoy a living standard out of poverty.

Why are so many parents working but still poor? One reason is low wages. The government has taken an important step in raising the minimum wage rate. But even at \$8.75/hour as of April 2008, a single person working full-time, full-year in a minimum wage job will have employment earnings that are approximately \$3,000 below the poverty line (Low Income Cut-Off before taxes). It takes a wage of \$10.25/hour to reach the poverty line for a single worker in a large Ontario city working 40 hours a week for 52 weeks.

Table 6: Percentage of Ontario low-income children by family employment status, 2005

Source: Before-tax data prepared by CCSD, using SLID masterfile, 2005



Another reason is the growth of insecure, unstable work that is not protected by provincial labour standards. About 37% of all jobs are now precarious: part-time, contract, temporary or self-employment.²² Ontario has lost approximately 205,000 well-paid manufacturing jobs since 2002.²³

Meanwhile, the number of temp agencies in Canada has grown from 1,300 in the early 1990s to over 4,200 by 2004. Nearly sixty percent of temp agencies are in Ontario.²⁴ Workers in temporary and contract jobs are at higher risk of unpaid wages, wages below the legal minimum, and unpaid statutory holidays and overtime.

Women, immigrants and workers from racialized communities are disproportionately found in jobs with the worst wages and working conditions.²⁵ The reasons include: gender and racial discrimination; failure to recognize foreign credentials and work experience;

predatory employers; weak government enforcement of workers rights; and outdated laws that assume we all work full-time, full-year. Ontario's Employment Standards Act must be updated to protect contract, temporary and self-employed workers.

Another problem for parents who are out of work is lack of Employment Insurance coverage which means they have to rely on social assistance. Changes at the federal level to Employment Insurance eligibility mean that only 30% of Ontario's unemployed received EI in 2006.²⁶

Ontario has a low-wage problem

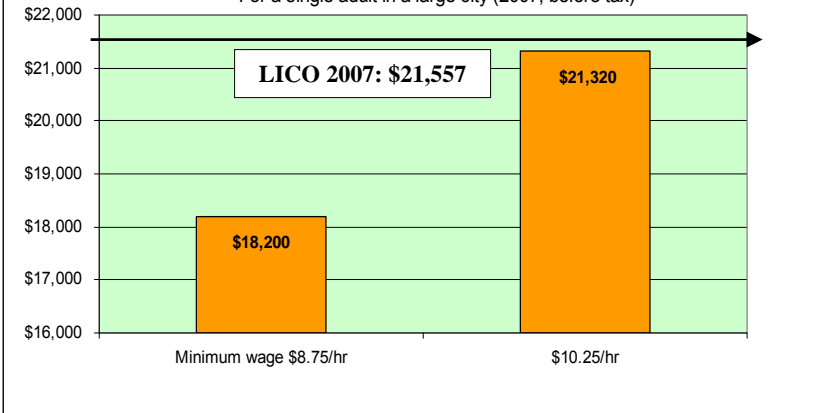
The UNICEF report, *Child Poverty in Rich Nations*, found a strong link between low-wage jobs and child poverty rates. Countries with a high proportion of low-wage jobs – jobs paying less than 2/3 the median wage – had higher child poverty rates. The median wage is the wage level at which half of all workers earn more and half earn less. In Ontario in 2006, the median wage was approximately \$18/hour, therefore low wage jobs were those that paid less than \$12/hour. In 2006, that was almost one in four (24%) of Ontario jobs.²⁷

Municipal Living Wage By-Laws

More than 100 cities in the US have passed living wage by-laws. These stipulate that the municipality pay all municipal employees and sub-contractors a "living wage" – above the minimum wage that allows a worker to meet basic needs and build savings. Experience in the US has shown that living wage by-laws can help raise the living standards of workers, without undue cost for employers, municipal governments and the general public.²⁸ In Ontario, municipal governments in Niagara Region and Waterloo Region are considering living wage by-laws. The principle is simple: public tax dollars should not be used for jobs that pay poverty wages.

