

Canada Budget 2023: Pre-Budget Submission

Introduction

The Evidence around Food Insecurity and Poverty in Toronto

No one should go hungry or face barriers to accessing food. Yet, Toronto saw a **record two million visits to food banks last year**. With rapidly expanding demand for food access, quarter over quarter, things are not okay. Too many people face severe food insecurity in our province.

Our annual *Who's Hungry* report reveals that food bank clients have a median annual income of \$12,732, *down* \$540, from \$13,272 in 2021. **Further, one in three (33%) clients reported employment as a primary source of income, double last year's rate (16%), indicating that having a job is no longer sufficient to provide basic essentials, such as food and housing.**

Nearly all (87%) of food bank clients live in unaffordable housing. **High housing costs absorb most of food bank clients' household incomes.** Food banks act as a stop gap in their household budgets because after paying the high cost of housing/utilities, clients had a median of \$8.01 left per person per day to cover other costs, including food, clothing, transportation, and medical needs.

Inadequate incomes and the rising cost-of-living are driving food insecurity and food bank use in Toronto. Ninety-three percent of food bank clients are trapped in the deepest levels of poverty, with incomes that are close to half of Canada's official poverty line. The poverty line is a measure which governments have defined as the amount needed to live a life of dignity.

In Toronto, in 2020, the line for deep poverty was set as \$24,720 p.a. Food bank clients median income is \$12,732. That is \$11,988 below the poverty line or almost \$1,000 a month. And things are worsening. Between 2022 and 2021, food bank clients reported a drop in median annual incomes of \$540.

Nearly half of food bank clients report a disability or health condition that is expected to last more than a year. More than 1 in 3 food bank clients relied on social assistance – because rates are so low, food bank referrals have become part of the intake process of Ontario Works and Ontario Disability Support Program. Food bank clients were also five times more likely than the general population to report that they do not have people in their life to count on in times of need.

Children comprise 30% of those we feed, and the portion of seniors who are food bank clients has risen from one in ten to one in six. We are feeding many of the most vulnerable. Food banks serve as a last resort for many that fall through the cracks of economic and social systems.

As the Government of Canada develops its 2023 budget, it is critical that poverty reduction be at the core of economic recovery efforts, so we can continue to build an economy that works for all, by expanding affordable housing supply, building key infrastructure, and helping to keep costs down, as well as delivering targeted supports to vulnerable populations during these uncertain times.

This is the moment to invest in our communities, by supporting them today, and building for the future together. With this evidence base, we urge the Government of Canada to consider the following recommendations in the creation of the 2023 Federal Budget.

Recommendations

A. On Income Security

Food insecurity increases health care costs, worsens mental health, increases the risk of injuries and illnesses, and causes premature death. Therefore, Daily Bread will continue to advocate for income security for the people we serve with the objectives of eliminating food insecurity and ending poverty.

✓ **Update the Employment Insurance (EI) program to reflect modern realities of work.**

Because the pandemic has disrupted where, when, and how many of us work, the federal government needs to update and improve Canada's EI to reflect the modern realities of work, particularly for those who are self-employed and not traditionally eligible for benefits. Toronto workers face high barriers in qualifying for EI and some estimates say that only 1/5 unemployed workers can access EIⁱ. We strongly recommend that the Government of Canada enact the following changes:

- Permanently expand eligibility by removing regional variations in eligibility rules;
- Close the gap in income supports by including those who are self-employed;
- Extend the maximum duration of EI benefits from 45 to 50 weeks; and
- Expand the Working-While-on-Claim provision so workers can retain more of their income from temporary/part-time work without losing benefits.

✓ **Transform the Canada Workers Benefit (CWB) into the Canada Working-Age Supplement (CWAS) to support unattached single adults.**

Unlike the baseline level of income support provided to seniors and families with children, Canada's income support system for unattached single adults does not prioritize dignity and adequacy and continues to perpetuate the cycle of deep poverty. By transforming the limited CWB into the proposed CWASⁱⁱ, an additional 1 million unattached single adults living in deep poverty would gain eligibility due to the addition of a floor amount, for a total of 3.1 million unattached single adults, up from 2.1 million.

✓ **Expedite the implementation of the Canada Disability Benefit as a permanent program.**

People with disabilities are often living on low incomes, either because of employment barriers or because of low social assistance rates that trap them in deep poverty, forcing them to rely on food banks. Living with a disability brings additional expenses, and with record increases in the cost of living, existing incomes are not sufficient to ensure people with disabilities can live a dignified life. To support people with disabilities in meeting rising costs, we recommend that the Government of Canada move quickly to enact the CDB and render it a permanent income supplement program with no claw backs.

✓ **Ease tax filing for people living in poverty so they can receive the benefits they are eligible for.**

Governments are increasingly delivering benefits through the tax filing system, but these initiatives will have limited impact if uptake is low. One in five clients (19%) reported not filing their taxes. An expansion of the *File My Return* automating filing and volunteer-led Tax Clinic programs are strong first steps.

