

Submission for the 2024 Ontario Budget

Founded in 1983, Daily Bread Food Bank is a member-based organization comprised of 132 member agencies who operate 207 food banks and meal programs across Toronto. We believe that access to food is a basic human right, not a privilege. Our mission is to collaborate with all to eliminate food insecurity and advocate for solutions to end poverty. We wish to express our gratitude for the opportunity to provide recommendations as part of the 2024 Budget process.

Daily Bread Food Bank commends the progress that the Government of Ontario has made to support the most vulnerable in the province, including unfreezing ODSP rates, changing earnings clawbacks for ODSP recipients, increasing the minimum wage to \$16.55 per hour, partnering with the Government of Canada on \$10/day daycare, as well as additional investments through the 'New Deal' with the City of Toronto.

While we are pleased with the steps the province has taken, the scale of the challenges vulnerable people across Ontario are facing is immense. More and more Ontarians are falling into an economic crisis, with one in ten Torontonians relying on food banks to put food on their table. Visits to Ontario food banks have increased by 36% in the past year.¹ Though every Ontarian is feeling the rising cost of living, it is those who were already in an economically precarious position that are accessing food banks to survive, and therefore deserve particular focus and assistance in this year's budget.

The Government of Ontario must take urgent action that supports the economic security of vulnerable Ontarians, workers, and communities, to prevent even bigger problems, including a rapid increase in homelessness and higher healthcare costs. This is why we recommend six key actions for the Ontario 2024 Budget to support vulnerable people, workers, and communities across the province.

Summary of Recommendations

To better support vulnerable Ontarians:

1. Update social assistance regulations and policy directives so that the Canada Disability Benefit (CDB) is considered fully exempted unearned income for Ontario Disability Support Program (ODSP) recipients, and is a top-up, and not a cost-savings measure.
2. Improve the adequacy of Ontario Works (OW) by increasing rates, indexing to inflation annually, and increasing the earnings exemption to match that of ODSP to support transition into employment and the workforce.

To better support Ontario's communities:

3. Make surplus lands and assets available to non-profit and co-operative housing providers to grow deeply affordable and supportive housing options across Ontario.
4. Provide incentives that prioritize non-profit housing development and establish flexible programs that maximize the non-profit sector's capacity to compete in the housing market effectively.

To better support Ontario's workers:

5. Expedite the development of a portable benefits program so workers who are not provided with benefits through their employer can access medical, dental, vision, and ancillary health services.
6. Progressively increase minimum wage to a living wage and increase investments in workers protections, including equal pay for temporary, contract and casual work.

Recommendations

Food Insecurity and Poverty

Food bank use, and food insecurity more broadly, is driven by a lack of income.² Due to skyrocketing housing costs, food inflation, stagnating wages, and insufficient income supports; more and more households are being pushed into food insecurity and poverty – driving record usage of food banks. As a Toronto-based organization, we can speak to the food insecurity crisis that food banks are seeing on the frontlines in Ontario’s capital. One in 10 people are now relying on food banks in Toronto, twice as many as the year prior.³ In 2023, there were over 3 million food bank visits in Toronto with over 185,000 new clients, which is a fivefold increase compared to before the pandemic.

All levels of government, including Ontario, should be deeply concerned. Research indicates that individuals seeking assistance from food banks are frequently on the verge of homelessness, with almost half of them expressing that they would be without a home if not for the aid they receive.⁴ This not only affects the well-being of individuals and communities but also imposes a substantial economic burden on the province. According to the Cost of Poverty report by Feed Ontario, poverty leads to an estimated additional \$3.9 billion in healthcare expenses and \$1.1 billion in costs for the justice system annually.⁵

Daily Bread Food Bank and North York Harvest Food Bank’s annual *Who’s Hungry* report,⁶ a survey of food bank clients in Toronto, also echoed these findings. High housing costs absorb most of clients’ household incomes, as nearly all (89%) food bank clients reported live in unaffordable housing, which is defined as spending more than 30% of their income on housing. Even worse, close to one quarter (23%) spend 100% of their income on housing, leaving no money for other necessities, putting them at extremely high risk of homelessness. Food banks act as a stop gap in household budgets after paying high housing costs.

