OVERVIEW

In August 2014 the Ontario Government published its second poverty strategy entitled Realizing Our Potential. In the 2014 strategy, the government recommitted to its prior goal of reducing child poverty by 25%. This goal reflected the province’s previous poverty plan, Breaking the Cycle: Ontario’s Poverty Reduction Strategy. Between 2008 and 2011, the overall poverty rate in the province fell from 15.2% to 13.6% according to the Low Income Measure After Tax (LIM-AT). Different poverty measures tell a slightly different story. According to Campaign 2000, there was a decline in child poverty by 9.2% (Survey of Labour and Income Dynamics LIM-AT) during the same timeframe, making the percentages much higher. According to the Campaign, 1 in 5 children in Ontario live in poverty.

Realizing Our Potential presents some important hallmarks in recognizing that human rights have a place within efforts to address poverty. Although targets are not named, the plan commits to the ultimate goal of ending homelessness in the province. The plan also appoints a Minister, with real control over government purse strings, as responsible for the enactment of the plan.

Plan Components and Highlights

There are four areas of action outlined in Realizing our Potential. Moving forward in each area, the province calls on the federal government to partner in its efforts. These areas include:

1. BREAKING THE CYCLE OF POVERTY FOR CHILDREN AND YOUTH
   - An increase in the Ontario Child Benefit (as indexed to inflation)
   - Increased health benefits for children and youth in low-income families
   - Improving access to full-day kindergarten
2. MOVING TOWARDS EMPLOYMENT AND INCOME SECURITY, PARTICULARLY FOR VULNERABLE GROUPS

- Creation of jobs and skills programs for young people
- Improvements in access to employment and skills training for vulnerable populations, including Aboriginals and persons with disabilities
- A raise in minimum wage

3. A LONG TERM GOAL OF ENDING HOMELESSNESS IN ONTARIO

- Improvements in supports for people with mental health and addiction issues including new investments
- Increased investments in affordable housing and homelessness prevention
- Improvements in support for off-reserve Aboriginal housing

4. USING EVIDENCE-BASED SOCIAL POLICY TO MEASURE SUCCESS

Community Engagement in Plan Development and Implementation

Ontario’s first poverty strategy used a system of community engagement to solicit feedback from key stakeholders. With the creation of the first strategy in 2008, the government held 14 roundtable sessions with stakeholders, including people living in poverty. The government committed to re-engage people at the halfway point of the plan in 2011 and every five years when drafting a new plan. The Cabinet committee and the government secretariat implementing the plan are responsible for consulting with key stakeholders on an ongoing basis.

Ontario held consultations in 2013 to determine priorities and policy options for its second 2014 plan. The Ontario Government added three new indicators as a result:

1. PERCENTAGE OF YOUTH AND YOUNG ADULTS NOT IN EDUCATION;
2. EMPLOYMENT TRAINING, AND;
3. LONG-TERM UNEMPLOYMENT AND POVERTY RATES OF VULNERABLE POPULATIONS.
MEASURING PROGRESS

Statistical Indicators of Poverty  
(Unofficial Measurement Tools)

<table>
<thead>
<tr>
<th>Year</th>
<th>LICO Low Income Cut-off After-tax</th>
<th>LIM Low-Income Measurement</th>
<th>MBM Market Basket Measure</th>
<th>Food Bank Usage</th>
<th>Welfare Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>1,344,000, <strong>12.4%</strong></td>
<td>1,024,000, <strong>9.5%</strong></td>
<td>*</td>
<td>*</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>1,253,000, <strong>10.8%</strong></td>
<td>1,170,000, <strong>10.1%</strong></td>
<td>1,142,000, <strong>9.9%</strong></td>
<td>283,110</td>
<td>531,300</td>
</tr>
<tr>
<td>2005</td>
<td>1,276,000, <strong>10.3%</strong></td>
<td>1,452,000, <strong>11.7%</strong></td>
<td>1,521,000, <strong>12.3%</strong></td>
<td>338,563</td>
<td>388,700</td>
</tr>
<tr>
<td>2007</td>
<td>1,111,000, <strong>8.8%</strong></td>
<td>1,418,000, <strong>11.2%</strong></td>
<td>1,342,000, <strong>10.6%</strong></td>
<td>315,540</td>
<td>383,068</td>
</tr>
<tr>
<td>2008</td>
<td>1,187,000, <strong>9.3%</strong></td>
<td>1,588,000, <strong>13.0%</strong></td>
<td>1,428,000, <strong>11.2%</strong></td>
<td>314,258</td>
<td>371,876</td>
</tr>
<tr>
<td>2010</td>
<td>1,306,000, <strong>10.1%</strong></td>
<td>1,681,000, <strong>13.0%</strong></td>
<td>1,646,000, <strong>12.7%</strong></td>
<td>374,230</td>
<td>440,722</td>
</tr>
<tr>
<td>2011</td>
<td>1,153,000, <strong>8.8%</strong></td>
<td>1,608,000, <strong>12.3%</strong></td>
<td>1,559,000, <strong>12.0%</strong></td>
<td>402,056</td>
<td>454,935</td>
</tr>
<tr>
<td>2012</td>
<td>1,182,000, <strong>9.0%</strong></td>
<td>1,576,000, <strong>12.0%</strong></td>
<td>1,578,000, <strong>12.0%</strong></td>
<td>395,106</td>
<td>465,871</td>
</tr>
<tr>
<td>2013</td>
<td>1,510,000, <strong>11.3%</strong></td>
<td>1,938,000 <strong>14.4%</strong>**</td>
<td>1,925,000, <strong>14.4%</strong></td>
<td>412,998</td>
<td>477,339</td>
</tr>
<tr>
<td>2014</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>375,814</td>
<td>443,465</td>
</tr>
</tbody>
</table>

