

## 2009 Report Card on Child & Family Poverty in Ontario



END CHILD & FAMILY POVERTY IN CANADA  
[www.campaign2000.ca](http://www.campaign2000.ca)

### From Promise to Reality – Recession Proofing Ontario Families

In 2008, the global economy experienced a massive world-wide downturn from which Canada has yet to recover. Ontario is one of the provinces hit hardest by the worst recession since the Great Depression of the 1930s.

In December of last year, the Ontario Government fulfilled an election promise and took the significant step of setting out a Poverty Reduction Strategy for Ontario with a target to reduce the rate of child poverty by 25% by 2013. <sup>1</sup> With all-party approval of the Poverty Reduction Act in May, tackling poverty is now a permanent part of government business. Ontario is required to set a new poverty reduction target and action plan every five years or sooner, based on public consultation.

These initiatives represent a critical turning point in government policy and respond to many of the

recommendations made by Ontario Campaign 2000 and the broad anti-poverty movement for years. On the twentieth anniversary of the unanimous House of Commons resolution to end child poverty in Canada, Ontario's first five year Poverty Reduction Strategy can set a foundation for real progress on poverty.

But the plan's effectiveness will depend on the government maintaining the political resolve to make the needed investments.

The recession battering the Ontario economy and reducing provincial tax revenues should not be seen as a reason to slow implementation. With Ontarians losing jobs, increasingly reliant on food banks, and swelling social assistance rolls, *now* is the crucial time to invest in an anti-poverty strategy.

### Breaking the Cycle: Ontario's Poverty Reduction Strategy

Key commitments	Progress as of November 2009
Within 5 years raise OCB to maximum of \$1,310 / child / year	<ul style="list-style-type: none"> <li>Increased in July 2009 to maximum of \$1,100 / child / year</li> </ul>
Review social assistance, to reduce barriers and increase opportunity	<ul style="list-style-type: none"> <li>No progress</li> </ul>
Develop long-term Affordable Housing Strategy	<ul style="list-style-type: none"> <li>Public consultations underway</li> <li>\$622 million investment in affordable housing with matched federal funding (2009-2011)</li> </ul>
<ul style="list-style-type: none"> <li>Legislation to cover temp help agencies</li> <li>\$10 million / year to hire employment standards officers</li> <li>Continue to raise minimum wage</li> </ul>	<ul style="list-style-type: none"> <li>New protections for temp agency workers added to Employment Standards Act</li> <li>\$4.5 million to hire employment standards officers</li> <li>Minimum wage reaches \$10.25 / hr in March 2010</li> </ul>
Implement full day learning for 4 & 5 yr olds	<ul style="list-style-type: none"> <li>Phasing in full day learning for 4 &amp; 5 year olds</li> <li>\$18 million committed to save child care subsidies (2010)</li> </ul>
Invest \$45 million / year for dental care for low income Ontarians	<ul style="list-style-type: none"> <li>\$13 million to extend CINOT to youth up to age 18 &amp; new Low Income Dental Program which prioritizes children &amp; youth</li> </ul>

## Indicators of Child & Family Poverty: A 20 Year Retrospective

Campaign 2000 tracks a number of poverty indicators using annual data from Statistics Canada as well as census data. Ontario's Poverty Reduction Strategy, *Breaking the Cycle*, identifies eight other indicators by which progress will be measured. The following charts provide a twenty year (where available) retrospective on a number of indicators to provide a broad picture of child and family poverty in Ontario and set the stage for annual tracking of changes and progress on Ontario's Poverty Reduction Strategy. In most cases the most recent available data is for 2007.

Statistics Canada produces two sets of low income indicators, with a two-year time lag. The Low Income Cut-off (LICO, Before and After Tax) identifies an income level at which families spend 20% more than the average family on food, shelter and clothing. It varies according to family and community size. LICO After Tax 2007 for one parent, one child in a large urban centre = \$21,851.