To better support vulnerable Ontarians:

- 1. Update social assistance regulations and policy directives so that the Canada Disability Benefit (CDB) is considered fully exempted unearned income for Ontario Disability Support Program (ODSP) recipients, and is a top-up, and not a cost-savings measure.**

People with disabilities in Canada are twice as likely to live in poverty than those without disabilities⁷ because they face an additional cost of living with a disability in addition to barriers in accessing employment, housing, and healthcare. Furthermore, an analysis of 12 years of food bank client survey data identified that those living with a disability comprised the majority of food bank clients living in deep poverty.⁸ According to *Who’s Hungry 2023*, of the 35% of food bank clients in Toronto who have a disability, 43% of them rely on the Ontario Disability Support Program (ODSP) where a single individual receives \$1,308 per month (approximately \$1,000 below the poverty line of \$2,302 in Toronto).⁹

In June 2023, Canada's government enacted legislation establishing the groundwork for the Canada Disability Benefit (CDB), designed to offer financial support to working-age individuals with disabilities facing low income.¹⁰ As the federal government formulates regulations specifying the amount, eligibility criteria, and guidelines for this benefit, its compatibility with provincial supports will play a crucial role in determining its effectiveness in alleviating poverty and diminishing reliance on food banks.

The *Canada Disability Benefit Act* states that “the CDB will supplement existing federal and provincial/territorial disability supports and will help reduce poverty among working-age persons with disabilities”.¹¹ We recommend that the Government of Ontario coordinate with the federal government to ensure that the full value of the CDB ends up in the pockets of Ontarians with a disability. This would require updating social assistance regulations and policy directives so that the CDB is considered fully exempt unearned income, like the Canada Child Benefit (CCB). We also urge the Government of Ontario to ensure that people who receive the CDB are not disqualified from non-monetary benefits (e.g., ODSP Section 44 benefits¹²). Collaboration between governments is necessary to ensure that individuals receive the maximum support available to them without jeopardizing their access to other essential benefits.

2. Improve the adequacy of Ontario Works (OW) by increasing rates, indexing to inflation annually, and increasing the earnings exemption to match that of ODSP to support transition into employment and the workforce.

Ontario Works (OW) is a program of last resort for people who face significant barriers to unemployment. OW rates have been frozen since 2018, despite record rates of inflation. At \$733 a month for a single individual, it is next to impossible to be able to afford both housing and food on OW in any part of the province. The goal of the province’s Poverty Reduction Strategy is to move OW recipients into employment. However, not being able to afford shelter, food, clothing, or person hygiene products due to deeply insufficient OW benefits is a major barrier to see these recipients move to employment. We recommend that OW rates be increased at minimum to account for inflation since 2018, with a commitment to progressively increasing rates to close the gap to the poverty line. We further recommend that OW rates be indexed to inflation as part of the province’s commitment to improving life stabilization supports and access to employment for OW recipients. Small entries to the employment market must be encouraged to support these individuals while simultaneously supporting businesses in finding employees and as a way to foster economic and social participation in local communities.

The monthly increase to the earnings exemption for ODSP recipients was a valuable step in supporting some of the most vulnerable people in Ontario. This is why we also recommend the province adjust the earnings exemption for OW recipients to encourage a more seamless transition into the workforce by changing the existing formula from an earnings exemption of \$200/month with 50% clawed back for each additional dollar earned, to align with the new ODSP formula of \$1,000/month with 75% clawed back. This adjustment would empower low-income individuals to work and earn more without the fear of losing access to vital supports in their lives. Alternatively, the Government of Ontario could consider a graduating program where larger employment sums are allowed in the first few months, so individuals are able to ramp up their employment hours over time and collect the necessary upfront funds for things such as first and last rent, and then scaling down over time once employment has become more secure.

To better support Ontario’s communities:

3. Make surplus lands and assets available to non-profit and co-operative housing providers to grow deeply affordable and supportive housing options across Ontario.

The escalating cost of land poses a significant obstacle to the expansion of existing affordable housing, especially for non-profit and co-operative housing providers in urban centers. In these areas, the soaring market value of land often renders it unattainable, particularly in neighborhoods experiencing transformation and closely linked to essential infrastructure and community services for their clients.

Public lands and properties belonging to the government, either vacant or underutilized, represent invaluable community assets. Retaining ownership within the community for long-term benefits and optimizing their use for affordable residential and supportive housing purposes makes economic sense. To address this challenge, we recommend that the province allocate more government-owned surplus and underutilized lands and assets to non-profit housing and co-operative housing providers, either at no or low cost. This approach aims to significantly expand affordable housing options and ensure enduring affordability. By giving priority to non-profit and co-operative housing providers in accessing available lands and assets, potentially through the establishment of a first right of refusal, the Government of Ontario could actively support the construction of more affordable housing options.

Alternatively, the Government of Ontario could provide funding to programs such as The City of Toronto's Multi-Unit Residential Acquisition (MURA) program,¹³ which offers funding to not-for-profit housing providers to preserve existing affordable rental housing stock for Toronto residents. The program supports the purchase and conversion of private market rental housing to create permanent affordable homes owned by non-profit and Indigenous housing organizations, including community land trusts.