Note: 2008 – first poverty strategy came into effect

* Data not available

** Please note that data from the 2013 calculation of Low Income Measure (LIM) is from the Canadian Income Survey (CIS) instead of the Survey of Labour and Income Dynamics (SLID)”.

The Ontario Government's Success Indicators ¹

GOAL: Child poverty reduced by 25%.

1. **SCHOOL READINESS** (measured with early development instrument)
   - Baseline (2008): 71.5%
   - Progress (2012): 72.4%

2. **HIGH SCHOOL GRADUATION RATES**
   - Baseline (2008): 79% graduated
   - Progress (2013): 83% graduated

¹ Progress for each indicator is reported on a three-year cycle. As a result, current information on progress for some indicators is not available.
3. **EDUCATIONAL PROGRESS** (measured using provincial standard of literacy and numeracy)
   - Baseline (2008): 67%
   - Progress (2014): 72%

4. **BIRTH WEIGHTS** (newborns born at a healthy weight for their gestational age)
   - Baseline (2008): 80%
   - Progress (2012): 80.7%

5. **LOW INCOME MEASURE (LIM) FOR CHILDREN**
   - Baseline (2008): 15.2%
   - Progress (2012): 13.6%

6. **DEPTH OF POVERTY** (measured by percent of children living in families with income less than 40% of the median)
   - Baseline (2008): 8.5% of children
   - Progress (2012): 7.7% of children

7. **STANDARD OF LIVING** (measured by the Ontario Deprivation Index)
   - Baseline (2008): 12.5%
   - Progress (2012): 10.1%

8. **ONTARIO HOUSING MEASURE** (measured by the percent of households with children that have incomes below 40% of the median household income level and spend more than 40% of their income on housing)
   - Baseline (2008): 5.4%
   - Progress (2012): 5.1%

**Progress to Date**

In the 2014 poverty plan, the Ontario Government reported that child poverty has decreased in Ontario. Based on the Low-Income Measure used by the Ontario Government, child poverty rates dropped from 15.2% in 2008 to 13.8% in 2011. Campaign 2000 uses a measure that marks child poverty as high as 19.9% in 2012. This measure results in a 9.2% decrease in child poverty between 2008 and 2011. According to some researchers, child poverty hit epidemic levels during the period covered by the first poverty strategy.

Despite the decrease in child poverty, adult poverty rates have increased quicker in Ontario than in any other jurisdiction. Between 2007 and 2011, the overall poverty rate according to the Low-Income Cut-Off After-Tax (LICO-AT) increased slightly from 8.8% to 9.0%, peaking at 10.1% in 2009. More positively, food bank usage has been decreas-
ing slightly since 2012, falling from 412,998 people per month in 2012, to 374,698 in 2014. However, since 2008, there has been a 19.6% increase in usage. The latest study estimates that the rate of household food insecurity in Ontario has remained relatively high at 11.7%.

Combating poverty makes economic and financial sense: the cost of poverty in Ontario has been estimated at $38 billion per year in health and social assistance expenditures and foregone tax revenues. Beyond economics, the 2014 strategy opens the door to understanding poverty through the recognition of human rights obligations. The clearest evidence of this is the ultimate goal to end homelessness. At the end of 2015, Ontario is expected to release an updated Long-Term Affordable Housing Strategy.

**Notes on Critical Thematic Areas**

1. **HUMAN RIGHTS:** Although both the 2008 and 2014 strategies do not situate poverty elimination clearly within a human rights framework, there are elements of human rights, such as the recognition of human dignity. The *Ontario Poverty Act* does not use a human rights framework.

