

Submission to Ontario Jobs and Recovery Committee

June 12, 2020



Introduction

The Daily Bread Food Bank welcomes the opportunity to provide input to the Ontario Jobs and Recovery Committee about the province's reopening and recovery efforts.

Daily Bread is a member-based organization representing 126 multi-service agencies, faith-based groups, and community organizations in Toronto. Through the support and generosity of our 11,000 volunteers and thousands of private and corporate donors, we are able to distribute close to 11 million pounds of fresh and shelf-stable food, and fresh-cooked meals annually across Toronto, from Etobicoke to Scarborough.

The COVID-19 has shone a light on the deep cracks in our social safety net. Prior to COVID-19, food bank use was already on the rise, growing by 7% in 2019. **As a result of COVID-19, food bank use has increased sharply;** visits to Toronto food banks spiked by 35% in late April compared to February, 2020.

Thanks to an \$8 million investment from the Government of Ontario, food banks across Ontario were able to distribute 450,000 emergency food boxes. While this enabled food banks to help meet the spike in need across the province, we remain deeply concerned about the short, medium and long-term economic impacts of COVID-19 on low-income households.

Prior to COVID-19, economists estimated that poverty **costs Ontario between \$27 and \$33 billion dollars each year.**¹ As of May, unemployment rates have increased to 13.7%, and low wage earners have been hardest hit.² Ontario's economic reopening and recovery plan is an opportunity to invest in Ontario's future. To recover our economy, we must invest in people.

The submissions will outline what we are seeing on the ground and then describe what has been working and what can be enhanced with the COVID-19 response as we look towards re-opening and recovery.

What We're Seeing on the Ground

1) Food bank use is an indicator of poverty, and food bank use is rising steeply.

- Since April 12, Daily Bread's member agency food banks have seen a 35% average increase in visits compared to February 2020. Some food banks in Toronto have seen as much as three times the number of weekly visits compared to February 2020.
- Close to 60% of Daily Bread food banks report seeing an increase in new clients.
- 51% of Daily Bread food banks report that they have seen an increase in visits from people who have been recently laid off.
- The primary driver of food insecurity is income.³ Three quarters of Daily Bread food banks report that their clients are struggling to make ends meet specifically because of job losses and insufficient income supports.

2) Individuals on fixed income are not protected from the financial effects of COVID-19.

- Prior to COVID-19, 60% of Daily Bread food bank clients received Ontario Works (OW) or Ontario Disability Support Program (ODSP) as their primary income source because they could not afford to purchase food under regular conditions.
- People on fixed incomes rely on numerous coping strategies to make ends meet, including accessing food banks and other community programs, using flyers and comparison shopping.

With limited access to these coping strategies, people on fixed incomes are struggling to afford basic necessities.

3) Housing adequacy and affordability continues to be a driver of food insecurity in Ontario.

- The high cost of housing remains a significant driver of food insecurity in Toronto.
- Prior to COVID-19, food bank clients in Toronto were spending a median of 74% of their income on rent and utilities.
- During COVID-19, almost half of Daily Bread member food banks report that their clients are struggling to pay rent.
- Housing inadequacy is a major concern as now Ontarians are being asked to stay home as much as possible and community programs, including libraries and community centres have not been available until recently. About 25% of food banks reported that their clients are living in inadequate housing (e.g., overcrowded, in need of major repairs). A number of food bank clients have flagged concerns about the condition of social housing units.

4) Low-income households are struggling with childcare and internet access.

- One third of clients served by Daily Bread food banks are children. 25% of Daily Bread food banks report their clients are struggling because of lack of access to childcare and 25% are experiencing difficulties due to supporting their children with online learning.
- Food bank clients have reported challenges accessing internet/wifi services, leaving them unable to access online services.

Building on Lessons Learned: Economic Recovery Recommendations to Support Low-Income Households

Ontario's emergency response has been swift and responsive to community need. We are deeply grateful for the tireless efforts of government staff and elected officials to ensure Ontarians are safe during this challenging time.

While there is much to be celebrated about Ontario's emergency response, there are also important lessons that can be learned and implemented to better support vulnerable residents in times of crisis and the long-road to recovery.

Food banks are on the front-lines of emergency food assistance, but we cannot meet the long-term ongoing needs of the growing number of food insecure households. The crisis response and the long-term recovery plan must continue to ensure that income security is a top priority.

1) Make financial support top-ups automatic and recur monthly until the financial crisis has subsided.

