

December 23, 2025

The Honourable Peter Bethlenfalvy
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, ON M7A 1Z1

Re: 2026 Budget Consultation

Dear Minister Bethlenfalvy,

On behalf of the Daily Bread Food Bank and our clients, we are pleased to contribute to the 2026 Ontario pre-budget consultation.

Daily Bread is Canada's largest food bank, providing more than 90% of emergency food across Toronto. Last year, we distributed over 37 million pounds of food across our network, serving more than 1 in 10 Torontonians.

Poverty and food insecurity continue to rise. In 2023, 12.3% of Ontarians and 15.2% of Torontonians lived in poverty—up from 7.4% and 9.4% in 2020ⁱ. In 2024, 4.26 million Ontarians—26.4%—lived in food-insecure households, including one in three childrenⁱⁱ. Food banks are seeing these pressures firsthand: more than one million Ontarians visited a food bank last yearⁱⁱⁱ, and Toronto saw a record 4.1 million visits. Even employment and higher education are failing to protect people from hunger, as nearly half (46%) of 2025 *Who's Hungry* survey respondents reported having at least one employed household member, and 57% hold a post-secondary degree or higher^{iv}.

Meaningfully reducing poverty and food insecurity begins with addressing the factors that drive them: insufficient incomes, a lack of affordable housing, and barriers to stable, good-paying jobs. We are recommending that the government focuses on making specific changes to social assistance to decrease homelessness and support the stability of those receiving social assistance.

Ontario Budget 2026 Recommendations

Improving Social Assistance for a Stronger Ontario

Strengthened income supports can help Ontarians achieve greater stability and economic security. We see targeted opportunities to adjust social assistance policies to enhance housing stability and support labour force participation. The specific changes would reduce homelessness and encampments, improve job-readiness for those able to work, and allow persons with disabilities to retain more of their earnings.

1. Establish a shelter allowance re-housing fund to reduce homelessness among social assistance recipients in Ontario.

Homelessness in Ontario has risen 25% since 2022, affecting more than 81,500 people^v. About 26,500 rely on social assistance—almost double the 2022 number^{vi}. Meanwhile, emergency response costs exceeded \$1.2 billion in 2024, twice the 2019 level. Without action, homelessness is projected to triple, further straining health care, shelters, and social services^{vii}.

Ontario Works (OW) and the Ontario Disability Support Program (ODSP), include a basic needs and a shelter allowance. However, the monthly shelter allowance (\$390 for OW and \$599 for ODSP for a single adult) is withdrawn if recipients lose housing, leaving them with reduced benefits. This assumes that Ontarians affected by homelessness have no housing-related costs, when in reality they are trying to secure stable housing. Without the shelter allowance, saving for first and last month's rent is nearly impossible—creating a costly, avoidable cycle of homelessness.

Recommendation: When a recipient loses housing, each month the shelter portion of their benefit be placed into a reserve fund and held in escrow for up to 12 consecutive months. The reserve would accumulate until housing is secured, up to the 12-month maximum, and could be used for first and last month's rent, utility setup costs, renter's insurance, and essential household items.

This approach is cost-neutral, using funds already allocated for the shelter allowance, and could assist more than 26,000 people—about one-third of Ontarians experiencing homelessness. If just half access the fund after six months, \$33.6 million would flow directly into securing stable housing, in turn reducing spending on emergency services, which cost the province \$700 million in 2024^{viii}. This change maximizes housing funds, reduces barriers to re-enter housing, alleviates pressure on emergency systems, and delivers immediate impact by providing targeted support to thousands of unhoused Ontarians.

2. Index the ODSP income exemption to inflation to counteract the high cost of living with a disability.

We commend the Ontario government for indexing ODSP rates to inflation as of 2022, providing recipients with annual cost-of-living increases. Starting in 2023, the province also raised the earnings exemption for those relying on ODSP so that recipients can earn up to \$1,000 per month without affecting their eligibility or support levels. These changes represent meaningful progress toward a more compassionate, effective, and efficient social assistance system that delivers targeted support to those who need it most.

Despite these reforms, many Ontarians continue to struggle with a cost-of-living crisis that is disproportionately affecting people with disabilities. In Toronto, the proportion of food bank clients reporting a disability grew from 25% in 2024 to 31% in 2025, and 39% of these individuals identified ODSP as their primary source of income. ODSP provides a maximum of \$1,408 per month for a single individual—below Toronto's poverty line (\$2,444) and deep poverty line (\$1,833). These amounts also do not reflect the additional costs associated with living with a disability, estimated to be up to 39% more for those living in the Greater Toronto Area^{ix}.