2. **INCOME SUPPORT:** In addressing recommendations from the Commission for The Review of Social Assistance in Ontario (CRSAO), the government has announced an increase to *Ontario Works* and *Ontario Disability Support Program* rates; adult recipients will see a 1% increase in supports. The government also announced a top up for single adults without children who receive *Ontario Works* benefits. This amounts to an increase of $30 per month for persons who receive both the increase and top up. In July 2015 the maximum *Ontario Child Benefit* was adjusted to reflect inflation and indexing for the first time. Although incremental improvements to income support programs are welcome, benefits remain insufficient for individuals to cover basic needs. For example, a single person in Ontario receives $656 monthly from Ontario Works. These amounts remain insufficient to cover basic needs as studies show that 64.5% of social assistance remain food insecure. In the 2015 provincial budget, the government promises to continue reforming social assistance under the CRSAO’s recommendations and consult with stakeholders, including clients, to redesign rate structures over the coming years. In March 2015 the government announced a transfer to electronic reloadable debit cards for persons to receive monthly benefits. The government has announced that this change will better respect the dignity of persons living in poverty. Some critics have suggested that
the change is the result of problems with the province’s new computer system, which resulted in overpayments and underpayments to 17,000 individuals in December 2014.

3. **HOUSING:** In 2014 the government promised an enhancement of the annual funding for the *Community Homelessness Preventative Initiative (CHPI)* by $42 million. Ontario eliminated the *Community Start-Up and Maintenance Benefit* in 2013. The *CHPI* allowed assistance recipients to apply once every two years for an emergency housing allowance to pay for rent or move to safer and more secure housing. Half of the funds were transferred to municipalities under the new *CHPI* for local housing and homelessness programs, which represent an even larger number of low-income people.

In 2015 the Government of Ontario announced that it was providing $587 million in funding to communities through the *CHPI*. Toronto will receive $223 million over two years. In 2014 the provincial government committed almost $294 million to support municipalities in delivering homelessness programs, over $400 million over the next five years for affordable housing and $16 million over the next three years to support mental health and addiction housing strategies. However, as the federal government plans to drastically reduce affordable housing funding, some are skeptical as to whether the provincial government will be able to fulfil its commitment.

The provincial government also established an *Expert Advisory Panel on Homelessness* in the hopes of finding ways to measure homelessness. Along with input from the *Panel* and public consultations, the government is in the process of creating a long-term affordable housing strategy by the end of 2015.

4. **EDUCATION:** In 2014 the government promised a $150 million investment over three years in technology, learning tools and professional development for teachers. The provincial government also announced a number of initiatives in cooperation with Ontario universities to improve consistency, reduce duplication in the postsecondary system and create centres of excellence in specific subject areas. The government also dedicated $42 million over three years to implement *Ontario Online*, a new centre for online learning.

5. **EARLY CHILDHOOD EDUCATION AND CARE:** In the 2014 budget the government focused on Early Childhood Educators (ECEs) to address the pay gap between ECEs working in the public sector and those in the private sector. In its 2014 poverty strategy, the government renewed this commitment and allocated $269 million over three years to support an average $1 per hour wage increase and 17.5% increase in benefits in 2015.
The government also announced $33.6 million in additional funding over the next three years to support ongoing operations and modernization of the childcare system.

Full-day kindergarten was implemented in publicly funded schools for children aged 4 and 5 in September 2014. According to the government, more than 470,000 children have benefitted from this service over the course of the 2014-2015 school year. There is still much to do for accessible and affordable childcare in Ontario. According to the *Ontario Coalition for Better Childcare*, there are still only childcare spaces for 1 in 5 children in Ontario.

6. **HEALTHCARE:** In the 2014 budget the province introduced a wage increase plan for personal support workers who are front-line caregivers. The plan includes a $1.50/hour wage increase in 2014-2015, a $1.50/hour wage increase in 2015-2016, and a $1.00/hour wage increase in 2017. The provincial government also invested an additional $65 million in the 2014 budget to provide better access to quality services for addictions strategies and mental health programs. Through the 2014 poverty strategy, the province also committed $93 million in new annual funding and launched the Tele-Mental Health Service to provide these services to 35 remote rural communities.

Many critics agree that significant progress needs to be made regarding Ontario’s health care system, particularly in remote areas of the province. A recent report entitled *Pushed out of Northern Ontario Hospitals, Abandoned at Home* outlines anecdotal evidence from participants in 30 communities across the province outlining their experiences with Ontario’s health care system.

7. **EMPLOYMENT SUPPORT:** In the 2014 budget, the provincial government committed to supporting employment for persons with disabilities. The Ontario Government promised to collaborate with businesses and community employers to correct myths and misconceptions about people with disabilities, addressing stereotyping and fostering more inclusive workplaces.