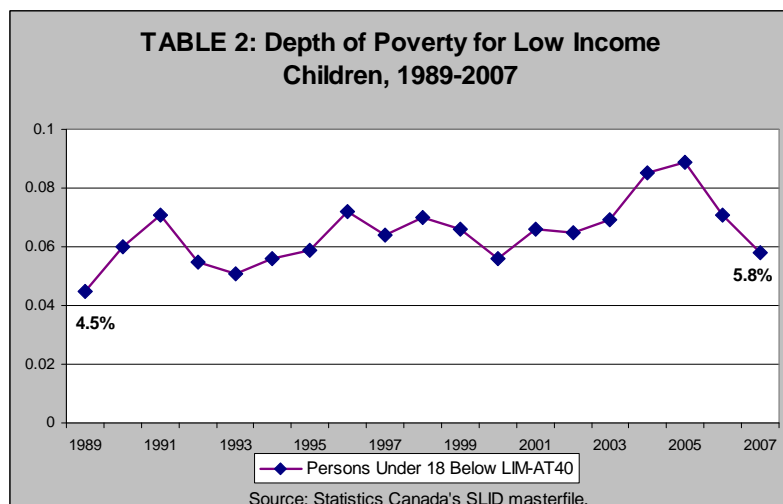
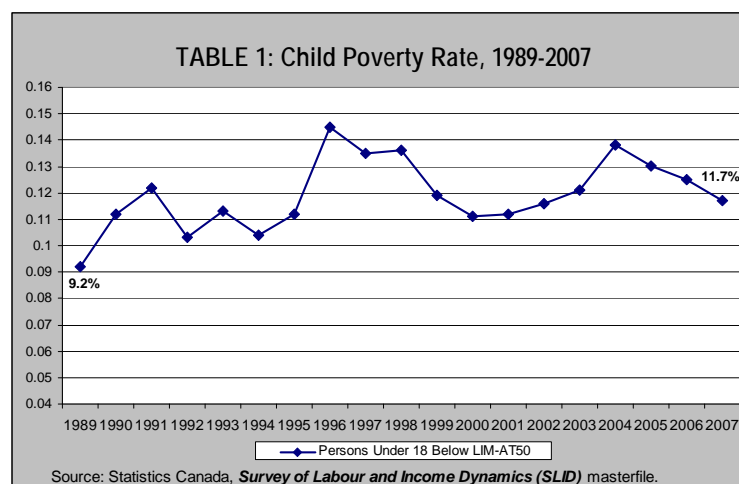
The Low Income Measure (LIM, Before and After Tax) identifies families with income below 50% of median income, adjusted for family size. LIM After Tax 2007 for one parent, one child = \$22,435.

The Ontario Government's Poverty Reduction Strategy identifies the Low Income Measure After Tax as the indicator it will use to track progress on the target to cut the rate of child poverty by 25% over five years.

## Rate and Depth of Poverty

Ontario's child poverty rate was 11.7% in 2007, based on the Low Income Measure After Tax (LIM50-AT). This indicates that 317,900 children and youth under age 18 (almost 1 in every 9) were living below the poverty line in 2007, when Ontario was experiencing strong economic growth. But the current recession means that Ontario's child and family poverty rate will have since increased. These figures show the betrayal of a generation with a child poverty rate higher now than when federal politicians resolved twenty years ago to end child poverty in Canada.

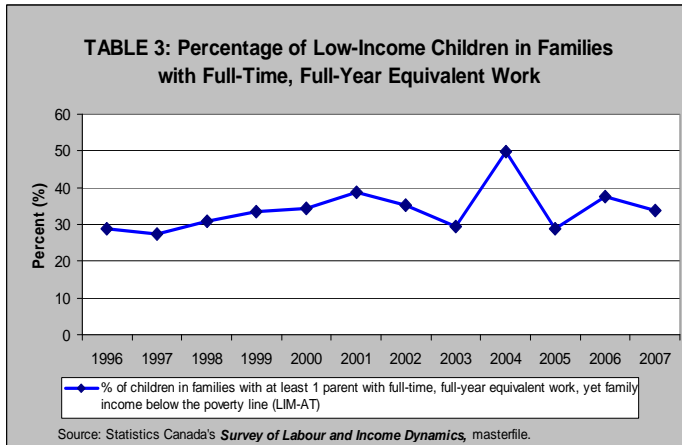
The Ontario government's Poverty Reduction Strategy commits to reduce Ontario's child poverty rate to about 9% by 2013 and lift 90,000 children out of poverty between 2008 and 2013.