Table 7: Minimum Wage Earnings Compared to Poverty Line

For a single adult in a large city (2007, before tax)



Making work a sure pathway out of poverty:

Employment should provide a pathway out of poverty. To get there, **Ontario needs to develop a Good Jobs Strategy** to preserve manufacturing jobs and support the growth of good jobs with living wages, benefits and coverage under provincial labour legislation.

- **Increase the minimum wage to \$10.25 now so that full-time work pays enough to lift someone out of poverty.** Do not wait until 2010. Permanently index the minimum wage to inflation so it increases with the cost of living. Raising the minimum wage is not just good for families, it is good for local economies. In the United Kingdom and several US states, where minimum wages were increased substantially, fears of a decline in business and employment levels never materialized.²⁹ Workers at the low end of the wage scale spend more of their income in the local economy. Raising the minimum wage means more business for local businesses – like grocers, clothing retailers and restaurants. Businesses report that living wage bylaws resulted in less labour turnover, increased productivity, and reduced training costs.³⁰
- **Introduce work tax credits** in conjunction with an adequate minimum wage, or urge the federal government to increase the Working Income Tax Benefit to assist low-wage workers.
- **Ensure health and dental benefits for low-wage workers.** The Ontario Government has committed to provide dental care for the working poor.
- **Update employment standards to protect people in precarious work, and enforce the law.** The *Employment Standards Act* needs to give contract, temporary and self-employed workers the same protections under provincial labour legislation as full-time workers, and to ensure a level playing field for employers. The province needs to increase inspections for employment standards violations, and ensure employers who break the law are caught and fined.
- **Improve access to unionization.** Workers in unionized jobs tend to earn higher wages, have more benefits and enjoy greater protection of workplace rights. Employers get the benefit of long-term, stable employment relations that deliver higher productivity and lower staff turnover.³¹ Workers should be allowed to organize in all workplaces by card certification only, without the need for a vote. It should be easier under the *Labour Relations Act* for workers in small workplaces and precarious forms of work to organize.
- **Continue to invest in services that help all new immigrants access good jobs** in keeping with their skills and training. These include labour market integration programs, workplace language skills training, and apprenticeship programs, with broader initiatives required to address employment discrimination both in hiring and in the workplace.
- **Press the federal government to improve access to EI** by introducing a 360-hour qualifying requirement to ensure laid-off and part-time workers qualify. The system also needs to improve benefit levels and increase the maximum from the current \$400/week.

Access to Child Care: A Critical Element of Poverty Reduction

Early learning and child care services benefit children, regardless of their socio-economic circumstances, by supporting developmental skills and school readiness. A universal publicly-funded child care program is a critical element in a comprehensive poverty reduction strategy. Parents need access to high quality, affordable and secure child care if they are to seek employment or the training and education required to get a good job.

Ontario currently has a patchwork of early learning and child care programs where quality and availability vary widely. Low and modest income families face a range of challenges. There are only sufficient regulated child care spaces for 12% of children aged 0-12.³² In contrast, Quebec has regulated child care spaces for 35% of children under 12. The cost of a regulated space can range up to \$12,000 a year in Ontario. Estimates of the number of families on subsidy waiting lists for child care range from 17,000 upwards.

The Ontario government has recently committed to developing full-day learning for children aged 4 and 5 with full-day kindergarten – a significant step forward. But the Ontario and federal governments need to continue investing to build a public child care system for all ages that is high quality, regulated and accessible to all Ontario families. Campaign 2000 supports the call for a target of at least 25% of Ontario children under 12 having access to a licensed child care program within the next five years. Wage and benefits for child care workers must also be increased to improve quality and stabilize the sector. Given current hourly wage levels of \$12-\$14, the current wage subsidy program needs to be made universal so it applies to all child care workers.³³

Access to Affordable Housing

Most low and modest income households in Ontario live in private rental or social housing. Yet the supply of new rental housing is desperately short of the need, and average rents have increased beyond what most tenant households can afford to pay.³⁴ The number of Ontario households in core housing need (in unaffordable, substandard and over-crowded housing) was almost 600,000 in 2001.³⁵ Over 123,000 households are currently on the waiting list for social housing where rent is geared to income -- the wait time ranges from 5 to 12 years.³⁶ In 2006, a record 66,746 tenant households in this province faced eviction with rising rents and energy costs being the primary reasons.³⁷

