



Ontario Poverty Progress Profile

OVERVIEW

The Ontario government released its poverty action plan (PAP) in December 2008, with an emphasis on combating poverty for both moral and economic reasons, as poverty “costs.” The focus of the PAP is on reducing child poverty, with a key action being increasing the value of the Ontario Child Benefit. The PAP also acknowledges the importance of supporting families and communities to care for children and “break the cycle” of poverty. Also recognized in the PAP is that specific groups are affected by poverty disproportionately, namely women, racialized communities, newcomers to Canada, Aboriginal people, and people with disabilities.¹

Plan Components and Highlights

The goal of Ontario’s PAP is to reduce the number of children living in poverty by 25 percent over the next five years, i.e., 2009-2013.² There are four areas of action in support of this goal:

1. Stronger, healthier kids and families

- Increase the Ontario Child Benefit³
- Introduce more family literacy centers
- Establish full-day kindergarten in all schools by 2015
- Increase funding for a number of school-based initiatives, including the Student Nutrition Program and after school programs
- Increase funding for the Youth Opportunities Strategy
- Develop a Crown Ward Strategy
- Draft a Mental Health and Addictions strategy⁴

2. Stronger, healthier communities

- Introduce Community Use of Schools
- Establish Community Hubs as a central location for service provision⁵
- Invest \$5 million in a Community Opportunities Fund for local neighbourhood revitalization⁶

3. Opportunity for all

- Raise the minimum wage to \$10.25 by 2010
- Enforce employment standards by introducing enforcement officers and amending the Employment Standards Act to protect temporary workers
- Draft a long-term affordable housing strategy
- Invest in affordable housing
- Expand employment training programs⁷

4. Smarter government

- Change three social assistance rules to benefit low-income people (earnings exempt for post-secondary students on assistance, up-front child-care support to people transitioning to work, and extended internal review period)⁸
- Review social assistance with a person-centered approach⁹
- Create an independent Social Policy Institute
- Pursue social procurement
- Study social ventures and set up the Task Force on Social Finance¹⁰

Community Engagement in Plan Development and Implementation

In 2007, the 25 in 5 Network for Poverty Reduction (<http://25in5.ca/>) called on the Ontario government to develop a PAP to reduce poverty by 25% in five years. The government in 2007 set up a Cabinet committee on poverty reduction and in 2008 put out a public call for input on options to reduce poverty in Ontario. People responded through a number of channels e.g., online, phone calls, letters and meetings held by community non-profit organizations and Members of the Provincial Parliament (MPPs). The government held 14 roundtable sessions with stakeholders, including people in low income. The government committed to re-engage people at the half-way point of the plan (~2011) and every five years when drafting a new plan. The Cabinet committee and the government secretariat implementing the PAP are responsible for consulting with key stakeholders on an ongoing basis.¹¹

Ontario's Poverty Reduction Act (enacted May 2009)

http://www.ontla.on.ca/bills/bills-files/39_Parliament/Session1/b152ra.pdf

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

MEASURING PROGRESS

Statistical Indicators of Poverty in Ontario (unofficial measurement tools)

	Low Income Cut-Off After-Tax LICO-AT¹²	Low-Income Measure LIM¹³	Market Basket Measure MBM¹⁴	Food Bank Usage¹⁵	Welfare Caseloads¹⁶
Year	Numbers and Percentages of the Population				
1995	1,344,000, 12.4%	1,024,000, 9.5%	-	-	-
2000	1,253,000, 10.8%	1,170,000, 10.1%	1,142,000, 9.9%	283,110, 2.4%	531,300, 4.5%
2005	1,276,000, 10.3%	1,452,000, 11.7%	1,258,000, 10.1%	338,563, 2.7%	388,700, 3.1%
2009	1,304,000, 10.1%	1,689,000, 13.1%	1,356,000, 10.5%	374,230, 2.9%	440,722, 3.4%
2010	*	*	*	402,056, 3.0%	454,935, 3.4%
2011	*	*	*	395,106, 3.0%	*

* 2008 – PAP came into place

* data not available

The Ontario Government's Success Indicators

Goal: Child poverty reduced by 25% in five years, 2009-2013, compared to 2008

1. School readiness (measured with early development instrument)

- Baseline (2007-2009): 71.5% children showed no vulnerabilities¹⁷

2. High school graduation rates

- Baseline (2007-2009): 77% graduated¹⁸
- Progress (2009-2010): 81% graduated¹⁹

3. Educational progress (measured by the Educational Quality and Accountability Office provincial standardized test scores)

