



ONTARIO POVERTY REDUCTION STRATEGY REVIEW

March 25, 2020

The Ontario Council of the Canadian Federation of University Women (CFUW) along with one of our members, CFUW Guelph who researched and prepared this submission, would like to thank the Ontario government for this opportunity to respond to the 2020 Poverty Reduction Strategy Review.

CFUW Ontario Council is a voluntary, self-funded, non-profit organization, which is affiliated with the national Canadian Federation of University Women. CFUW Guelph is part of this provincial and national network of clubs working to ensure that all girls and women have equal opportunities and equal access to quality education within a peaceful and secure environment where their human rights are respected. Our vision includes a world where poverty is reduced, discrimination eliminated, where there are equal opportunities for leadership, employment, income, education, careers and the ability to maximize potential.

CFUW Ontario Council represents 49 clubs throughout the province from Windsor to Thunder Bay to Ottawa to Welland to Guelph. Any advocacy done by CFUW and its clubs is based on policy derived from our annual grassroots resolution process, with those resolutions voted on and adopted at the Annual General Meetings.

As we prepare this, the world, Canada and Ontario are in the midst of one of the most serious public health emergencies which is rapidly translating into a disastrous economic one. It is showing up very clearly the problems of precarious work, the gig economy and small entrepreneurial ventures. There has always been a concern that many people are one paycheque away from disaster. They are living paycheque to paycheque.ⁱ

We are thankful that both governments are responding to help those financially affected whether they have access to employment insurance benefits or not.

We believe that all Ontarians should be entitled to social and economic security. Even in normal times, no matter how one defines poverty, there are too many Ontarians, including families with children, living in dire circumstances due to insufficient income to pay for their basic needs.

The costs of poverty go beyond the personal to include impacts on society. The Feed Ontario report “The Cost of Poverty in Ontario 2019, 10 Years Later”ⁱⁱ estimates a cost to the province of between @27.1 billion and \$33 billion per year in lost tax revenue, lost income and increased cost to the health

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care and justice systems. Our governments at all levels have responsibility for ensuring sufficient investments to create conditions that would eliminate poverty.

In order to live a healthy life people need secure and stable income, safe and affordable housing and food security.

THE ISSUES COVERED IN THIS BRIEF:

AREA 1: encouraging job creation and connecting people to employment

- Work and Wages
- Pay equity

AREA 2: providing people with the right supports and services

- Basic income
- Social Assistance
- Child care

AREA 3: lowering the cost of living and making life more affordable

- Affordable housing
- Prescription drugs

Innovative Approaches

- Canada Circles®

AREA 1: encouraging job creation and connecting people to employment

WORK AND WAGES

Like many Canadians CFUW members believe that most people who can work will do so if conditions are favourable to their individual needs and circumstances.

We believe that every job should be a good job. Wages for full time work need to be sufficient to meet the basic needs of individuals. Living wages for 2019 have been calculated to range between \$15.84 and \$22.08 per hour for communities across the province.ⁱⁱⁱ The current Ontario minimum wage of \$14.00/hour is well below that range.

People working for low wages face difficult choices such as either paying rent or buying food. The result is often debt and anxiety leading to long-term health problems. With the rise in precarious employment they may be working a number of jobs to make ends meet. A recent report by KPMG and the United Way of Toronto outlines the benefits to employers that result from transitioning from part time, contract work to standard secure jobs.^{iv}

Women are the majority of Ontario's 534,000 minimum wage workers. Aboriginal women, immigrant and refugee women, women with disabilities, and racialized women are most likely to be working at the minimum wage. Any increase to statutory minimum wage laws serves as a down payment on closing the gender pay gap for vulnerable workers.

RECOMMENDATION:

We call on the government to raise the minimum wage closer to a living wage to reduce the cost of government funded programs that are currently necessary to support individuals who do not earn enough to afford housing and food and other basic needs. When lower income households see a sustained rise in incomes almost all of it stays in the local economy stimulating job growth and productivity. They spend virtually all of the increase locally on food, health care, housing and education. This in turns supports the local economy, creating work.