In 2001, Ontario signed the *Affordable Housing Framework Agreement* with the federal government in which all provinces and territories agreed to cost-share the new \$2 billion program. Since then every province and territory except for Ontario has increased spending on housing. Ontario spending dropped by \$732 million from 2001-2007.³⁸ The re-elected provincial government has promised an affordable housing strategy for Ontario. Campaign 2000 urges that it be comprehensive and fully-funded as a key cornerstone of an effective poverty reduction strategy. The federal government must play its role by continuing to fund a housing and homelessness strategy, as well as expanding and upgrading the stock of social housing.

Accessible Education & Training

Education and training are critical pathways out of poverty. They increase skill levels and access to better paying jobs. Investing in a strong public education system, accessible post-secondary education, training and life-long learning is an important part of a poverty reduction strategy.

Within the public school system school fees need to be ended. They exclude low-income children from participation in field trips and other school activities. At the high school level, the provincial drop-out rate was 25% in 2007, and as high as 40% in some racialized communities and for Aboriginal youth.³⁹ In Ontario, 18% of working age people do not have a high school education.⁴⁰ Continued efforts to reduce these numbers and ensure accessibility of post-secondary education are crucial. It is estimated that 70% of all new jobs over the next ten years will require a trade certificate, college diploma or university degree.⁴¹ Rising university tuition costs in Ontario and the prospect of large student debts have become significant barriers for low-income families. In 2006, the Ontario government ended the freeze on university tuition fees.

Unemployed workers in training programs are often required to take the first job opportunity, rather than benefiting from financial support and skill development to permanently exit the cycle of temporary unstable work. When social assistance recipients move into the workforce they are no longer eligible for government supports, yet many would benefit from ongoing personalized supports to ensure they progress into better paying and higher skilled jobs.

Employment Ontario should provide upgrading opportunities through individual and group training in multi-year programs. Unemployed workers need adequate income support to participate in training programs, and social assistance recipients should be allowed to access Employment Ontario training opportunities.

Training boards across Ontario identify top labour market trends as: a shortage of skilled trade workers and apprenticeships, the aging workforce, the marginalization of immigrants, a high youth unemployment rate, and skills deficiencies in literacy and soft skills.⁴² The provincial government needs to ensure access to post-secondary education to support a well-educated workforce, while improving training and skills upgrading opportunities for youth, new immigrants, people in low-wage jobs and older workers.

Campaign 2000 is a non-partisan, cross-Canada coalition of over 120 national, provincial and community organizations committed to working together to end child and family poverty in Canada. Visit www.campaign2000.ca for a complete list of partners.

Ontario Campaign 2000 thanks the following for their support: Sisters of St. Joseph of the Diocese of London (ON), Atkinson Charitable Foundation, Ontario Secondary School Teachers' Federation, Elementary Teachers' Federation of Ontario, Ontario Federation of Indian Friendship Centres, Ontario English Catholic Teachers' Association, the Canadian Auto Workers Social Justice Fund, Sisters of Providence St. Vincent de Paul, and our dedicated partner organizations in Ontario.

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Change is Possible: A Poverty Reduction Strategy for Ontario

We know that government transfer programs make a difference in reducing poverty. Without programs such as the GST tax credit, the Canada Child Tax Benefit and Employment Insurance, Ontario's child poverty rate before taxes would have been 24% in 2005. But there is growing international and Canadian evidence that government led multi-year poverty reduction strategies with targeted investments are a more effective way to bring and keep poverty rates down. There are useful lessons for Ontario from other jurisdictions.

Quebec passed an anti-poverty law in 2002 following sustained community mobilization efforts. An action plan was implemented in 2004 with an allocation of \$2.5 billion over five years. Backed by these investments, Quebec has been able to reduce its child poverty rate below 10%. With the goal of improving income support to make work pay and help families with children, key measures include: indexed social assistance benefits, income incentives to support the move from welfare to work, a work tax benefit to improve incomes of the working poor, and an enhanced universal child benefit program.⁴³ Quebec's \$7/day child care program and expenditure of \$94 million on affordable housing (2001-2007) are also key components of the provincial strategy.