Deep poverty is indicated by how far below the poverty line the average low income family is living. The Ontario government has chosen LIM 40 as the indicator of deep poverty; that is, the percentage of children under 18 living in a family with an income less than 40% of Canada's median adjusted family income. In 2007, 5.8% of Ontario children lived in deep poverty. An effective poverty reduction strategy needs to bring about a consistent decline in both the rate and depth of poverty.

## Working Poor Families

Over the past twenty years the proportion of Ontario's low income children who live in working poor families



has increased. Getting a job does not always guarantee an escape from poverty.

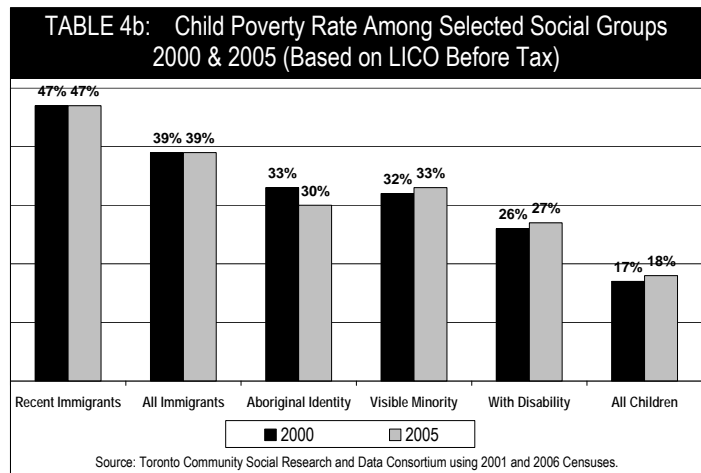
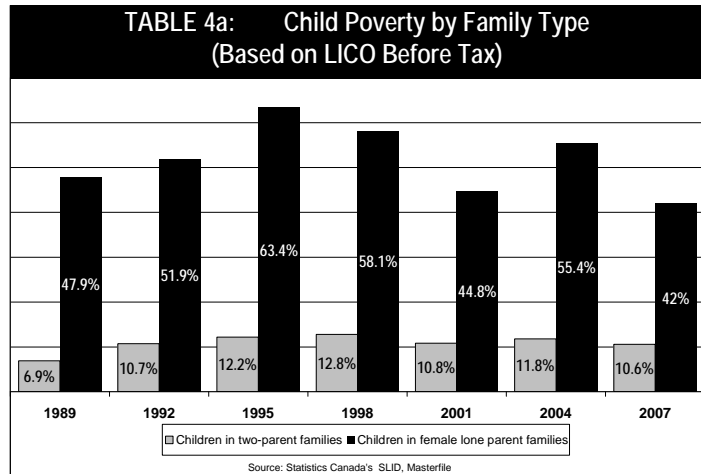
In 2007, 34% of all poor children in Ontario lived in families where at least one parent was working the equivalent of a full time full year job, but unable to earn enough to lift their family out of poverty. The growth of non-standard precarious work such as temp agencies, has led to jobs with lower pay, poor benefit coverage, and less security. Changes to Employment Insurance eligibility have meant that only 30% of Ontario's unemployed received EI benefits in 2007, compared to about 80% in 1990.<sup>2</sup>

## Children at Greater Risk of Poverty

Child poverty rates among families that face barriers of systemic discrimination are disproportionately high. Tables 4A and 4B provide a historical picture using the LICO-Before Tax indicator. The poverty rate for children in lone-mother led families dropped to 42% in 2007, the lowest rate in twenty years. But the risk of poverty is four times higher for children in female lone parent families than for children in two parent families.

Data from the past two censuses show that children in Aboriginal, visible minority and immigrant families, as well as children with disabilities, experience poverty rates significantly higher than the average Ontario rate. There was no improvement in this situation between 2000 and 2005. Children in recent immigrant families who moved from overseas to Ontario in the past five years experience the highest poverty rates with almost one in every two recent immigrant children living in poverty.