4. Provide incentives that prioritize non-profit housing organizations and establish flexible programs that maximize the sector's capacity to compete in the housing market effectively.

To foster and safeguard affordable housing, it is imperative to implement government incentives that prioritize this sector. The Government of Ontario has already taken critical steps in this direction, such as eliminating the provincial portion of HST on qualifying new purpose-built rental housing, waiving development charges and fees, and adjusting the definition of affordable housing to align with income-based affordability, offering a more accurate reflection of true housing affordability. While these measures are commendable, additional specialized programs and targeted incentives specifically linked to the creation of affordable and deeply affordable housing are essential to significantly enhance the capacity of the community housing sector. We recommend the Ontario government simplify and expedite the permitting process, offering discounts for nonprofit and co-operative housing developments. Additionally, the implementation of targeted tax incentives and exemptions can further contribute to the growth and sustainability of affordable housing initiatives. Construction of new social and affordable housing in Ontario has not kept up with population growth. Since 2020, Ontario has built just two new units of social and affordable housing for every 1,000 new people added to the population.¹⁴ The provision of kick-start interest-free loans to non-profits to build affordable units beyond minimum development requirements and of varying sizes to meet the unique needs of communities should be considered.

To better support Ontario's workers:

5. Expedite the development of a portable benefits program so workers who are not provided with employment benefits can access medical, dental, vision, and ancillary health services.

A strong labour force underpins a strong Ontario economy but having a job does not protect against food insecurity as nearly half (47%) of food bank clients have at least one member of their household who is employed according to *Who's Hungry 2023*. Of those reporting employment, nearly 3 in 4 (71%) had no medical, dental, retirement benefits or paid sick days through their employer – which is a 26% increase compared to the year prior. These individuals must pay out of pocket for important services, like glasses,

dental work, medications, physiotherapy, and other ancillary health services. In the absence of sufficient money to pay for these services, many will simply go without or delay seeking care, putting them at risk for exacerbating their conditions and reducing their ability to work and earn income. If faced with a catastrophic event, they face potential financial ruin.

The lack of benefits coverage exposing workers to financial and health risks, adds strain to the health care system, and impacts the province's ability to attract and retain workers. At the provincial level, Ontario's Workforce Recovery Advisory Committee established a Portable Benefits Advisory Panel¹⁵ in March of 2022 to explore the development of a program that is attached to workers to provide access to consistent benefits regardless of their place of employment. This program could support Ontarians in precarious employment access important benefits, but recommendations were expected in 2023, and still have not been released. Daily Bread strongly urges the Government of Ontario to release the Panel's findings so the work to develop a portable benefits program to better support worker mobility and health.

6. Progressively increase minimum wage to a living wage and increase investments in workers protections, including equal pay for temporary, contract and casual work.

There is significant variation in the cost of living across Ontario. While the minimum wage increased to \$16.55 in October 2023, it's still significantly lower than the \$25.05 considered to be the living wage for Toronto.¹⁶ The *Who's Hungry* report 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. We recommend that the Government of Ontario progressively increase minimum wage to a living wage, which has economic and social benefits.¹⁷ There is strong evidence in support of the position that a living wage strengthens aggregate consumer spending, and thereby the standard of living, economic growth, and stability.^{18 19} When people are paid a living wage, businesses will enjoy lower turnover rates, and have greater stability to continue their operations.²⁰ Additionally, increased incomes for individuals means they have more disposable income to spend and support their local businesses.²¹

In 2018, Ontario withdrew several legislated worker protections, including removing two paid personal emergency days entitled to all workers and requirements for employers to pay employees equal wages for the same work, regardless of whether they were casual, temporary, or part time. According to *Who's Hungry 2023*, nearly two-thirds (62%) of employed food bank clients reported working in a temporary/contract or a casual/on call/seasonal position. Unfortunately, these roles are very precarious, with fluctuating hours, a lack of benefits, uncertainty of duration of work, and fewer labour protections compared to full-time, permanent employees. We recommend reinstating legislative measures for workers protections, including equal pay, and the enforcement of labour laws.

Thank you again for the opportunity to provide input. For more information, please contact:

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- ³ <https://www.dailybread.ca/research-and-advocacy/research/whos-hungry-report/>
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- ¹⁶ <https://toronto.ctvnews.ca/here-s-how-much-ontarians-need-to-make-an-hour-in-order-to-cover-living-costs-report-1.6632799>
- ¹⁷ <https://www.weforum.org/agenda/2022/05/living-wage-business-benefits-unilever/>
- ¹⁸ <https://journals.sagepub.com/doi/10.1177/1035304620949950>
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- ²⁰ <https://www.fastcompany.com/90754333/a-living-wage-doesnt-just-benefit-workers-it-benefits-businesses-and-society-too>
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