

Mobilizing Ontario's Resources to Serve All Its People

Ontario Pre-Budget Submission

January 24th, 2020

ISARC - Interfaith Social Assistance Reform Coalition

Rev. Dr. Susan Eagle, Chair

The Interfaith Social Assistance Reform Coalition (ISARC) welcomes this opportunity to have a voice in shaping the province's 2020 budget. Our coalition represents Christian, Jewish, Muslim and other faith communities across Ontario, including the Anglican Diocese of Toronto, the Anglican Provincial Synod of Ontario, the Assembly of Catholic Bishops of Ontario, the Canadian Unitarian Council, Catholic Charities of the Archdiocese of Toronto, Congregation Darchei Noam, the Council of Imams, the Council of Canadian Hindus, the Eastern Synod of the Evangelical Lutheran Church in Canada, the Eastern Ontario District of the Pentecostal Assemblies of Canada, the Islamic Humanitarian Service, Mennonite Central Committee Ontario, the Presbyterian Church in Canada, The Salvation Army, the Society of St. Vincent de Paul, the Toronto Board of Rabbis, and the United Church of Canada.

ISARC advocates on behalf of our fellow Ontarians in low income households that are struggling to support themselves and their families. We see the planning of the upcoming 2020 Ontario budget as an opportunity to put forward specific policies and initiatives designed to help these families improve their quality of life.

For thirty years ISARC has participated in government hearings aimed at reducing poverty and offering an income security system that provides adequate income and supports and respects the dignity of people. ISARC has organized community hearings across Ontario to gather stories from people living on low incomes and their recommendations for improvements.

Although the Provincial Government changes, the stories ISARC hears and the recommendations people bring forward remain consistent:

- A hard day's work deserves a fair day's pay.
- Income supports need to be raised to a level where people can make ends meet.
- We need more affordable housing.

What ISARC hears from people is the same message reflected in the Provincial Government's own consultations over the decades.

In her message in the 2018 Annual Report on Ontario's Poverty Reduction Strategy, Lisa McLeod, then- Minister of Children, Community Social Services, Women's Issues, Immigration and Poverty Reduction stated:

Nearly two million people across Ontario - from small rural communities to large urban centres - live in poverty through no fault of their own. That is one in seven of our neighbours... Poverty makes people vulnerable. It keeps women trapped in abusive situations. It makes them easier targets for sex traffickers. It prevents parents from being able to provide adequate care for their children and it holds refugees back from becoming contributing members of our communities.¹

ISARC concurs with the Minister's message of urgency to eliminate poverty across Ontario. The government's intention of the 2020 budget consultation is to "Build Ontario Together." We would like to offer the following ideas concerning several of the stated objectives, with an emphasis on making sure that those in greatest need share in Ontario's abundance.

Make Life More Affordable

For people earning poverty wages and struggling to live decent lives on inadequate social assistance rates, affordability is a huge issue. The foundation for affordability rests on a basic assurance of adequate income.

In 2016 a non-partisan group of social policy experts were commissioned to study the issue of social assistance reform. The ensuing document, *Income Security: A Roadmap for Change*², provides a practical roadmap to transform Ontario's income security system. A foundational recommendation is to create a "Minimum Income Standard initially established at the

¹ The Honorable Lisa McLeod, "Minister's Message: Poverty Reduction Strategy (Annual Report 2018)," Ontario, December 20, 2019. <https://www.ontario.ca/page/poverty-reduction-strategy-annual-report-2018>.

² *Income Security: A Roadmap for Change*, prepared by the Government of Ontario, (October, 2017), https://files.ontario.ca/income_security_-_a_roadmap_for_change-english-accessible_0.pdf.

