

***Pre Budget Submission to
The Ontario Standing Committee on Finance and Economic Affairs
Interfaith Social assistance Reform Coalition (ISARC)
January 30, 2008, Guelph, Ontario***

The Interfaith Social Assistance Reform Coalition (ISARC) began in 1986 at the request of the Ontario Liberal government's Social Assistance Review Commission, which published the Transitions review of social assistance, with facts about social assistance recipients, and proposals for future directions to build a social safety net to allow Ontario's most marginalized residents to live in dignity as well as join the work force. Since its formation, ISARC has continued to discuss issues affecting Ontario's lowest income residents and advocate for measures, which to break the cycle of poverty in our province.

ISARC congratulates the current government on its formation of a cabinet committee and appointment of a cabinet minister to consult with Ontario citizens and to construct an Ontario Poverty Reduction Strategy. Eliminating poverty involves many ministries, so the cabinet committee is essential. Poverty is a complex phenomenon and will need systemic analysis to find solutions.

ISARC also appreciates the government's emphasis on the Ontario's future through Early Years programs, commitment to junior and senior kindergarten, and increasing education funds for the school systems, universities, colleges, and training. However, early years, junior and senior kindergarten, and elementary through university education are effective when basic social determinants of health are met. ISARC is concerned that many children and youth are living on very low incomes and are in unsafe and/or unaffordable housing. These students have a hard time succeeding because of hunger, income insecurity of their families, poor housing, and other factors causing chaos which detracts from their ability to concentrate and learn.

Ontario's faith communities have been major providers of charity, especially food banks and emergency housing, both emergency hostels and Out of the Cold programs during winter months. These were to be temporary measures until incomes increased – both for those on social assistance and among the working poor – until affordable housing was built. Volunteers are facing burnout and donations are not increasing; some programs will probably close within

the next few years. Municipal leaders, clergy, and volunteers are asking why individuals working full time need to come to Out of the Cold shelters or use food banks. Should not a full time job provide enough income for a person to be self-supporting?

Ontario has had a fiscal deficit. Ontario also has had a social deficit which needed to be addressed. A “growing gap” exists between the rich and the poor in our province. While the wealthiest 10% of Canadians have seen significant increases in income and wealth, other incomes remain static. Homelessness and poverty have increased. Instead of charity, faith communities now feel that justice must be sought.

ISARC calls attention to three critical issues which have budget ramifications and should be part of the Ontario Poverty Reduction Strategy: Income Security, Affordable Housing and Enforcement of Labour Standards.

Income Security: Currently comparing purchasing power to 1995, Ontario Disability Support Program (ODSP) recipients only have 83%; Ontario Works (OW) recipients have only 64%. This is a significant social deficit¹. Increases by the government between 2003 and 2007 were 7%, which was slightly below Cost of Living for these four years. For families, there were increases in children’s benefits. In July 2007, the Ontario Child Benefit began with \$250 per child. Families with children on social assistance or among the working poor therefore have increased incomes. However, single adults on ODSP and OW have less purchasing power.

Ontario single adults and families living on minimum wages or on social assistance continue to survive below Low Income Cut Off (LICO) and Market Basket figures as well as other standards of measuring poverty. While food, clothing, rent, transportation, utilities and other essentials increase, sometimes more than Cost of Living, the most marginalized in Ontario are unable to fend for themselves and must rely on charity.

Reports by the Modernizing Income Security for Working Age Adults (MISWAA) initiative, Toronto Dominion Bank, and John Stapleton’s Metcalf Foundation report all show that incomes among the most marginalized are too low. The reports are also demonstrating that it is very difficult for individuals and families to break the cycle of poverty because wages are either deducted from the next month’s social assistance or because affordable housing rents increase. A family can end up with only a 25-cent increase for every dollar earned after welfare takes 50% and affordable housing providers adds 25% to a person’s rent. John Stapleton reports that college and university students with bursaries, scholarships, and loans decrease in value

¹ From Ontario Alternative Budget pre-budgetary submission, 5.

when rent increases and other ministries cut back the family's assistance. In a meeting with Deb Matthews MPP who was then Parliamentary Secretary of Ministry of Community and Social Services, Waterloo Region leaders heard that only 14% of OW recipients have income in addition to social assistance. Reforms are urgently needed to make work profitable for OW and ODSP recipients.