PAY EQUITY

The right to equal pay for work of equal value, whether that work is traditionally perceived to be “women’s work” or “men’s work” is a fundamental human right of Ontario women. Women on the whole have more education than men. Yet the gap in pay between what men make and women make continues to be a challenge. While the idea of equal pay for equal work was first passed in Ontario in 1952, has been enshrined in the Canadian Human Rights Act of 1977, it is not the reality for everyone in Canada. The Statistics Canada Canadian Income Survey 2013 puts the Ontario gender pay gap at roughly **30%**.^v Improving female labour market outcomes such as pay will contribute to strong economic growth.

RECOMMENDATION

In support of one of our partners, Ontario Equal Pay Coalition^{vi}, we call on the Ontario government to work with employers, trade unions and other equality-seeking stakeholders to develop, implement and resource a province-wide plan to close Ontario’s gender pay gap by 2025. Employers need to mainstream equity compliances into their workplace practices, including analyzing the impact of recruitment and retention practices, pay and promotion structures, and conditions of work on vulnerable groups. Proclaiming The Pay Transparency Act, 2018 would be a starting point to make this happen.

AREA 2: providing people with the right supports and services**BASIC INCOME**

Since the end of World War II governments have introduced a range of publicly-funded programs and tax-supported initiatives to mitigate the deleterious effects of poverty on individuals and communities. This piecemeal approach to the problem of poverty has produced a complex and uncoordinated set of programs and fiscal measures that have different and often contradictory^{vii} purposes and eligibility criteria. Basic Income, set at an adequate level, would improve the quality of life for many millions of people, simply through providing them with basic financial security and the peace of mind that goes with it.

Canada already has experience with the success of basic income-like programs. For example the Child Tax Benefit and Guaranteed Income Supplement have lifted many children and seniors out of poverty. It is time to expand such programs to include all Canadians.

One of the promising benefits of a basic income program is that, if the benefit is set at a sufficient level, the resulting income security allows people to retrain, start their own businesses and escape the welfare wall, while improving their mental health.^{viii}

The MINCOME^{ix} experiment in Manitoba in the 1970s found no significant decline in work effort under a guaranteed income, but rather found a decrease in hospitalization rates for accidents, injuries and mental health problems as well as an increase in the number of teens completing high school.

A survey^x of recipients enrolled in the now-cancelled Ontario Basic Income Pilot found that people made choices based on their individual needs such as returning to school, having dental work done, accessing recreation for their children or putting some money into savings. Other positive changes included better nutrition, reduced stress and anxiety, and improved social connections. The latest survey from McMaster University and Ryerson University^{xi} has also found that the physical and mental health of the participants improved, that there was a reduction in visits to doctors and hospitals (hence important for public health), and that a number returned to school to up-skill for future employment.

Implementing a basic income program has the potential to:

- boost productivity by enabling people to become better-educated and better-trained
- reduce the cost of administration
- boost enterprise, by supporting the self-employed as they start and grow their businesses
- improve the negotiating position of many workers
- enable people to have a better work-life balance
- support the many thousands of unpaid carers and community volunteers who make such a big contribution to our society, despite not being financially rewarded for their efforts
- unlock the creative potential of the population

RECOMMENDATION

CFUW Ontario Council urges the government of Ontario to work with the federal government to implement a basic income program that would ensure that every Canadian has access to a modest, but adequate, income to meet basic needs.

SOCIAL ASSISTANCE

The current rates for social assistance fall below the poverty line by any measure. These rates necessitate a complex system of supports such as food banks, emergency shelters and rent supplements in order for recipients to meet their basic needs. A nationwide survey found that the majority of Canadians believe that funding for social services should be increased.^{xii}

Inequality has grown in Canada. The poorest 20 % have no net assets while the top 20% hold 67.4% of all wealth^{xiii}. Supporters of all political parties want a more equitable distribution of wealth.^{xiv} We call on the province and the federal government to revise the tax system to reduce income and wealth inequality. Refundable and non refundable tax credits should be reviewed to ensure that tax relief is provided to those most in need.

RECOMMENDATION:

We call on the provincial government to immediately increase social assistance rates to reflect real costs of living, including housing costs based on average market rents, utility costs, the cost of a nutritious food basket, transportation, communication devices including telephone and internet, all personal basic needs, and costs that people with disabilities experience based on their specific needs. Thereafter rates should increase with inflation.

CHILD CARE

Women's employment contributes to the well-being of children and families as well as economic productivity.