Recommendation: Considering the ongoing cost-of-living crisis and its disproportionate impact on persons with disabilities, we recommend indexing the ODSP earnings exemption to inflation. For those who are able to work, this change would provide greater financial stability, support job retention, and strengthen Ontario's economy— while ensuring that ODSP recipients do not lose benefits or access to critical supports.

In addition to strengthening income supports, we continue to urge government to establish and deliver affordable and social housing targets. We commend the provincial government for streamlining approvals and setting an ambitious target of building 1.5 million homes by 2031, however many newly built rental units are unaffordable for lower-income Ontarians and wait lists for social housing are 9 to 15 years^x. Our *Who's Hungry* client survey shows that 88% of respondents live in unaffordable housing, and more than 1 in 5 (22%) reported spending their entire income on housing. To meet diverse housing needs, we continue to recommend that at least one-quarter of new homes should be permanently affordable, supportive, or social housing, using a consistent definition where rent is no more than 30% of household income.

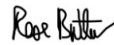
Addressing poverty and hunger requires tackling their root causes: inadequate income supports, unaffordable housing, and barriers to stable employment. The solutions we have proposed will help people secure housing, participate more fully in the workforce, and build long-term stability. With these targeted measures, Ontario can advance its goals for a healthier, more inclusive and resilient province.

Thank you for the opportunity to provide these recommendations. We would be pleased to meet at your convenience to discuss them in more detail. We wish you and your team all the best as you develop 2026 Budget.

Sincerely,



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ⁱ Statistics Canada. (2025). Table 11-10-0135-01 Low income statistics by age, sex and economic family type. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110013501>

ⁱⁱ PROOF. (2025, May 5). *New data on household food insecurity in 2024*. PROOF: Food Insecurity Policy Research. <https://proof.utoronto.ca/2025/new-data-on-household-food-insecurity-in-2024/>

ⁱⁱⁱ Feed Ontario. (2025). *Hunger report 2025*. Feed Ontario. <https://feedontario.ca/hunger-report-2025/>

^{iv} Daily Bread Food Bank & North York Harvest Food Bank. (2025). *Who's hungry report 2025: Record-breaking hunger* (October 29, 2025) [PDF]. Daily Bread Food Bank. <https://www.dailybread.ca/wp-content/uploads/2025/10/WH-Single-Spread-29OCT2025.pdf>

^v Association of Municipalities of Ontario (AMO). (2025). *Municipalities Under Pressure: The Growing Human and Financial Cost of Ontario's Homelessness Crisis*. <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Reports/2025/2025-01-08-EndingChronicHomelessnessinOntario.pdf>

^{vi} Pinkerton, C. and Hauen, J. (September 26, 2024). Number of homeless OW, ODSP recipients has almost doubled in two years: government data. The Trillium. <https://www.thetrillium.ca/news/social-services-and-society/number-of-homeless-owodsp-recipients-hasalmost-doubled-in-two-years-government-data-9577826>

^{vii} AMO. (2025). *Municipalities Under Pressure: The Growing Human and Financial Cost of Ontario's Homelessness Crisis*. <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Reports/2025/2025-01-08-EndingChronicHomelessnessinOntario.pdf>

^{viii} *ibid*

^{ix} Yin, Y.-L., Balasubramaniam, A., & Sheppard, C. L. (2024, September). *Thriving in the City with a Disability: What does it cost to live a healthy life?* Wellesley Institute. https://www.wellesleyinstitute.com/wp-content/uploads/2024/10/WellesleyInstitute_ThrivingwithaDisability_2024_Costing_Final_Sept-24-1-1.pdf

^x CMHC. (2024). *Rental Market Report, Canada and Selected Markets*. <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/fall-2024/rental-market-report-fall-2024-en.pdf?rev=06d3c5e0-8ed3-4f9c-ace5-2867c33f333e>; CMHC. (2024). *Rental Market Report, Canada and Selected Markets*. <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/fall-2024/rental-market-report-fall-2024-en.pdf?rev=06d3c5e0-8ed3-4f9c-ace5-2867c33f333e>