ISARC proposes that the budget begin substantial increases for OW and ODSP recipients, as well as researching ways to make the transition to employment profitable for individuals and families.

Affordable Housing: Access to affordable housing is a major social determinant of health for individuals and families. The Federation of Canadian Municipalities (FCM) has published two studies² recently finding that:

- Though 86% of Canadians are adequately housed, 14% remain in housing need. (Housing for All, 8)
- Persistent homelessness – short term and chronic – remains, with high costs to society. (Housing for All, 9) Five of seven indicators used to measure the risk of homelessness show that conditions in 20 large Canadian cities have deteriorated; many of these cities are in Ontario. (Quality of Life, i) Homelessness figures include 4,832 over the course of a year in Waterloo Region, 400 per night in Hamilton, 5,052 per night in Toronto (Quality of Life, 18).
- Affordability is a predominant problem for working poor families (Housing for All, 9). Over 700,000 households in Canada pay over 50% of their income in rent; many are working poor. (Housing for All, 13)
- Though 32% of Canadians live in rental accommodation, only 9% of new construction is rental units. Even fewer are affordable housing (Housing for All, 14)
- Both studies point to the struggle of municipalities and non-profit organizations bearing more and more of the cost of affordable housing with federal and provincial governments providing few funds. Michael Shapcott in his pre-budget submission (2008, 8)) points out that while other provinces had minimal increases in housing spending, Ontario had a deep *decrease* in spending.
- Much of Ontario's affordable rental housing stock is over 50 years old and in urgent need of repair. This not only includes former public housing and non-profit housing, but also private rental units.

² "Housing for All: Why Canada Needs a Comprehensive Strategy on Housing and Homelessness" (December 2007) and "Quality of Life in Canadian Communities: Trends & Issues in Affordable Housing & Homelessness" (16 January 2008)

An increased supply of affordable housing is key to breaking the cycle of poverty for Ontarians and to the future economic health of our province. Homelessness, Out of the Cold programs and poor housing stock are a burden on the health of our cities and peoples. ISARC advocates for new provincial funding for new affordable housing units, repairs of existing housing stock, and an effective strategy to decrease homelessness with clear goals and key indicators of success.

ISARC recommends that the budget include substantial funding for building, purchasing, and repairing affordable housing.

Increased enforcement of labour standards: The nature of work and employment has changed in Ontario in recent decades with more contract, part time and seasonal employment, and employment through temporary agencies. Many lower income individuals are caught in these forms of employment. These are the least regulated and often the lowest paid jobs.

Minimum standards should be established for temporary agencies, contract workers, part time and seasonal employment. Low wage workers are often not aware of their rights and are thankful to have a job. ISARC and other organizations are hearing of many infractions of labour laws, rules and regulations. These workers, already in precarious financial situations, often find that they are not paid fully or even have their employment terminated without notice.

Health and Safety Standards are now being more rigorously enforced. Worker safety is increasing. It is now time to enforce other labour standards and to review the rules and regulations for the 21st century work place.

ISARC recommends that the budget contain funding to add additional staff to enforce labour regulations.

Conclusion: In 2007 ISARC has published our book Lives Still in the Balance, a social audit of conditions facing the poor across our wealthy province. Every Member of Provincial Parliament has received a copy. It contains many valuable recommendations as Ontario proceeds to a Poverty Reduction Strategy.

To show the seriousness of the government, ISARC recommends the following be in the budget:

1. Increased monies for ODSP and OW recipients ODSP, so that individuals and families begin to have the purchasing power that they had in 1995. There should also be a Cost of Living adjustment that is automatically occurs each year
2. Increased monies for affordable housing to build new housing, purchase existing housing to increase the number of affordable housing units, and repair existing public housing.
3. Increased monies for staff to enforce labour standards.

ISARC is committed to working with the government on an Ontario Poverty Reduction Strategy. Our Religious Leaders' Forum at Queen's Park on 16 April 2008 will focus on this topic, encouraging local faith communities to join coalitions to work for the elimination of poverty.