Following six months of broad community consultation, the Government of Newfoundland and Labrador implemented its action plan to reduce poverty in 2006 and has since committed to annual expenditures of \$91 million to support the plan. Over the past two years the province has taken a number of bold steps including: increased and indexed social assistance rates (committing to annual rate reviews); expanded drug and dental benefits; eliminated school fees and kept a tuition rate freeze; increased supports to develop employment skills; and invested in affordable housing and child care. As an explicit component of provincial poverty reduction the minimum wage has been increased by 33% to date, and public consultations are underway regarding future increases.⁴⁴

Ontario's families deserve no less. A bold poverty reduction strategy, led by clear targets and backed by significant financial investment, can make a real difference in the lives of thousands of children living in low income in our province. The federal government has to be part of this strategy, along with municipalities and civic groups. The governments of Quebec and Newfoundland and Labrador have shown that provinces can take the initiative and start the process.



An effective Poverty Reduction Strategy for Ontario should include four key elements:

1. Targets and timetables for poverty reduction: Campaign 2000 calls for a minimum 25% reduction in child poverty rates over 5 years, and minimum 50% reduction over 10 years;
2. Indicators for measuring and tracking progress in key policy areas such as good jobs, income security, child care, housing and education and training;
3. A coordinated multi year action plan across government with budget allocations; and
4. Annual monitoring and evaluation to ensure accountability.

To order copies of this report and/or other resource materials, visit www.campaign2000.ca & complete Online Order Form or call 416-595-9230 x244.

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Campaign 2000 proposes the following components and examples of indicators for Ontario's Poverty Reduction Strategy:

1. GOOD JOBS AT LIVING WAGES

What Ontario Needs to Do	Sample Indicators to Track Progress
<ul style="list-style-type: none"> → Increase minimum wage to \$10.25/hour with indexation → Support work tax credits for low-wage workers → Ensure health & dental benefits for low-wage workers → Improve enforcement of Employment Standards Act, and update to protect precarious workers → Improve access to unionization → Address employment discrimination in workplace; invest in services to help new immigrants access good jobs → Develop a Good Jobs Strategy for Ontario 	<ul style="list-style-type: none"> % of low-income children in families with parent(s) working full-time, full-year % of low wage workers earning less than \$12/hour (2/3 of the median hourly wage) % low wage workers with benefits

2. STRONG SOCIAL SAFETY NET

What Ontario Needs to Do	Sample Indicators to Track Progress
<ul style="list-style-type: none"> → Index social assistance rates to inflation → increase benefit levels & simplify rules → Reform benefit reduction schedules on earned income of working poor → Speed up implementation of Ontario Child Benefit → Press federal government to increase Canada Child Tax Benefit to \$5,200/child (2008) → Press federal government to improve access to Employment Insurance 	<ul style="list-style-type: none"> \$ gap between social assistance rates and poverty line # of people receiving social assistance % unemployed eligible for EI % of children prevented from poverty due to government transfers

3. ACCESS TO EARLY LEARNING & CHILD CARE

What Ontario Needs to Do	Sample Indicators to Track Progress
<ul style="list-style-type: none"> → Implement full-day JK and SK → Invest to keep building regulated, affordable child care system → Increase wage & benefit levels for child care workers 	<ul style="list-style-type: none"> # of child care spaces as a % of children aged 0-12 Cost of child care as proportion of family income Waiting list for subsidized spaces Average hourly wage rates for child care workers

4. AFFORDABLE HOUSING

What Ontario Needs to Do	Sample Indicators to Track Progress
<ul style="list-style-type: none"> → Fully upload social housing programs back to the provincial government → Provide 45,000 rent supplements annually to low-income households → Invest in a provincial affordable housing program to construct 8,300 affordable homes/year, and new supportive housing → Invest to bring aging social housing stock up to standard 	<ul style="list-style-type: none"> # of households in core housing need # of households facing eviction due to high rent cost # of households on wait list for social housing, and length of wait time