B. On Housing Affordability

When housing is treated as a commodity and not as a fundamental human right, low-income renters find themselves in deep core housing need. This means they pay most of their income on shelter, putting them at high risk of homelessness and food insecurity. When people cannot afford to buy food because of high rents, they turn to food banks, thus increasing the strain on Daily Bread's network.

- ✓ **Tackle the financialization of landlords to protect affordable housing supply.**

The federal government faces challenges in fulfilling its promise to “tackle the financialization of the housing market by the end of 2023”ⁱⁱⁱ. The federal government includes investigating the downstream impact of the federal Income Tax Act exemption on REITs paying corporate income taxes^{iv}.

An all-stakeholder roundtable should be convened to identify how capital expenditures can be shaped to build and protect new rental housing supply.

- ✓ **Develop a non-profit acquisition strategy to purchase at-risk rental buildings.**

The federal government should develop a non-profit acquisition strategy and fund to enable non-profit, co-op, and land trust organizations to purchase at-risk rental buildings when they come on the market. Similar to the City of Toronto's Multi Unit Residential Acquisition (MURA) program^v or even the Government of British Columbia's Rental Protection Fund^{vi}, this can be done by directing CMHC to supplement the NHS's Co-Investment Fund with an Acquisitions Fund and bringing together a consortium of non-profit, co-op, and land trust organizations to administer it.

An acquisition strategy is critical to ensuring housing affordability for low-income populations.

C. On Public Transportation

Unaffordable transportation contributes to social isolation and limits how people can move around the city. The high cost of transportation negatively impacts the services and opportunities people have access to, including healthcare, employment, housing, social inclusion, and education.

- ✓ **Provide permanent public transit funding to the Government of Ontario and the City of Toronto to facilitate investments that build prosperous, inclusive, and sustainable communities.**

Building on the Engagement Paper published by Infrastructure Canada^{vii}, we are especially motivated by the focus on permanent investment in public transit to unlock opportunities to build more housing supply and provide low-income households with affordable housing options while creating more jobs. One client remarked to us: “TTC is very expensive – almost 7 dollars per trip. My house is not in the area where I can buy food, and I live far out to afford rent, so I have to take TTC to get around, which takes so much time.”

About Daily Bread Food Bank

Daily Bread Food Bank is a member-based organization whose mission is to collaborate with all to eliminate food insecurity and advocate for solutions to end poverty.

As Canada's largest food bank, Daily Bread runs innovative programs to support individuals living on low incomes and experiencing food insecurity by distributing fresh and shelf-stable food and fresh-cooked meals to 132 member agencies and 200 meal programs across Toronto. Daily Bread receives no funding from the government and is entirely funded by private individuals, corporations, and foundations.

Daily Bread publishes the influential *Who's Hungry* report – an annual survey that provides data and analysis about food insecurity and poverty in Toronto to all levels of government and sector stakeholders. Daily Bread also runs the *Click/Hear* program, rooted in a Rights-Based Approach (RBA) that centers lived experiences of food bank clients in our advocacy work by providing a platform to build counter-narratives about living in poverty and highlight the growing inequalities in our city.

We welcome the opportunity to provide input and recommendations to the Government of Canada as part of the 2023 pre-budget consultation process with these written comments.

Thank you for considering our submission.

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ⁱ EI Working Group, Good Jobs for All. Submission to the Standing Committee on Human Resources, Skills and Social Development & the Status of Persons with Disabilities, May 2016. Available from:

<https://www.ourcommons.ca/Content/Committee/421/HUMA/Brief/BR8329542/br-external/EI%20Working%20Group,%20Good%20Jobs%20for%20All%20Coalition-e.pdf>

ⁱⁱ Talwar Kapoor, G. Tabbara, M. Hanley, S. McNicoll, S. How to reduce the depth of single adult poverty in Canada: Proposal for a Canada Working-Age Supplement. Maytree Foundation and Community Food Centres Canada. 2022. Available from:

<https://maytree.com/wpcontent/uploads/canada-working-age-supplement-report.pdf>

ⁱⁱⁱ Office of the Prime Minister, Government of Canada. Delivering for Canadians Now, A Supply and Confidence Agreement. 2022. Available from: <https://pm.gc.ca/en/news/news-releases/2022/03/22/delivering-canadians-now>

^{iv} Government of Canada, Part 1 Income Tax Act, R.S.C. 1985, c.1 (5th Supp), Subdivision A - Rules applicable to Individuals (continued), Section 122.1 Tax payable by trust. 2022. Available from: <https://laws-lois.justice.gc.ca/eng/acts/l-3.3/page-93.html?txthl=reit#s-122.1>

^v City of Toronto. Multi-Unit Residential Acquisition (MURA) Program Details, 2022. Available from <https://www.toronto.ca/legdocs/mmis/2021/ph/bgrd/backgroundfile-172094.pdf>

^{vi} Government of British Columbia. Office of the Premier, 2022. Available from <https://news.gov.bc.ca/releases/2023PREM0002-000023>

^{vii} Government of Canada. Ministry of Infrastructure. Engagement Paper : Permanent Public Transit Funding in Canada. 2022. Available from <https://www.infrastructure.gc.ca/alt-format/pdf/transit-transport/ptf-engagement-paper-ftpc-doc-mobilisation-en.pdf>