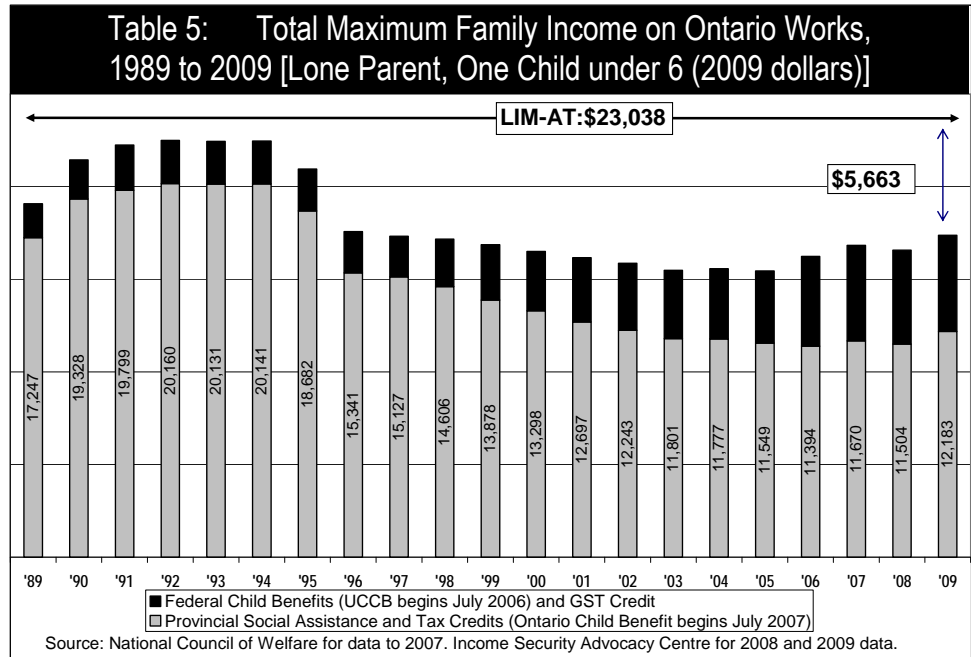
These numbers demonstrate persistent social and economic inequality based on gender, race, length of time in Canada and ability. The shameful situation of Aboriginal poverty must be addressed through a separate and distinct Aboriginal Poverty Reduction Strategy.



## Children in Families on Social Assistance

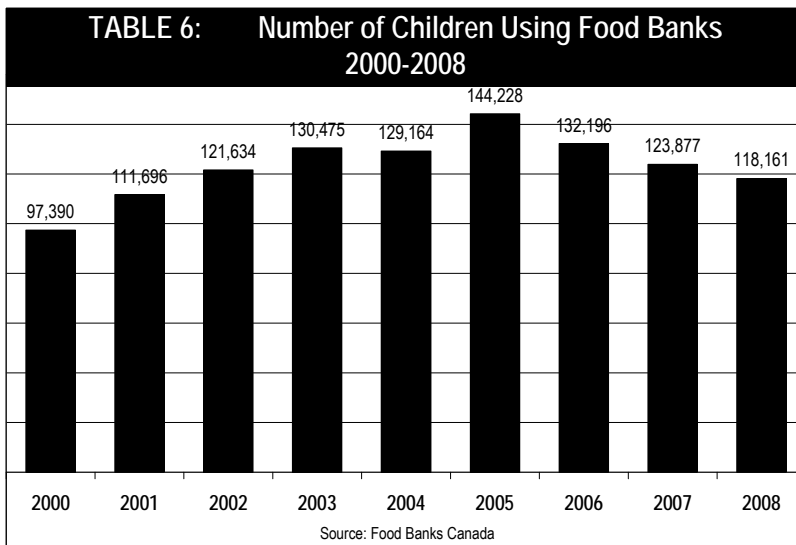
As the income program of last resort, social assistance is a crucial support for many Ontarians. The number of people who rely on social assistance rises during a recession and immediately afterwards as people run out of EI benefits and are forced to deplete their savings before they can apply for assistance. Between August 2008 and August 2009, the number of people receiving social assistance (Ontario Works and Ontario Disability Support Program) rose to 798,105, a 12% increase in one year. Almost half (47%) of people receiving Ontario Works last August were sole support parents and their children.<sup>3</sup>