5. EDUCATION & TRAINING

What Ontario Needs to Do	Sample Indicators to Track Progress
<ul style="list-style-type: none"> → Invest in at risk students → Freeze tuition; increase needs-based grants to increase access → Ensure high quality training programs to support move from welfare to work, & layoff to work → Provide individual & group training opportunities via Employment Ontario to unemployed 	<ul style="list-style-type: none"> % of Ontario students graduating high school Post-secondary participation rates for students in low-income families % of participants in skills development & training programs

Endnotes:

- ¹ Latest available child poverty data is for 2005. Data was prepared by Canadian Council on Social Development (CCSD) using Statistics Canada's *Income Trends in Canada, 2005* and Survey of Labour and Income Dynamics (SLID) masterfile data (1993-2005), via remote access. These Statistics Canada sources exclude those on First Nations reserves, in the Yukon, Northwest Territories, and Nunavut, and children living in institutions. A child is defined as a person under age 18 living with parent(s) or guardian(s). Poor children are those living below the Low Income Cut-Off (LICO) as defined by Statistics Canada. LICOs vary by family size and community size. E.g. the after-tax LICO for a lone parent with one child in a large urban centre (population over 500,000) was \$20,956 in 2005.
- ² Spence, Adam. *Ontario Hunger Count Report 2007*. Toronto: Ontario Association of Food Banks.
- ³ 2001 Census data is used here. Data from the 2006 census is expected in May, 2008. Statistics Canada. *The People. The Family Budget*. 11-404-X1E
- ⁴ Racialized children are those who face systemic discrimination based on social constructions of race and refers to people of colour whether they are Canadian born or immigrants. First Nation children, though clearly facing barriers of discrimination, are discussed separately here, as specific statistics are not available and government responsibilities differ.
- ⁵ Statistics Canada. *The People. The Family Budget*. 11-404-X1E
- ⁶ Colour of Poverty Campaign, *Fact Sheet #1* available at www.colourofpoverty.ca.
- ⁷ United Way of Greater Toronto & The Canadian Council on Social Development (2004). *Poverty by Postal Code: The Geography of Neighbourhood Poverty*. Toronto: United Way of Greater Toronto.
- ⁸ Statistics Canada. *Aboriginal Peoples in Canada in 2006: Inuit, Métis and First Nations*, 2006 Census. N.B. Income data is not yet available.
- ⁹ Statistics Canada. *Aboriginal Peoples in Canada in 2006: Inuit, Métis and First Nations*, 2006 Census.
- ¹⁰ Colour of Poverty Campaign, *Fact Sheet #8* available at www.colourofpoverty.ca.
- ¹¹ Canadian Council on Social Development. (2004). *Supports and Services for Adults and Children aged 5-14 with Disabilities in Canada*. Commissioned by Federal, Provincial, Territorial Ministers Responsible for Social Services.
- ¹² Canadian Association for Community Living, *From Vision to Action: Building an Inclusive and Accessible Canada*, November 2007.
- ¹³ Personal communication with Ontario Ministry of Community & Social Services.
- ¹⁴ Toronto Social Services. (2004). *Social Assistance and Social Exclusion: Findings from Toronto Social Services' 2003 Survey of Single Parents on Ontario Works*. City of Toronto: Social Services Division.
- ¹⁵ Poverty line is defined as the 2007 LICO After Tax as calculated using the Statistics Canada formula at: <http://www.statcan.ca/english/research/75F0002MIE/75F0002MIE2007004.pdf>.
- ¹⁶ Stapleton, John. (November 23, 2006). *Statement to the House of Commons Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities*.