A majority of Canadians support a publicly funded child care program^{xv}. As you know, Ontarians pay some of the highest child care fees in the country^{xvi}. The Ontario Child Benefit helps families pay for care but does not ensure an appropriate child care space is available where and when it is needed.

We applaud the government's commitment to maintaining full day kindergarten. However kindergarten does not solve the child care crisis. Long wait lists in urban centres and lack of any licensed spaces in many rural communities mean that parents do not have choice in the type of care they use. In addition to child care subsidies, families need access to high quality child care spaces in order to fully participate in the workforce.

RECOMMENDATIONS:

We urge the government to continue to invest in the expansion of high quality licensed child care and to ensure that there are subsidies attached to new spaces. These investments should be designed to grant the most vulnerable families access to a fair share of these spaces.

We urge the government to continue its support of full day kindergarten as a vital support to early childhood development and education.

AREA 3: lowering the cost of living and making life more affordable**AFFORDABLE HOUSING**

Adequate housing is recognized as a human right. With the rise of precarious employment many families live in sub standard housing or have little money left, after paying for accommodation, to cover other expenses such as food.

In the Toronto region 12.6% of the population is food insecure and food bank usage is up 4% since 2018.^{xvii} Adding to this issue are increasing housing costs, low vacancy rates and a shortage of available subsidized housing. A continuum of affordable options, including supports to move the homeless into permanent shelter, transitional housing, social housing (public, non-profit and cooperative) rental subsidies, affordable market rents and home ownership is needed to address the housing needs of all Ontarians.

Currently three things have occurred – the Canada-Ontario Housing Benefit of up to \$2500.00 for renters has been announced; the Provincial Policy Statement 2020 (PPS 2020) is to come into effect May 1, 2020; and the introduction of *Bill 184, Protecting Tenants and Strengthening Community Housing Act, 2020 (March 12, 2020)*.

CFUW members have urged the Government of Ontario and municipal governments to cooperate through laws, bylaws and policies to guarantee that plans for redevelopment and new development for housing, and land use include intensification. The newly announced PPS 2020 encourages municipalities to have “an appropriate affordable and market-based range and mix of types (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons)” (PPS 1.1.1 b) and that this involve the needed intensification require for the required population growth. This is to be monitored by municipalities as required by the Minister (PPS 4.8).

The Canada-Ontario Housing Benefit to assist low-income renters is helpful but it should not replace investments that increase the supply of social housing that protects the most vulnerable.

Renting is fundamental to affordable housing. Redevelopment of older housing needs to protect renters from unreasonable rent increases and eviction by landlords renovating or converting housing into condominiums or short term rental accommodation. The newly introduced *Bill 184, Protecting Tenants and Strengthening Community Housing Act, 2020* is proposing to add new requirements and the possibility of compensation for “renovictions”. There is no mention in the new legislation of converting housing into condominiums or short term rental accommodation.

RECOMMENDATIONS:

We urge the government that, as part of PPS 1.4.3 b, planning authorities should provide “all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including *special needs* requirements....” This should include:

- The full complement of mixed and social housing and the intensification as proposed in the PPS
- Investments in supportive housing that provide wrap around services to people with mental illness and disabilities that have been effective in preventing homelessness and helping to move people from shelters to permanent housing.
- Access to transitional housing for women affected by gender-based violence to allow them to become financially independent.

PRESCRIPTION DRUGS

Each year Canadians spend billions of dollars on prescription medicines. Yet many have no coverage for these costs. Canadians living in poverty struggle to pay for medication and many do not fill their prescriptions or take the dosage as prescribed. Those living in poverty have shortened life spans or live with poor quality of life. ^{xviii} Not only is this immoral it is a waste of our health care resources and it also leads to lost productivity.

RECOMMENDATION:

We recommend that the provincial government should work with the federal government to establish a universal, single-payer, public system of prescription drug coverage in Canada.

INNOVATIVE APPROACHES

Canada Circles^{® xix} is a transformative, community collaborative, poverty alleviation strategy. In the Circles program low income participants called “Leaders” form intentional relationships with individuals from middle and upper income known as “Allies” to identify barriers that keep them in poverty and together formulate a plan to address these barriers. This terminology is empowering as individuals “lead” their way out of poverty when surrounded by people who have navigated the middle-class world of education and work. The community partnerships created by the program give people with lived experience a voice in systemic and economic change allowing people and communities to thrive.