Low Income Measure (LIM) used by Ontario's Poverty Reduction Strategy (i.e. PRS LIM-50 linked to a base year of 2012), plus an additional 30% for persons with a disability, in recognition of the additional cost of living with a disability."³

Monthly PRS LIM-50 in 2019 for a single adult: \$1,936.73

Monthly PRS LIM-50 plus 30% in 2019 for a single adult with a disability: \$2,517.75

Currently, the Ontario Works monthly income of \$733 (Basic needs \$343 + Shelter Allowance \$390) plus tax credits (Ontario Trillium Benefit max. \$154 annual or \$12.83 monthly and HST credit \$443 annually paid in quarterly installments of \$110.75, equivalent to \$36.92 a month) provides \$783 per month for a single adult. That is less than half of the Minimum Income Standard.

ISARC recommends that the Government of Ontario move quickly to meet the Minimum Income Standard. The Roadmap for Change recommended to "take early, urgent steps to increase the level of income support available to people living in the deepest poverty."⁴ The Roadmap recommended creating a "Standard Flat Rate that does not distinguish between basic needs and shelter,"⁵ for single adults and then to raise that rate to \$893 per month by the fall of 2020. The Roadmap also recommended a Standard Flat Rate – Disability and increasing it to \$1,334 a month by the fall of 2020. ISARC recommends that the Government implement those recommendations with Budget 2020.

ISARC is profoundly concerned that the Basic Income Pilot was ended early. It was not only a betrayal of trust for the people who agreed to participate, it also wasted an opportunity to understand how a basic income could be built out more broadly. But we do know from the experience of participants in the pilot that having access to a basic level of income security adequate to meet basic living expenses was transformative for many. ISARC has heard over and over, through our community consultations, the need for adequate incomes. We have also heard loud and clear that the time for pilot projects is over and the province should move to build out a basic income security system to support all Ontarians in need.

The Income Security Roadmap called on the Government to "leverage the whole income security system...so that programs work together to help all low-income people achieve social and economic inclusion"⁶. One of the specific recommendations was for the Government to "introduce a housing benefit to assist all low-income people with the high cost of housing, whether or not they receive social assistance."⁷

³ *Income Security: A Roadmap for Change*, prepared by the Government of Ontario, (October, 2017), https://files.ontario.ca/income_security_-_a_roadmap_for_change-english-accessible_0.pdf, 5.

⁴ *Ibid*, 17.

⁵ *Ibid*, 14.

⁶ *Ibid*, 6.

⁷ *Ibid*, 6.

ISARC is pleased to see that the Government of Ontario is moving on this recommendation, with the Ontario and federal governments entering into the Housing Benefit agreement. In much the same way that federal/provincial coordination of benefits has lifted thousands of people out of poverty through the revised Canada Child Benefit and the Guaranteed Income Supplement for seniors, a coordination of federal provincial programs can form the basis of a Basic Income social assistance model for Ontario.

In order to solve the housing emergency, in addition to participating in the Housing Benefit allowance program, Ontario needs to invest in the building of affordable housing. Surplus properties owned by the provincial government should be identified and transformed into affordable housing options. This can be done by working in conjunction with private sector and non-profit housing providers to explore ways and means of accomplishing this goal. An investment in this area not only creates a permanent supply of affordable housing stock, it also puts Ontarians to work in building the supply and maintaining it for future generations.

RECOMMENDATIONS

- **Social Assistance rates need to start moving towards the Minimum Income Standard outlined in the Roadmap for Change.**
- **A Basic Income Program needs to be initiated.**
- **Properties owned by the Government of Ontario and surplus to its needs should be repurposed as affordable housing.**
- **The Canada-Ontario Housing Benefit should be made available to social assistance recipients who are tenants, without any claw-back of OW or ODSP benefits.**

Prepare People for Jobs

“The best social circumstances are when those who are able are participating in the workforce. And the best social program is a job.” - Minister’s Message, Poverty Reduction Strategy (Annual Report 2018)

The challenge is to turn that conviction from a slogan into an effective course of action. If we truly believe participating in the workforce is a key to reducing poverty, we need to create the conditions for that to be a reality for all workers.