- Baseline (2008-2009): 67% of grade 3 and 6 students master reading, writing and math²⁰
- Progress (2010-2011): 69%²¹

4. Birth weights (newborns born at a healthy weight for their gestational age)

- Baseline (2007-2009): 80%²²

5. Low Income Measure (LIM) for children

- Baseline (2008): 15.2% (up from 14.1% in 2007, had declined from 2004-2007)²³
- Progress (2009): 14.6% (down from 15.2% in 2008 but up from 14.1% in 2007 in which it declined from 2004-2007)²⁴

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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, 230,000 children²⁵
- Progress (2009): 7.3% of children, 196 000 children²⁶

7. Standard of living (measured by the Ontario Deprivation Index²⁷)

- Baseline (2008): 12.5% of children lacking 2 or more items²⁸
- Progress (2009): 8.7% of children lacking 2 or more items²⁹

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%³⁰
- Progress (2009): 5.0%³¹

Progress to Date

Ontario's PAP was introduced during the 2008-2009 economic recession, and was positioned as a "smart initiative" both morally and economically.³² From a moral standpoint, the PAP was needed to reduce child poverty: one in nine children lived in poverty in Ontario in 2010, with 40% of these children coming from families in which at least one parent was employed full-time.³³ From an economic standpoint, combating poverty makes financial sense: the cost of poverty in Ontario is estimated at \$38 billion per year in health and social assistance expenditures and foregone tax revenues.³⁴ The PAP was accompanied by a budget of \$2.5 billion over five years, \$300 million of this in new investments.³⁵

Based on the LIM, child poverty rates dropped from 15.2% in 2008 to 14.6% in 2009, which corresponds to 19,000 children and their families moving out of poverty, despite the recession.³⁶ This is in contrast to child poverty rates in other provinces, such as Alberta which does not have a PAP and in which child poverty rates (measured by the LIM) increased by 25% in the same time period.³⁷ However, adult poverty rates increased more quickly in Ontario than in any other jurisdiction. Between 2007 and 2009, adult poverty increased by 19.6%; 13.1% of adults lived in poverty in 2009, which was just under the national average of 13.3%.³⁸

Views From Outside the Ontario Government

The government's PAP has been generally well-received by civil society organizations, although not without caveats. Initial reactions from the 25 in 5 Network for Poverty Reduction emphasized the importance of adequate budgetary allocations and implementation strategies to accompany the commitments in the PAP.³⁹ The Network also issued a report one year after the PAP was released

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monitoring implementation progress and highlighting key priorities for the future.¹ The PAP faced substantial criticism by other anti-poverty organizations (e.g., Wellesley Institute,⁴⁰ Make Poverty History,⁴¹ Ontario Coalition Against Poverty⁴²) and opposition parties for being too narrowly focused on child poverty and not doing enough for all people living in poverty, especially individual adults.⁴³ The Social Planning Network of Ontario calls for a plan to end poverty among *all* members of the population.⁴⁴ Civil society organizations have emphasized the need to raise income support rates immediately, as well as to structurally reform income support through the Social Assistance Review.⁴⁵ Nevertheless, the PAP is still generally viewed as a step in the right direction, laying the foundation for future and heightened action.⁴⁶

