

Ontario 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 buy basic necessities.

In Toronto, in 2020, the line for deep poverty was set as \$24,720 p.a. The median income of food bank clients 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 Ontario 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 Ontario to consider the following recommendations in the creation of the 2023 Provincial Budget.

Recommendations

A. On Income Security

Income security for all is vital to reduce food insecurity, to meet provincial goals on poverty reduction, and to ensure the Ontario economy is strong.

- ✓ **Increase Ontario Disability Support Program (ODSP) rates to the Market Basket Measure (MBM) + 10% to account for unexpected expenses.**

We commend the provincial government for increasing ODSP rates by 5% and indexing all future increases to inflation, as well as increasing the maximum amount to \$1,000 before claw backs, but the 5% increase is not enough to lift recipients out of deep poverty. With more than 1 in 5 food bank clients (22%) on ODSP, the greatest challenge food bank clients face is not having any income left after paying their rent and other basic expenses. By raising rates, this will lift ODSP recipients above the poverty line, making provision for the additional expenses and higher cost of living incurred by people with disabilities. We asked clients on ODSP what an increase would mean – you can read the full report [here](#).

- ✓ **Increase Ontario Works (OW) rates to the Market Basket Measure (MBM).**

A single individual considered employable receives \$733 a month on OW and along with federal and provincial tax benefits and credits, they can receive a maximum of \$859 per month. This is less than half (42%) of the amount needed to keep single individuals out of poverty and only 56% of the amount needed to keep individuals out of deep poverty and does not enable recipients to live a dignified life whatsoever. As incomes remain constrained, demand for food banks is soaring. Despite 16% of food bank clients relying on OW as their primary source of income, there has been no increase to rates or an indexation to inflation in decades. While inflation and the cost of living has skyrocketed over the last decade, social assistance has not kept pace and is trapping people in poverty.

- ✓ **Increase the minimum wage to a living wage based on the local cost of living.**

Today's systems do not account for the difference in the cost of living across Ontario. The *Who's Hungry* research shows that the combination of low incomes and high rents is a recipe for hunger, and with record levels of inflation, this crisis is worsening. A living wage has economic benefits too, because when people are paid a living wage, they will work longer, which means businesses will enjoy lower turnover rates and thus, have greater stability to continue their operations. Additionally, increased incomes for individuals means they have more disposable income to spend and support their local businesses.

- ✓ **Revive the Universal Basic Income pilot that was cancelled in 2018.**

Among food bank clients, respondents had a median monthly income of \$1,061, an amount equal to less than half of Toronto's 2020 poverty line of \$2,060 in total income per month. This means many food bank clients are living in deep poverty. With the impact of COVID-19 pandemic emergency benefits on income inequality in Canada, as illustrated in the release of the Census 2021 data^{i ii}, and the introduction of a basic income program in Quebec as of January 1, 2023ⁱⁱⁱ, we urge the Government of Ontario to revive the cancelled pilot in 2018, which had extremely promising preliminary results by enabling recipients to live a dignified life through the maintenance of a minimum income floor^{iv v}.

B. On Cost of Living

✓ **Remove transfer/double fees for TTC riders accessing regional transit systems in the GTA.**

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 health, employment, and education. Almost seven out of ten (69%) food bank clients indicated that they would use the subway, bus, or streetcar. The cost adds up for low-income individuals who more often rely on public transit than higher-income groups. For example, taking the TTC twice, to get to work and back, costs \$6.50. With a median of \$8.01 left per person per day after rent and utilities were paid, food bank users would be left with \$1.51 at the end of the day. It is impossible to feed oneself on this amount, leaving people to rely on food banks and cut back on other necessities.

✓ **Create an automatic \$100 digital access benefit for all social assistance recipients (\$200 for multiple person households).**

Many Ontarians do not have adequate digital access. The high costs associated with information and communication technologies mean that many residents with low incomes are caught in the digital divide, or the gap between those who have access to things like the internet, computers, and phones, and those who do not. When asked about digital access, just over one fifth (22%) of food bank clients reported that they do not have internet access, over half (52%) do not have access to a computer, and 14% report that they do not have access to a phone. With increasingly digital systems, from social assistance to housing to Service Ontario, it is advisable to address barriers with a low-cost supplement and engage their support systems in assisting them in managing digital access.