But having to rely on social assistance in Ontario is a sentence to poverty. Recent improvements in child benefits have begun to reduce the depth of poverty, but a single parent with one young child on social assistance still lives about \$5,660 / year below the poverty line.



## Food Bank Use by Children

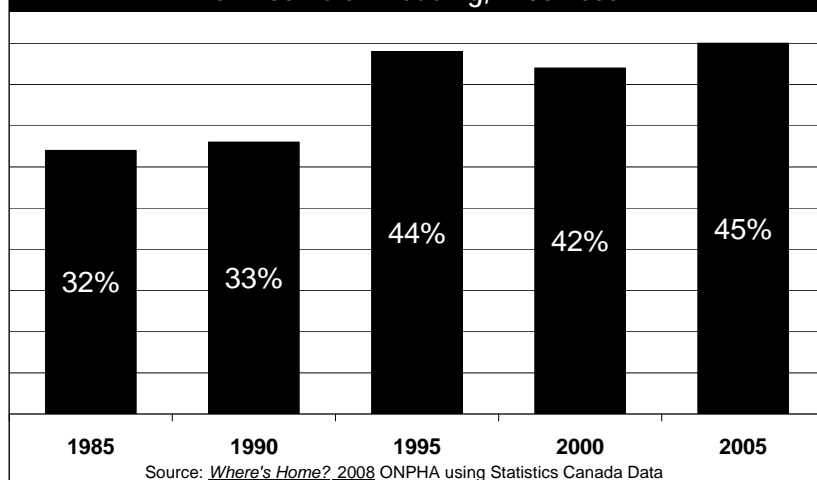
Working people, children and people with disabilities make up the largest proportion of people served by food banks in Ontario.<sup>4</sup> The number of children having to rely on Ontario food banks each month has increased from 97,390 in 2000, to 118,160 in 2008 - a 20% increase over eight years. The economic recession coupled with rising prices for food and energy has led to increased reliance on Ontario food banks in the last year.



## Access to Affordable Housing

Most low income families live in private rental or social housing. Rising shelter and utility costs are the biggest single expense for most low and modest income families with children. Census data shows that over the past twenty years

**TABLE 7: Percentage of Ontario Tenants spending 30% or more of Income on Housing, 1985-2005**



the percentage of Ontario tenant households living in unaffordable housing (where they spend 30% or more of income on housing), has steadily risen from 32% to 45%.

The number of Ontario renters who are couples with children living in core housing need (i.e. living in unaffordable, substandard or over-crowded housing) declined by 5% between 2001-2006 to 68,200. For lone parent families who were renting, the number of households living in core housing need rose from 88,500 in 2001, to 93,000 in 2006.<sup>5</sup>

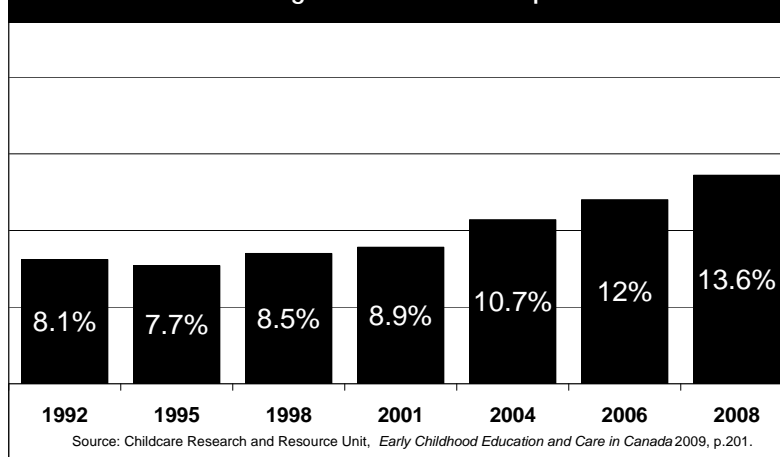
## Access to Quality, Regulated Child Care