- ¹⁷ "Monthly income" for single parent with 1 child under age 12 assumes (a) Ontario Works \$470 for Basic Needs +\$538 for Shelter; (b) deduction of \$122 National Child Benefit Supplement; (c) monthly average of Back-to-School & Winter Clothing allowances; (d) monthly amount of: provincial property and sales tax credit, the \$250 OCB downpayment, federal Canada Child Tax Benefit, National Child Benefit Supplement, Universal Child Care Benefit, and the GST credit. "Basic Monthly Expenses" assumes (a) average rent and utilities from *CMHC Rental Market Report: Ontario Highlights*. Spring 2007; (b) nutritious food basket cost from Toronto Public Health 2006 (inflation adjusted); (c) basic Bell Canada telephone service plus tax.
- ¹⁸ Matthews, Deb. (2004). *Review of Employment Assistance Programs in Ontario Works & Ontario Disability Support Program: Report to The Honourable Minister of Community & Social Services*. Toronto.
- ¹⁹ This amount includes the December 2007 2% Ontario Works increase.
- ²⁰ Stapleton, John. (2007). *Why is it so tough to get ahead? How our tangled social programs pathologize the transition to self-reliance*. Toronto: Metcalf Foundation.
- ²¹ National Child Benefit Supplement payments will no longer be deducted from cheques of parents on social assistance as of July 2008.
- ²² Vosko, Leah et al. (2003). "Precarious Jobs? A New Typology of Employment," in *Perspectives* (October 2003) Ottawa: Statistics Canada.
- ²³ Ontario Federation of Labour. (2007). *Jobs Worth Fighting For*.
- ²⁴ Workers Action Centre. (2007). *Working on the Edge*. Toronto: Workers Action Centre.
- ²⁵ Community-University Research Alliance on Precarious Employment. (2005). *Ten Ways of Seeing Precarious Employment*. Toronto: Toronto Training Board.
- ²⁶ Caledon Institute of Social Policy.
- ²⁷ Data prepared by CUPE from Statistics Canada Labour Force Historical Review 2006. SC# 71F0004XCB
- ²⁸ Figart, Deborah M. (ed). (2004). *Living Wage Movements: Global Perspectives*. London and New York: Routledge.
- ²⁹ See National Minimum Wage: Low Wage Commission Report 2006, http://www.lowpay.gov.uk/lowpay/rep_a_p_index.shtml; and Fiscal Policy Institute (2006) "States with Minimum Wages above the Federal Level have had Faster Small Business and Retail Job Growth", www.fiscalpolicy.org
- ³⁰ Pollin, R. and S. Luce. 2000. *The Living Wage: Building a Fair Economy*. New York: The New Press.
- ³¹ Jackson, Andrew. (2005) *Work and Labour in Canada: Critical Issues*. Toronto: Canadian Scholars' Press Inc.
- ³² Friendly, Martha and J. Beach, C. Ferns, M. Turiano (2007). *Early Childhood Education and Care in Canada, 2006*. Toronto: Childcare Resource & Research Unit.
- ³³ Ontario Coalition for Better Child Care. (January 2008). *A Submission to the Standing Committee on Finance & Economic Affairs*.
- ³⁴ Shapcott, Michael. (January 2008). *Ontario pre-budget submission 2008*. Toronto: Wellesley Institute.
- ³⁵ Shapcott, Michael. From CMHC data.
- ³⁶ Ontario Non Profit Housing Association. (Jan 2008). *2008 Ontario Pre-Budget Submission*.
- ³⁷ Shapcott, Michael. (February 2008). *Wellesley Institute National Housing Report Card*. Toronto: Wellesley Institute.
- ³⁸ Shapcott, Michael. (February 2008).
- ³⁹ Ministry of Education, Government of Ontario. (Feb. 2008). *Province Celebrates Impressive Number of Students Graduating from High School*; and CBC radio reports Metro Morning, Week of Feb. 28/08.
- ⁴⁰ Statistics Canada. "2001 Community Profiles: Education." Updated February 2007. Ottawa: Statistics Canada.
- ⁴¹ Cited by Greener, Jesse. (2006). *Canadian Federation of Students Pre Budget Sub to Ontario Oral Presentation to Standing Committee on Finance & Economic Affairs*.
- ⁴² Local Boards Network. *Provincial Summary 2007. Trends, Opportunities, Priorities Report*. www.localboards.on.ca.
- ⁴³ Noel, Alain. (2006). "A Focus on Income Support: Implementing Quebec's Law Against Poverty and Social Exclusion." Ottawa: Canadian Policy Research Networks.
- ⁴⁴ Government of Newfoundland and Labrador. (2006). *Reducing Poverty: An Action Plan for Newfoundland and Labrador*.