

Fall 2020 Budget Submission

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c/o Budget Secretariat
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About Daily Bread Food Bank

Daily Bread Food Bank works to end hunger and eliminate food security. At no time in the history of the organization have we distributed more food than now; we are projecting that we will distribute over 15.5 million pounds of food this year, 41% more than 2019.

The COVID-19 pandemic has exposed the financial precarity of many households in Ontario. In June, food banks in Toronto observed a **200% increase in the rate of new clients**. Our *Hunger Lives Here: Risks and Challenges Faced by Food Bank Clients During COVID-19* report found that three quarters of new clients began accessing food banks as a direct result of COVID-19 and its economic consequences. While the employment rate is beginning to rebound from the all-time low in April, many are still struggling to put food on the table. Before COVID-19, food banks in Toronto were serving about 15,000 individuals weekly. By June, this number had grown to 20,000. **As of August, we are now serving approximately 25,000 individuals each week.**

Recommendations for Fall 2020 Budget

The Fall budget provides an opportunity to invest in Ontario's greatest asset – its people. We recognize the financial challenges facing the Province. However, investments made now in poverty reduction will prevent higher costs down the road as we recover. As COVID-19 has demonstrated, we are only as strong as those who have been made most vulnerable. **We put forward the following 4 recommendations for consideration:**

- 1. Provide an immediate 2% increase to Ontario Works (OW) and Ontario Disability Support Program (ODSP) rates while working to close the gap between social assistance rates and the poverty line.**

At a maximum base of \$733 per month for a single individual on OW, it is impossible to afford Ontario's average rent at \$1,109,¹ let alone buy groceries or pay for public transportation. As a result, single individuals receiving social assistance make up the greatest proportion of food bank clients. Accessing food through charity becomes a part-time job, taking time away from job seeking activities. Social assistance rates have not been increased since 2018, but since then the cost of food has increased by 7.5%,² and continues to rise due to the pandemic. As a first step, providing a 2% increase to social assistance rates will provide immediate support to help recipients afford their basic needs, which in turn helps to stimulate the economy. At the same time, implementing a plan to close the gap between social assistance rates and the poverty line will help to stabilize the lives of social assistance recipients and provide a secure foundation from which to secure employment, in alignment with the government's social assistance reform mandate.

- 2. Re-instate COVID-19 emergency benefits for social assistance recipients as an automatic payment, and increase the benefit by a minimum of \$100 per month.**

The monthly emergency COVID-19 discretionary benefit of \$100 (\$200 for families) for OW/ODSP recipients was available for only four months, ending July 31, 2020. This was a critical intervention to help OW/ODSP recipients manage the additional costs of adhering to public health guidance (e.g., buying sanitizing products, PPE, delivery services). Now that we are in a second COVID-19 wave, it is essential that this benefit be reinstated and be increased by a minimum of \$100 per month to reflect the rising cost of living.

To reduce red tape, we recommend automatically providing the benefit to all OW/ODSP recipients during the pandemic. One third of food bank clients could not access this benefit because of barriers like being unable to get a hold of a caseworker. As per statistics provided by the Ministry of Children, Community, and Social Services, only 43% of social assistance recipients received the emergency benefit. An automatic payment model has been employed elsewhere by the Province, such as the Guaranteed Annual Income System (GAINS) top-up during the pandemic, which proved to be a more successful and uniform approach to meeting the needs of recipients while also reducing administration for government staff.

3. Eliminate clawbacks for social assistance recipients receiving federal benefits and ensure all social assistance recipients maintain health benefits throughout the pandemic.

We were pleased that the Government of Ontario decided to treat Canada Emergency Response Benefit (CERB) as employment income for OW/ODSP recipients rather than a 100% clawback. We were also pleased that OW/ODSP recipients who had negative entitlements would not lose their health benefits. Now that CERB has ended, OW/ODSP recipients need clarity and transparency about how the new federal benefits (i.e., Canada Recovery Benefit, Canada Recovery Sickness Benefit, Canada Recovery Caregiving benefit) will be treated. We recommend that no clawbacks be applied to all federal pandemic related income benefits, including Employment Insurance (EI), for OW/ODSP recipients and that health benefits be retained throughout the pandemic. This will ensure that OW/ODSP recipients are able to afford stable, adequate housing, nutritious food, transportation and other basic needs to protect their health and wellbeing and build a pathway out of poverty. We further recommend that the Province continue to re-invest any savings resulting from federal benefits back into the social assistance budget.

4. Prevent evictions by providing rent supplements and investing in eviction prevention programs.

Over 80% of food bank clients who do not live in subsidized housing pay more than half their income on rent, putting them at high risk of homelessness. Close to 40% of food bank clients are worried about facing eviction in the coming months. We recommend that the Province provide a temporary rent supplement of \$300 (\$500 for families) for qualifying low-income households. We further recommend that the province provide additional funding for municipalities to administer eviction prevention programs and rent banks. Without eviction prevention supports, the only way to prevent evictions will be to reinstate the evictions ban, which leads to downstream issues when the ban is lifted. We urge the Province to make upstream investments to prevent eviction. We cannot risk having people lose their home during the pandemic.

Thank you for the opportunity to provide input in the Fall 2020 budget. For more information, please contact:

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¹ BC Non-Profit Housing Association. (2020). Rental Housing Index. Retrieved from: http://www.rentalhousingindex.ca/en/#cost_prov

² Toronto Board of Health. (2019). Food in Toronto: Affordability, Accessibility and Insecurity. Retrieved from: https://www.toronto.ca/legdocs/mmis/2019/hl/bgrd/backgroundfile-138864.pdf#xd_co_f=OWRmNzc5ODMtYjhjYy00MWOxLWFINjMtZTI1MmFkYTcyY2M4~