Daily Bread Food Bank

Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

Submitted by the Daily Bread Food Bank

August 1, 2025

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Summary of Recommendations

1. *Income Security:*

   Recommendation 1: Increase and improve access to the Canada Disability Benefit.

   Recommendation 2: Revise Canada's Poverty Reduction Strategy to effectively measure and reduce poverty.

2. *Affordable Housing:*

   Recommendation 3: Increase capital and operating investments in social and affordable housing.

3. *Food Security:*

   Recommendation 4: Establish a 50% federal charitable food tax credit for farmers.

   Recommendation 5: Legislate a permanent National School Food Program.

4. *Decent Work:*

   Recommendation 6: Strengthen Employment Insurance to protect all workers.

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August 1, 2025

The Honourable Karina Gould, P.C. M.P.
Chair of the House of Commons Standing Committee on Finance
90 Elgin Street
Ottawa, ON
Submitted via email: karina.gould@parl.gc.ca; FINA@parl.gc.ca

RE: 2025 Federal Pre-Budget Consultation

Dear Chair Gould and Committee Members,

On behalf of the Daily Bread Food Bank and our clients, we are pleased to contribute to this consultation. As the cost-of-living crisis worsens and economic uncertainty grows, strong and decisive leadership is needed to ensure all Canadians can meet their basic needs with dignity and security.

Founded in 1983, Daily Bread is Canada's largest food bank, providing more than 90% of emergency food across Toronto. Last year, we distributed over 38 million pounds of food through our network of 205 food banks and food programs—a 37% increase from the year before. Alongside emergency food relief, Daily Bread advocates for long-term, evidence-based policy solutions to end food insecurity, working with all orders of government to address poverty at its source.

Over 1 in 10 Torontonians now rely on food banks. Monthly food bank visits have surged from 65,000 pre-pandemic to over 315,000, while annual visits have reached 3.75 million—a staggering 273% increase from 2019. Our annual Who's Hungry report shows this intensifying crisis is driven by unaffordable housing, rising food costs, insufficient incomes, and persistent employment barriers.

Proposed budget cuts risk worsening these challenges, repeating a pattern of austerity that underfunds essential services like social assistance, housing, healthcare, and education. Historically, these measures have failed to deliver savings—shifting increasing costs onto households and locking governments into fragmented, reactive responses to growing crises such as hunger, homelessness, and inequality. With low incomes eroding, middle incomes stagnating, costs of living soaring, and global economic pressures (including U.S. tariffs) mounting, now is the time to reinvest, not retreat.

Canada's social safety net, a long-standing source of national pride, is being stretched beyond its limits. To protect what makes our country strong, we must reject short-term cuts and instead raise the resources to sustain, strengthen, and expand our social infrastructure. This is the foundation of an inclusive economy where all Canadians can thrive. The recommendations below support this vision through interconnected, mutually reinforcing actions aligned with all seven national priorities set by the Office of the Prime Minister.

Recommendations

Recommendation 1: Increase and improve access to the Canada Disability Benefit.

Since the passage of the Canada Disability Benefit Act, our Fund the Benefit coalition has advocated for a fully funded, accessible benefit free from clawbacks. While we celebrate the launch of the Canada Disability Benefit (CDB), there is more work to be done. Of the 1.5 million Canadians with disabilities living in poverty, fewer than half will qualify, and only 25,000 are projected to be lifted out of poverty by 2028. To ensure the CDB achieves its goal of lifting Canadians with disabilities out of poverty, we urge the government to:

a) **Raise the benefit amount above the poverty line:** A fully funded CDB requires $10–12 billion annually to lift people with disabilities above the poverty line. The current commitment—$1 billion per year over six years—amounts to just $200/month per person, leaving recipients in every province below the poverty line. To be effective, the benefit must be increased and include incremental adjustments in future budgets to reflect the true costs of living with a disability.

b) **Improve restrictive eligibility criteria by**:
- Using the Accessible Canada Act's definition of disability.
- Streamlining the application process by automatically enrolling individuals already receiving existing provincial/territorial and federal disability benefits in the Disability Tax Credit (DTC) and CDB.
- Determining eligibility based on individual income rather than household income.
- Adding the individual threshold to the working income exemption, creating a new income threshold of $33,000—to avoid penalizing those who cannot work, prevent regional disparities, and to not disincentivize employment.

c) **Prevent other benefit clawbacks:** Convert the CDB to a refundable credit to prevent clawbacks from other benefits and programs that Canadians with disabilities rely on, as committed in the 2024 Fall Economic Statement.

d) **Implement automatic tax filing for all Canadians**: Many low-income Canadians miss out on benefits due to barriers in filing taxes. Expanding automatic tax filing to everyone would improve access, reduce exclusion, and streamline government services—ensuring that Canadians receive the benefits they are entitled to.

Recommendation 2: Revise Canada's Poverty Reduction Strategy to effectively measure and reduce poverty.

Poverty and food insecurity are rising sharply. In 2023, Canada's official poverty rate was 10.2%—about 4 million people—up from 9.9% in 2022. Child poverty rose even faster, from 9.9% to 10.7%, and nearly one in five Canadians now experiences food insecurity. These increases mark a return to pre-pandemic levels. If this trend continues, Canada will not only fail to meet the 2030 target of a 50% reduction in poverty compared to 2015, but may also fall back below the 2020 target of a 20% decrease.

To get back on track, the federal government must urgently revise the Poverty Reduction Strategy with a clear, measurable, and well-resourced roadmap. This should include concrete actions and stronger accountability mechanisms to address the gaps that have eroded progress. This strategy must address the root causes of poverty—including food insecurity, housing unaffordability, and income instability—using timely data, transparent monitoring, and meaningful engagement with people with lived experience. Without these changes, more Canadians—especially those already relying on foodbanks—face deepening poverty.