✓ **Ensure that drug and dental benefits be made available to all low-income households that do not have health coverage, and not just those on social assistance.**

Without health insurance, it is likely that low-income food bank clients who are not covered by current government assistance programs will not be able to afford necessary prescription medication or medical treatment. This poses a risk to their long-term health and further strains Ontario's healthcare systems. Affordable and accessible health care has never been more important as four out of five employed food bank clients (80%) reported having no employer-provided health benefits, meaning that they are forced to buy a private insurance plan or pay out of pocket. With competing costs and stagnated incomes, however, many are foregoing care that is essential to well-being. Considering that food bank clients have a median of only \$8.01 per person per day after paying for rent and utilities, it is doubtful that they would be able to afford private health insurance.

C. On Labour and Employment

A strong labour force underpins a strong Ontario economy.

- ✓ **Create a portable benefits program to better support worker mobility, health, and security.**

One of the Ontario Workforce Recovery Advisory Committee's recommendations was to appoint experts to design and test a portable benefits program, where benefits would be tied to workers to better support worker mobility and improve health and financial security^{vi}. Accordingly, many food bank clients are faced with the impossible task of paying out-of-pocket for things like routine eye exams and dental care or prescription drugs and mental health services. If faced with a catastrophic event, they face potential financial ruin. The lack of benefits coverage exposes workers to financial and health risks, adds strain to the health care system, and impacts the province's ability to attract and retain workers. Many employed food bank clients tell us how they routinely skip necessary health related items such as medications, supplements, glasses, therapy and much more because they simply cannot afford it.

D. On Housing Affordability

Housing costs are absorbing household incomes, affecting labour force availability and quality of life.

- ✓ **Incentivize the construction of affordable housing in the private market.**

While the province currently has housing legislation (Bill 23) focused on incentivizing developers to build new supply^{vii}, most of these units are far out of reach for Ontarians and rent costs continue to rise. In August 2022, the province announced the Housing Supply Action Plan Implementation Team (HSAPIT) to provide advice on market housing initiatives^{viii}. In support of that mandate, we recommend utilizing a mix of the following approaches to incentivize and expedite the construction of affordable housing:

- Designate provincial surplus land disposition to affordable housing;
 - Designate specific affordable housing development goals for Ontario infrastructure;
 - Provide provincial kick-start interest-free loans to developers and non-profits to build affordable units beyond minimum development requirements;
 - Amend the Planning Act to encourage the development of community land trusts;
 - Remove development charges and parking requirements for non-profit housing;
 - Amend the Residential Tenancies Act to allow transitional housing providers to support clients for longer than 364 days; and
 - Waive or provide a rebate on HST for materials used to develop affordable housing.
- ✓ **Preserve existing social housing supply by increasing capital and operating funding allocations to municipalities to support the repair and refurbishment of existing social housing units.**

Social, non-profit, and co-op housing remains a crucial part of the housing supply because non-market housing is the most reliable way for low-income households to have secure and deeply affordable housing. Investments in these kinds of housing have not kept pace with need. Most of the current supply was built decades ago and is in disrepair. Specifically, this will maintain the number of social housing and supportive housing units in the Toronto region but will not be sufficient on its own to meet the growing demand for deeply affordable housing where rent is geared to income. The provincial government must continue to invest in maintaining existing social housing supply while also expanding affordable housing stock.

- ✓ **Protect tenants from evictions by expanding eviction prevention programs and rendering Social Services Relief Fund (SSRF) monies permanently available to municipal rent banks, as well as emergency housing supports, like the City of Toronto's Housing Stabilization Fund.**

We commend the province for negotiating an agreement with the federal government to provide \$127 million through a fifth round of the Social Services Relief Fund (SSRF)^{ix} and while a step in the right direction, the SSRF funding is time-limited and subject to renewal^x. Concrete, long-term commitments are required to ensure that the funding does not lapse or expire to keep people stably housed.

- ✓ **Use income-based metrics, instead of average market rent metrics, to define affordable housing.**

By adjusting the definition of affordable housing based on income, instead of average market rent, the provincial government can guarantee that an adequate number of permanently affordable units are within reach for households living close to or below the poverty line. The City of Toronto currently uses income-based metrics to define affordable housing as well^{xi}. This will also support efforts to expand affordable housing supply to account for a growing labour force as the province aims to fill jobs and ensure that workers have access to homes, so that businesses can tap into that labour pool to meet their needs.

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 Ontario as part of the 2023 pre-budget consultation process with these written comments.

Thank you for considering our submission. For more information, please contact:

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