In October 2015 minimum wage will be increased to $11.25, making it the second highest in Canada. This increase is a far cry from a living wage, which in Toronto could be as much as $18.52 for a family of four. This could mark movement towards more significant change.

The *Youth Employment Fund*, implemented in 2013, has helped 26,500 young people find jobs and training opportunities. The province also launched the *Aboriginal Economic Development Fund* and created 29 new jobs through the *Métis Voyageur Development Fund*. 
8. **INEQUALITY**: Ontario’s highest income earners make 12.5 times more than the lowest earners, widening the gap from 1989 when the rate was 10.5 times. Equal pay is still very much an issue in Ontario. In 2012 women were still being paid 13 cents less on the dollar than their male counterparts. In 2015 it was estimated that the gender wage gap ranged from 12% to 31.5%. A 2013 study from the Wellesley Institute found that almost half of the people earning minimum wage are racialized employees. In 2006 people with disabilities in Ontario earned on average 28% less than people without disabilities.

**Views From Outside the Ontario Government**

Commentary on *Realizing Our Potential* has been diverse. While many groups are encouraged by the province’s commitment to visionary goals, such as ending homelessness, others are concerned that the plan did not commit to enough change.

*Campaign 2000* noted that the 2014 strategy lacked “timelines, a concrete action plan and some of the investments called for by people living in poverty during consultation.” The *Campaign* noted that the plan was missing policy areas including:

1. Addressing deep poverty among social assistance recipients through significant rate increases and clarifying the next steps for positive social assistance reform.
2. Offering a resourced plan for affordable, high quality childcare for children before and after school, care for children enrolled in full day kindergarten, and after school care.
3. Committing to building new units of affordable housing or offering a rental supplement for tenants in unaffordable market units.
4. Creation of targeted programs, including employment equity, for groups with disproportionately high poverty rates (such as racialized Ontarians).

A common concern shared among organizations – such as the *25 in 5 Network* and the *Interfaith Social Assistance Reform Coalition* – is that while Ontario’s goals are commendable, the strategy lacks concrete targets and timelines as well as an investment strategy. The concern is that without action and measurable targets these goals cannot be reached.
THE BOTTOM LINE

There are clear areas for improvement in Ontario’s recent poverty plan. Social assistance rates remain woefully insufficient, affordable childcare is out of reach for many families and minimum wage is well below a living wage. But amidst the 2014 strategy there are hints of something bigger and deeper: a vision in keeping with Canada’s and Ontario’s human rights obligations. Realizing Our Potential recognizes that poverty affects human dignity and that dignity interests require everyone to have a place to call home. The plan commits to the eventual goal of ending homelessness. It recognizes the valuable role that communities play in developing creative local strategies to address poverty. It commits to holding someone accountable, by appointing Minister Deb Matthews responsible for poverty reduction, who has real control over the government spending.

Realizing Our Potential provides an opportunity for something bigger. If the government is willing to keep building on its plan, ensuring that people living in poverty play a meaningful role in all aspects of the five-year plan, perhaps the Ontario Government can initiate real change to end poverty in the province.

For More Information

CANADA WITHOUT POVERTY
251 Bank Street, 2nd Floor
Ottawa, ON K2P 1X3
613-789-0096 (1-800-810-1076)
info@cwp-csp.ca
Appendix A: Ontario’s Poverty Reduction Act

Ontario's Poverty Reduction Act (enacted May 2009)


PURPOSE

To make poverty a priority in Ontario in the future, and “to establish mechanisms to support a sustained long-term reduction of poverty in Ontario”

KEY PROVISIONS

- Calls for Ontario to maintain a poverty strategy towards the vision of “A province where every person has the opportunity to achieve his or her full potential, and contribute to and participate in a prosperous and healthy Ontario”

- Stipulates that the strategy shall have a specific poverty reduction target, supporting initiatives, and indicators to measure success: indicators are to be reported on annually

- Outlines that the strategy must be assessed every five years, and that the public must be made aware of the assessment

- States that a new poverty target and/or strategy must be developed every five years in consultation with community members, including those living in poverty and representatives of people at heightened risk of poverty (including immigrants, single mothers, people with disabilities, women, Aboriginal peoples, and racialized groups)
ENDNOTES


5 Ibid, p 7-8.


7 Ibid, p 17.


12 Ibid.

13 Ibid.


17 Ibid.

18 Ibid.

19 Ibid.

20 Ibid.

21 Ibid.


37 Ibid.


47 Ibid.


55 Ibid.


61 Ibid.


74 Ibid, p 2.