The Circles[®] model focuses on these main strategies for people experiencing poverty: crisis management, life-stabilization, increased education, career placement, employment opportunities, and economic stability leading to full self-sufficiency. Through this program, people in crisis are more equipped to achieve long-term financial stability.

The program operates in 11 Canadian cities or regions, all currently in Ontario. Circles[®] is part of an overall framework called *Bridges out of Poverty* that looks at both the individual and societal circumstances that contribute to poverty. The framework is built on the belief that everyone has a role to play in poverty reduction. In Guelph and Wellington County the *Bridges out of Poverty* training encourages community members to work collaboratively for system and policy change to address the root causes of poverty. A 2018 evaluation of the Bridges training^{xx} found that it:

- improved understanding and awareness barriers faces by low income individuals
- contributed to organizational changes to reduce barriers for clients with low
- increased the monitoring of changes on low income clients

Evaluation of the outcomes of 10 years (2009-2019) of the Circles[®] program in Lambton County^{xxi} found that:

- 80% of Circle Leaders increased their earnings
- 59% of Circle Leaders increased their education
- \$2,243,575 in projected savings to the Ontario Works program to date in Lambton County

In conclusion, we appreciate the continued interest and willingness on the part of the government to create the next Poverty Reduction Strategy. We do support a number of the current initiatives: the Low Income Tax Credit, seniors having access to dental care. Yet as we write this, the world situation is changing dramatically. Friends and family members are losing jobs and companies. Two areas that we have discussed are being again proposed by those concerned: a basic income as a simple way to get money to people in order to buy food, medications and housing and in turn help recreate and support

both the local economy and potentially the small companies that are currently being pummelled ; and a second area needing support to assist parents returning to return to work – child care.

Thank you for your attention,

A handwritten signature in black ink that reads "Sandra Thomson". The script is cursive and fluid.

Sandra Thomson
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Researched and written by Teresa McKeeman with support from the CFUW Guelph Advocacy Committe

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- ⁱⁱ The Cost of Poverty in Ontario: 10 Years Later <https://feedontario.ca/wp-content/uploads/2019/09/Feed-Ontario-Cost-of-Poverty-2019.pdf>
- ⁱⁱⁱ Living Wage Network <https://www.ontariolivingwage.ca/>
- ^{iv} Better Business Outcomes Through Workforce Security <https://www.unitedwaygt.org/file/Workforce-Security-Business-Case-Framework.pdf>
- ^v Every Step You Take: Ontario's Gender Pay Gap Ladder <http://equalpaycoalition.org/wp-content/uploads/2015/11/CCPA-Report-Every-Step-You-Take-Ontarios-Gender-Pay-Gap-Ladder-April-2016-by-Mary-Cornish-rev-C1580669xA0E3A.pdf>
- ^{vi} Equal Pay Coalition, 12 Steps to Closing the Gap <http://equalpaycoalition.org/12-steps-to-closing-the-gap/>
- ^{vii} In From the Margins: A Call to Action on Poverty, Housing and Homelessness <https://senCanada.ca/content/sen/Committee/402/citi/rep/rep02dec09-e.pdf>
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- ^x Signposts to Success: A BICN Survey of Ontario Basic Income Recipients https://assets.nationbuilder.com/bicn/pages/42/attachments/original/1551664357/BICN_-_Signposts_to_Success.pdf
- ^{xi} Ferdosi, M et al, *Southern Ontario's Basic Income Experience* <https://labourstudies.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf>
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- ^{xvii} Who's Hungry: Profile of Hunger in the Toronto Region <https://www.dailybread.ca/wp-content/uploads/2019/11/DB-WhosHungry-2019-Final-WebLR.pdf>
- ^{xviii} A Prescription for Canada: Achieving Pharmacare for All <https://www.canada.ca/en/health-canada/corporate/about-health-canada/public-engagement/external-advisory-bodies/implementation-national-pharmacare/final-report.html#summ>
- ^{xix} Circles Canada website <https://circlescanada.com/overview/>
- ^{xx} Circles® Guelph Wellington <https://circlesgw.ca/evaluations/>
- ^{xxi} Circles® Lambton Evaluation available from Kim Godin, National Circles Coordinator Kim.Godin@county-lambton.on.ca