

2021 Ontario Pre-Budget Submission

Prepared for The Standing Committee on Finance

Submitted by Daily Bread Food Bank

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About Daily Bread Food Bank

Daily Bread Food Bank is a member-based organization representing 118 agencies across Toronto, from Etobicoke to Scarborough. Through the support and generosity of our 8,000 volunteers and 50,000 donors, we were able to distribute 13 million lbs of food last year.

The pandemic has disproportionately impacted people with low incomes. Food banks in Toronto are now serving over 100,000 individuals each month, compared to 65,000 prior to COVID. We are bracing for the highest number of annual food bank visits ever recorded in our history.

We welcome the opportunity to provide input on the 2021 budget. This is an opportunity to respond to the growing needs and challenges resulting from COVID and to set a strong foundation for economic recovery. We call on Ontario's government to prioritize those who have been impacted most by this pandemic by considering the following 5 recommendations:

Recommendations for 2021 Budget

- 1. Reinstate the full residential eviction moratorium and provide rental assistance to prevent evictions for those who have accrued, or are at risk of accruing, rent arrears.**

Over 80% of Toronto food bank clients renting in the private market are paying more than half their income on rent, putting them at a high risk for eviction. In fact, 38% reported being worried about facing eviction in the coming months. Ontario has the highest rate of rent arrears in the country,¹ with over 10% of apartments in arrears as of October. To prevent people from losing their homes during this pandemic, a dual approach is needed: fully reinstating the residential evictions moratorium while also implementing rental assistance for those who have accumulated, or are at risk of accumulating, rent arrears. It is important that the government work with tenant groups to ensure rent assistance programs are accessible, dignified, and meet tenant needs.

- 2. Implement 7 permanent paid sick days and an additional 14 paid sick days during public health emergencies.**

Close to 60% of employed food bank clients in Toronto work in sectors that have been hardest hit by COVID (e.g., retail, manufacturing),² and the majority earn low wages and lack any paid sick days. The Canada Recovery Sickness Benefit is not a replacement for paid sick days; it is a temporary, stop-gap measure that is not immediately available to workers. Paid sick days are critical to protecting workers as well as the entire community during this pandemic and beyond.

- 3. Create a digital access benefit for social assistance recipients.**

The province's plan to digitize social assistance services will be unsuccessful unless recipients have an adequate device and internet service. Currently 52% of Toronto's low-income households have insufficient download speeds and 34% of households are worried about paying their internet bills.³ With current social assistance rates, recipients are simply unable to afford digital access, creating barriers to vital services, social supports, and employment opportunities. We recommend the introduction of an automatic, non-discretionary \$100/month (\$200/month for families) benefit for social assistance recipients to cover the costs of internet and cell phone plans, as well as a discretionary benefit to assist with purchasing a computer, cell phone or tablet.

4. Enhance life stabilization and employment outcomes by immediately increasing social assistance rates by 2%, increasing the earnings exemption, and reducing clawbacks.

At \$733 per month for a single individual on Ontario Works, it is impossible to afford Ontario's average rent of \$1,109⁴ as well as groceries and public transportation. It is no surprise then that social assistance recipients make up 65% of food bank clients. Rates have been frozen since 2018, but food prices have increased by 7.5%.⁵ 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. To help get Ontarians back to work, we further recommend increasing the employment earnings exemption and reducing clawbacks to reduce the financial penalty social assistance recipients face when transitioning to employment.

5. Ensure social assistance recipients who receive federal emergency benefits have health benefits beyond March 2021 and reinvest social assistance savings into direct supports.

Due to new federal income supports, Ontario Works (OW) and Ontario Disability Support Program (ODSP) caseloads fell by 16.2% and 1.4% respectively between March and November 2020, amounting to a combined savings of over half a billion dollars.⁶ OW or ODSP recipients who became no longer financial eligible due to federal benefits have been receiving \$2.50 per month to maintain access to health and other benefits provided through social assistance. The province has guaranteed this until March 2021, but it is critical that access to these benefits remains for the duration of the pandemic for all social assistance recipients, regardless of application date. In addition, we recommend that social assistance savings be reinvested into directly supporting recipients, and that the 2021 budget provide transparency on the details of this reinvestment.

Thank you for the opportunity to share our feedback. For more information, please contact:

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¹ CMHC. (2020). 202 Rental Market Report. Retrieved from: <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2021/2020-rental-market-report#:~:text=Among%20all%20provinces%2C%20Ontario%20posted,arrears%20as%20of%20October%202020>

²Daily Bread Food Bank. (2020). Hunger Lives Here: Risks and Challenges Faced by Food Bank Clients during COVID-19. Retrieved from: <https://dailybread.ca/hungerliveshere>

³ Andrey, S., Masoodi, M.J., Malli, N., Dorkenoo, S. (2021). Mapping Toronto's Digital Divide. Toronto, ON: Brookfield. Retrieved from: https://brookfieldinstitute.ca/wp-content/uploads/TorontoDigitalDivide_Report_final.pdf

⁴ BC Non-Profit Housing Association. (2020). Rental Housing Index. Retrieved from: http://www.rentalhousingindex.ca/en/#cost_prov

⁵ 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=OWRmNzc5ODMtYjhYy00MWOxLWFjNjMtZTI1MmFkYTcyY2M4~

⁶ Brendan Kennedy. (2021, February 10). Province playing "accounting games" with spending on social assistance. Toronto Star. Retrieved from: <https://www.thestar.com/news/gta/2021/02/09/province-playing-accounting-games-with-spending-on-social-assistance.html>