Ontario's government has rightfully implemented a number of important financial support top-ups to support low-income Ontarians as part of the COVID-19 response. It is critical that these be extended as the province begins reopening, as economic recovery will not be instantaneous.

The automatic payment model employed for the Guaranteed Annual Income System (GAINS) is effective at providing immediate, barrier-free support. This same approach should be applied to the discretionary emergency benefits available to OW and ODSP recipients. Food bank clients have reported a number of

barriers to accessing the OW/ODSP emergency benefits, including lack of awareness and getting a hold of a caseworker. One client reported having to call the office 7 days in a row until they finally got a hold of the caseworker. As a result, many of these individuals are struggling to access basic necessities, causing food bank visits to surge.

We recommend that the OW and ODSP emergency benefit be made automatic for all recipients. Like GAINS recipients, OW and ODSP recipients have incomes far below the poverty line and all recipients would benefit from the top up to manage the ongoing increased expenses as a result of COVID-19.

Similarly, while the \$200 (\$250 for children with special needs) payment to parents is helpful, its one-time nature and application-based allocation limit its reach and effectiveness. An automatic top-up to the Ontario Child Benefit (OCB) not only benefits low-income parents, but also reduces administrative workload on government staff to process applications for the support for families.

Making benefits automatic and recurring monthly will enable more families to benefit while reducing red tape.

2) Support households with fixed expenses, including utilities and internet.

Investing in the Low-income Energy Assistance Program (LEAP) and implementing off-peak electricity pricing has supported low-income households to make ends meet. While there are some internet supports being provided through various programs, they are disjointed. A centralized program to support utility and internet costs would ensure low-income households are able to maintain adequate living conditions, access necessary public health information, and participate in digital services.

3) Financial supports are critical, but ongoing investments are needed to maintain social services and supports.

COVID-19 has revealed significant household financial vulnerability, but it has also revealed how crucial social services are to providing the wrap-around supports people need to succeed. Access to mental health services, job training, and other social supports have never been more important for Ontario's economic recovery.

The \$200 million investment in social services was an important and necessary investment. However, for a municipality like Toronto, the funds are insufficient to maintain the level of social services needed to get families through this challenging time.

The province has a role to play in providing ongoing direct investments in social services, both at the provincial and municipal level, as well as advocating for municipal funding at the federal level. Municipalities need funding for social services, childcare, and housing in order to recover from the economic and social impacts of COVID-19.

4) Coordinate benefits to maximize their impact and reduce uncertainty for recipients.

When the Canada Emergency Response Benefit (CERB) was introduced, it led to a great deal of confusion and fear among social assistance recipients who did not know if they would lose their benefits as a result. We were pleased that the province decided to treat CERB as employment income and that those receiving CERB would not lose their health benefits.

As we move into recovery planning, it is now important to take stock and coordinate benefits. When implementing the Canada-Ontario Housing Benefit, it is critical to build on the lessons learned during COVID-19 and ensure that the Canada-Ontario Housing benefit be made available to OW and ODSP recipients without clawing back their benefits.

To alleviate stress and anxiety for people with disabilities, we recommend announcing that the definition of disability for ODSP eligibility will not be changed so that recipients will know their benefits will be continuous.

5) Prioritize affordable housing in both crisis response and recovery.

We were pleased that evictions were put on hold during this crisis. However, as soon as this order is lifted, many households will be struggling with significant rent arrears. The province should be looking to provide rent relief supports and financial counselling to households struggling with rental arrears to avoid mass evictions. This may mean extending and promoting the OW emergency assistance program.

The economic recovery plan is an opportunity to invest in public infrastructure that both creates jobs and also contributes to the public good. The province should be working with the federal government to flow funds to the development of new affordable housing units as well as investing in repairs for the existing stock.

6) Create and sustain formal cross-sectoral planning tables to inform crisis response and recovery.

The greatest successes we have witnessed during COVID-19 have come from the inter-sectoral tables comprised of representatives from government and community organizations. We have also had strong partnership and collaboration with the private sector. These formal mechanisms for collaboration will be integral to an effective recovery. We ask that food banks be invited to participate in these planning tables to help shape provincial food insecurity and poverty reduction initiatives.

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¹ Lee, C., Briggs, A. (2019). Cost of Poverty in Ontario 10 Years Later. Toronto, ON: Feed Ontario.

² Statistics Canada (2019, June). Canada's Unemployment Rate.

³ Tarasuk V, Mitchell A. (2020) Household food insecurity in Canada, 2017-18. Toronto: Research to identify policy options to reduce food insecurity (PROOF). Retrieved from <https://proof.utoronto.ca/>