The expansion of quality regulated child care spaces has been slow in Ontario. In 1992 there were sufficient regulated child care spaces for only 8.1% of Ontario children under age 12, and seventeen years later that figure has only increased to 13.6%. There is no centralized tracking but the Ontario Coalition for Better Child Care reports that there are tens of thousands of children on child care waiting lists across the province.

Parents cannot seek work or training, nor can their children reap the developmental benefits of early childhood education and care if they are stuck on child care waiting lists.



**TABLE 8: Percentage of Children 0-12 years for whom there is a Regulated Child Care Space**



The June 2009 report of the Special Advisor on Early Learning recommended a seamless system of early learning for children aged 0-12 including: full-day learning for 4 and 5 year olds; after-school and summer programs for school children; quality programs for younger children; and enhanced parental leave.<sup>6</sup>

## LOOKING AHEAD – THE NEED FOR STRONG LEADERSHIP IN TOUGH TIMES

Campaign 2000 partners share a vision of an Ontario where economic security, opportunity and inclusion are realities for all. Full-time, full year employment should assure a living standard out of poverty. A strong social safety net should ensure livable incomes and dignity for Ontarians who are not able to be in the workforce. Our communities are made stronger and healthier for everyone through public investment in affordable housing, early learning and childcare, public and post-secondary education and community services.



Government programs play a crucial role in achieving this vision. Analysis of Ontario's record on child and family poverty over the past 20 years shows the effects of slashing social assistance rates in the mid 1990s, reducing EI coverage and failing to invest sufficiently in affordable housing and child care. Our provincial social assistance program and national system of Employment Insurance are not providing the safety net needed to prevent people from falling into poverty. With almost 1 in every 9 children living in poverty during the strong economy of 2007 we clearly need governments to do more during the current recession.

The Ontario government has taken significant steps in the right direction by increasing the minimum wage, introducing the Ontario Child Benefit, and committing in December 2008 to a Poverty Reduction Strategy with a target to reduce the

number of poor children by 90,000 by 2013. Ontario is one of the provinces hardest hit by the recession yet ours is the only provincial government to commit to a targeted plan for poverty reduction. The federal government has taken no measures to combat child poverty during the economic downturn.

However, Ontario's Poverty Reduction Strategy was developed before the full force of the recession hit. The Province must follow through on current commitments and show leadership by investing further to prevent and reduce poverty.

Ontario Campaign 2000 calls for the provincial government to take immediate action in five areas.

- Begin the process to transform social assistance by starting the promised Social Assistance Review and making some immediate changes: raise adult rates by \$100/month and increase allowable assets to \$10,000 for families.
- Make a downpayment on Ontario's promised Affordable Housing Strategy by introducing a Housing Benefit, a new monthly allowance for all low-income Ontarians who spend more than 30% of their income on rent.<sup>7</sup>
- Invest to save thousands of child care spaces which are threatened due to expiring federal funding.
- Increase the minimum wage to \$11/hour in 2011, with indexation.
- Increase the monthly Ontario Child Benefit to a maximum of \$125/child.<sup>8</sup>

The federal government must also play its crucial role. Campaign 2000 calls on all parties to commit to expand eligibility for EI, increase the Canada Child Tax Benefit, and significantly expand funding for social housing and early childhood education and care. An Aboriginal Poverty Reduction Strategy must be developed in coordination with First Nations and urban Aboriginal communities.