Recommendation 3: Increase capital and operating investments in social and affordable housing.

Adequate housing is a cornerstone of wellbeing, economic stability, and a strong social safety net. In Toronto, nearly half of households are renters—87% in private market rentals and only 13% in subsidized suites. Yet one in three tenant households deals with unaffordable rents, and one in five renters lives below the poverty line. Among the 80% of food bank clients who rent, 87% live in unaffordable housing, and one in five spends their entire income on shelter costs.

Despite increased supply, affordability continues to worsen. In 2024, the rent gap between vacant and occupied two-bedroom units in Toronto reached 44%, the highest among major Canadian cities. This is largely driven by turnover, particularly in rent-controlled buildings where landlords raise rents to match newer, exempt units. Newer purpose-built rentals also show higher tenant turnover, resulting in rent increases of 46% for one-bedroom and 53% for two-bedroom suites. These trends demonstrate that relying solely on private market development will not solve our housing crisis. We recommend:

a) **Public investment in public housing:** The National Housing Strategy aimed to address affordability but relied heavily on loans and cost-sharing, with only one-third of its $75 billion budget representing new federal funding. Since most units built were not rent-geared-to-income, they remain unaffordable for the intended households. To close this gap, the federal government should commit to building and acquiring 372,000 new non-market homes—74,000 annually for the next 5 years—to reach the OECD average of 7% community housing. This requires long-term, predictable funding, including sources such as retaliatory tariffs. Investments must also provide for ongoing maintenance and ensure rents remain below 30% of income. Surplus public land should be prioritized exclusively for non-market housing, and innovative models such as community land trusts should be supported and promoted.

b) **Economic impact of community housing:** Investing in community housing is not only necessary—it is economically strategic. Adding 372,000 new non-market homes over the next five years could boost productivity and GDP by $110–$179 billion, with an additional $67—$136 billion if 25% of private development shifts to community housing. These investments would create skilled jobs, stabilize local economies, and reduce long-term public costs—including the estimated $10 billion spent annually on responding to homelessness.

c) **Immediate support for renters:** To support renters facing rising costs and stagnant incomes, the Canada Housing Benefit should be enhanced, made permanent, and integrated with existing programs to improve access.

Recommendation 4: Establish a 50% federal charitable food tax credit for farmers.

Food insecurity has reached record levels, with 10 million people living in affected households. At the same time, thousands of tonnes of edible food are left on farms each year due to the high costs of harvesting, packing, and transporting food for donation.

We recommend that the federal government implement a permanent, non-refundable 50% tax credit based on the fair market value of fresh food donated by farmers and producers to registered charities and community food programs. This would help food banks meet rising demand, reduce food waste, and support Canadian farmers through cost recovery and improved market access. As a proven, ready-to-implement solution, this proposal builds on successful provincial models—such as Quebec's, which recovered over 460,000 kg of food in its first year, prompting the doubling of the credit from 25% to 50%.

By incentivizing fresh food donations from farmers and producers, each tax credit dollar can yield up to seven dollars' worth of food—making this a cost-effective investment in food security, environmental sustainability, and economic resilience.

Recommendation 5: Legislate a permanent National School Food Program.

With 2.5 million children living in food-insecure households in 2024, escalating food prices are making it increasingly difficult for families to provide children with healthy meals. To fulfill the election platform commitment and align with the National School Food Policy, we urge the government to legislate the National

School Food Program as a permanent initiative—sustaining the investment of $1 billion over five years, with incremental increases to reflect cost-of-living pressures and dedicated infrastructure funding to ensure schools can deliver accessible, nutritious meals.

Recommendation 6: Strengthen Employment Insurance to protect all workers.

Amidst ongoing economic uncertainty and retaliatory tariffs, trade-sensitive sectors are losing jobs nationwide. In Ontario alone, U.S. tariffs are projected to cost 68,100 jobs this year—rising to 119,200 by 2026 and 137,900 by 2029. Despite a slight drop in the national unemployment rate, it remains high at 6.9%, with most new jobs being part-time.

Employment Insurance (EI) is a vital federal tool during economic shocks, but the pandemic exposed major gaps in the program. Temporary reforms helped vulnerable workers, yet most changes were not made permanent—keeping nearly one in five Ontario workers without adequate protection. Recent federal adjustments—including waiving the waiting period, reducing the number of hours to qualify for regular benefits, and extending the entitlement period—show progress but remain temporary and insufficient.

To ensure no worker is left behind, EI must be modernized and strengthened through the following reforms:

a) **Increase benefit levels** from 55% to 90% of previous earnings or $500 a week (whichever is higher) to ensure income adequacy amid rising living costs.

b) **Extend benefit duration** from 45 to 50 weeks to provide greater financial security during prolonged job searches.

c) **Expand access** by lowering the qualifying threshold from 420 to 300 hours and permanently including self-employed and gig economy workers.

d) **Improve flexibility** by expanding the Working-While-on-Claim provision, allowing claimants to retain more income from part-time or temporary work.

Conclusion

We appreciate the Committee's attention to these pressing issues and would welcome the opportunity to appear during the pre-Budget study this Fall to discuss our recommendations and contribute to this important dialogue. Timely federal action to strengthen the CDB, address rising poverty, expand access to rent-geared-to-

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income housing, bolster food programs, and modernize Employment Insurance is essential for building a more equitable, inclusive, and resilient Canada. Thank you for your consideration.

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