Notes on Critical Thematic Areas

- 1. Human Rights:** Neither the PAP nor the Act situate poverty elimination clearly within a human rights framework, i.e., explicit recognition of Canada's economic and social rights obligations pursuant to international human rights law to which the federal and Ontario governments are bound, e.g., International Covenant on Economic and Social Rights.⁴⁷
- 2. Income Support:** The government committed to reforming income support to benefit low-income people. Three rules have been changed: earnings are exempt for students on income support pursuing a post-secondary education; child-care support is provided up-front to people transitioning to work; and the period for internal review has been extended to 30 days.⁴⁸ The government committed to reviewing social programs with a person-centered approach. In January 2010, the Social Assistance Review Council was created.⁴⁹ The Council's June 2010 report recommended a comprehensive review of the whole income security system. The review began in January 2011 and is expected to be completed by June 2012.⁵⁰
- 3. Housing:** The government committed to continued investment in affordable housing. The PAP includes stabilized funding to the Rent Bank program with \$5 million annually to prevent evictions, investments of \$500 million in loans for social housing infrastructure, and \$100 million for renovations and retrofits of affordable housing.⁵¹ As of 2010, \$2.5 billion had been invested in repairing 173,000 units, building 4,500 new units, and giving housing supplements to 23,800 people facing eviction.⁵² Additionally, a long-term affordable housing strategy has been developed.
- 4. Education:** With the goal of strengthening readiness to learn and reducing inequalities among children, the government committed to providing full-day kindergarten in all schools by the fall of 2015, with the first phase of implementation focused in low-income neighbourhoods.⁵³ As of 2010, 35,000 students in 600 schools were enrolled in full-day kindergarten.⁵⁴ The government committed to a number of initiatives to strengthen education for low-income students, such as Learning Opportunities Grants for schools serving low-income students, support for low-income students to

¹ The December 2009 report, "Making Good on the Promise: Evaluating Year One of Ontario's Poverty Reduction Strategy" is available at: <http://25in5.ca/wp-content/uploads/2009/12/25-in-5-Making-Good-on-the-Promise.pdf>

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participate in class activities, and Parents Reaching Out Grants to engage parents in higher-needs areas in their children's education. The government committed to investing \$10 million annually in after school programs in high-need neighbourhoods: new initiatives are to focus on physical activity and wellness.⁵⁵ In 2010, these programs served 18,000 students.⁵⁶

- 5. Early Childhood Education and Care:** In the PAP, the government committed to increasing the Ontario Child Benefit to \$1,310 by 2013, reaching 1.3 million children and correlating to an annual investment of \$1.3 billion.⁵⁷ The phase-in schedule for increases was accelerated by two years: as of July 2009, the Benefit reached \$1,100.⁵⁸ The government committed to tripling the number of Parenting and Family Literacy Centres to 300, with 145 completed in 2010. The government committed \$19 million annually to support the transition of Crown Wards to adulthood.⁵⁹
- 6. Health Care:** In the PAP, the government committed to doubling investments in the Student Nutrition Program, with a new investment of \$32 million over three years, beginning in 2008.⁶⁰ In 2010, this program ran in 1,000 schools and served 520,000 students.⁶¹ The government committed to investing \$45 million annually in dental care for people in low income. In 2010, a dental program for children in low income was introduced, estimated to provide 130,000 children with preventative and early treatment dental work. Investments of \$80 million over three years for a Mental Health and Addictions strategy were committed.⁶² The strategy was still under development in 2010.⁶³
- 7. Employment Support:** The PAP included a number of commitments to support employment, including raising the minimum wage to \$10.25 in 2010. The government committed to hiring officers to enforce employment standards and amending the Employment Standards Act to protect temporary workers. In the 2010 budget, \$10 million annually and \$6 million over two years were committed for these activities.⁶⁴ The government committed to doubling funding for the Youth Opportunities Strategy to over \$22 million annually to provide training, support, and jobs to at-risk youth. In 2009, the number of jobs available through this strategy doubled, and in 2010, the strategy provided 4,700 youth with full-time summer employment.⁶⁵
- 8. Community Building/Investment:** The government committed to investing \$7 million in setting up community hubs as central locations for social service provision:⁶⁶ there are currently three hubs set up in Toronto. The government introduced the Community Use of Schools initiative, whereby community groups can use schools after-hours as a place to run programs.⁶⁷ Currently, 175 schools are taking part in this initiative. The government also committed to setting up a Community Opportunities Fund with \$5 million in new funding for local neighbourhood revitalization.⁶⁸

THE BOTTOM LINE

Ontario's PAP is a positive step towards addressing poverty and has demonstrated initial results in reducing child poverty. However, the plan has met criticism for its lack of action to address poverty among adults, including people with disabilities and seniors. The extent to which poverty will be

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addressed for individuals on social assistance may be seen in the government's response to the Ontario Social Assistance Review, a review promised in the PAP and scheduled for completion in June 2012. Time will tell whether the government remains committed to the goal and actions set out in the PAP. Ontario's network of anti-poverty groups will continue to closely monitor and critique the government's words and deeds.

FOR MORE INFORMATION

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ENDNOTES

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