## Next Steps in Poverty Reduction – What Ontario Needs to Do Now

### 1. GOOD JOBS AT LIVING WAGES

#### What Ontario Needs to Do

- Increase minimum wage to \$11 / hour in 2011 & fully index to inflation
- Develop a Good Jobs Strategy for Ontario:
- Improve enforcement of Employment Standards Act. Update & expand ESA to protect workers in precarious employment
- Improve access to unionization
- Address workplace discrimination: implement Employment Equity program; ensure pay equity
- Ensure health & dental benefits for low-wage workers
- Support work tax credits for low wage workers

### 2. STRONG SOCIAL SAFETY NET

#### What Ontario Needs to Do

- Transform social assistance to support move out of poverty
- Introduce \$100 monthly Healthy Food Supplement for all adults on social assistance
- Fully index social assistance rates to inflation
- Get rid of punitive rules; e.g. raise asset limits to \$5,000 for singles, \$10,000 for families
- Increase maximum Ontario Child Benefit to \$125 / month
- Press federal government to increase Canada Child Tax Benefit to \$5,400 / child
- Press federal government to improve access to Employment Insurance

### 3. ACCESS TO EARLY LEARNING & CHILD CARE

#### What Ontario Needs to Do

- Fully implement recommendations of *With Our Best Future in Mind* report on early learning
- Designate funding to save threatened child care subsidies, & build new affordable child care spaces
- Increase wage & benefit levels for child care workers
- Press federal government to establish & fund a national system of early education and child care services

### 4. AFFORDABLE HOUSING

#### What Ontario Needs to Do

- Develop a Long-Term Affordable Housing Strategy with targets & timelines to reduce housing insecurity
- Provide a Housing Benefit to low income tenants to reduce high shelter costs
- Invest to build more affordable housing & new supportive housing
- Invest to bring aging social housing stock up to standard
- Strengthen tenant protection legislation
- Press federal government to create & fund a national affordable housing program

### 5. EDUCATION & TRAINING

#### What Ontario Needs to Do

- Freeze university tuition at 2004 rates; increase needs-based grants
- Ensure high quality training programs to support move from welfare to work, & layoff to work

## Ontario Campaign 2000

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](http://www.campaign2000.ca) for a 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 of St. Vincent de Paul, and our dedicated Ontario partner organizations. Thanks also to SPARC BC and Social Planning Toronto for data support.

For its ongoing support, thanks to Family Service Toronto, our host agency supported by United Way Toronto.

To order copies of this report and/or other Campaign 2000 publications, please visit [www.campaign2000.ca](http://www.campaign2000.ca) & complete the Online Order Form or call 416-595-9230 x244.

Copyright © 2009 Campaign 2000

ISBN: 1-894250-61-3

Disponible en français

<http://www.campaign2000.ca/french/index.html>

Publication: Ontario Campaign 2000, Toronto

Author: Jacquie Maund, with assistance from Jennefer Laidley and Greg deGroot-Maggetti

French Translation: Jocelyne Tougas

Layout: Liyu Guo

Produced with: Union Labour, OPSEU Local 594

Website & Photos:

Family Service Toronto, and Paul Brindamour - courtesy of the Val d'Or Native Friendship Centre



### Endnotes:

<sup>1</sup> Ontario Government. *Breaking the Cycle Ontario's Poverty Reduction Strategy*. December 2008.

<sup>2</sup> Ontario Ministry of Finance. *2008 Ontario Budget: Budget Papers*.

<sup>3</sup> Ontario Ministry of Community & Social Services, Monthly Statistical Reports on Social Assistance and ODSP.

<sup>4</sup> Spence, Adam. *Ontario Hunger Count Report 2008*. Toronto: Ontario Association of Food Banks.

<sup>5</sup> Ontario Non-Profit Housing Association, *Where's Home? 2008*. Appendix A.

<sup>6</sup> Pascal, Charles. *With Our Best Future in Mind: Implementing Early Learning in Ontario*. June 2009

<sup>7</sup> For more detail see *A Housing Benefit for Ontario* by Federation of Rental Housing Providers of Ontario, Ontario Non-Profit Housing Association, Metcalf Foundation, Greater Toronto Apartment Association & Daily Bread Food Bank. November 2008.

<sup>8</sup> For more detail and costing of these recommendations see: 25 in 5 Network for Poverty Reduction. *A Blueprint for Economic Stimulus & Poverty Reduction in Ontario*. February 2009. [www.25in5.ca](http://www.25in5.ca).