The problem: Many people are working but still living in poverty. Feed Ontario’s Hunger Report 2019 reports that “there is a growing number of individuals that are working but require the support of a food bank to make ends meet.”⁸ Low wages and insufficient hours are the most

⁸ *Hunger Report 2019*, prepared by Feed Ontario, <https://feedontario.ca/wp-content/uploads/2019/11/Hunger-Report-2019-Feed-Ontario-Digital.pdf>, 12.

common reasons working Ontarians turn to food banks for support.

If paid work is to be a pathway out of poverty, a full-time job should pay enough to get above the poverty line. A recent report prepared by the Metcalf Foundation, *The Working Poor in the Toronto Region*, confirms that due to low wages, precarious work and involuntary part-time hours, approximately 7% of workers in the GTA live in poverty.⁹ The minimum wage needs to be increased to at least \$15 an hour.

If the government believes that the best social program is a job, then working conditions must be safe and fair. That is why employment standards should be strengthened to provide:

- Predictable hours of work
- Equal pay for equal work
- Paid emergency leave
- Protection for Migrant workers and employees of temporary help agencies
- Rules to protect everyone
- Job security and respect at work
- The right for people to organize and unionize.

Many employers are already stepping up to provide decent working conditions. While the minimum wage has been frozen at \$14 an hour, hundreds of employers across Ontario have stepped up to implement living wage policies.¹⁰ Living Wage rates have been calculated by the Ontario Living Wage Network for 22 communities across Ontario. They range from \$16.20 in London and Thunder Bay to \$22.08 in Toronto. The living wage reflects the actual cost of things like housing, food, transportation and childcare. There are currently more than 290 certified living wage employers across Ontario. These employers commit to pay all of their staff at least the living wage. And the commitment is not just to direct employees but to contracted service staff such as cleaners, security and food services workers.

While living wage employers say they are motivated to pay a living wage because it matches their values, they also report that it just makes good business sense. They consistently report better staff retention, higher morale and increased productivity. They report savings on hiring and re-training new staff.

The experience of living wage employers bursts the misperception that a low wage strategy reduces costs or improves competitiveness. And the reason is simple. If workers are paid a wage that leaves them in poverty, they either must hold several jobs and work overtime hours or they are constantly on the look for a better job. Employers pay the cost in terms of high staff turnover or workers who come to work exhausted from working multiple jobs.

⁹ "The Working Poor in the Toronto Region," November, 2019. <https://metcalffoundation.com/site/uploads/2019/11/Working-Poor-2019-NEW.pdf>.

¹⁰ "Ontario Living Wage Network," 2019. www.livingwage.ca.

Many responsible employers are shouldering their responsibility in creating good jobs that pay fair wages. Similarly, the Government of Ontario needs to do its part. It needs to make sure that funding arrangements with the broader public sector service providers that operate our shelters, long term care homes and provide other necessary services to Ontarians enable these employers to pay a living wage and provide decent benefits.

RECOMMENDATIONS

- **Raise minimum wage to \$15 per hour.**
- **Reinstate employment standards protecting workers contained in Bill 148: The Fair Workplaces: Better Jobs Act**
- **Ensure funding to service providers in the broader public sector enables employers to pay a Living Wage.**

Build Healthier and Safer Communities

Too many working Ontarians do not have coverage for prescriptions, dental or vision care. These are core health services that all Ontarians should be able to access.

Unfortunately, thousands of people who are surviving on low or even moderate incomes still have limited or no access to health services like dental or vision care. Some individuals and families fear leaving social assistance and the security they feel from having access to health benefits that are only available in social assistance. Steps need to be taken to introduce new health benefits so that all low-income individuals and families are able to access the health services and products they need to be healthy, confident and well-positioned to actively engage in their communities and employment.¹¹

Ontario has taken steps to expand dental services for children and seniors with low incomes. The provincial budget should invest resources to build on the Healthy Smiles program and dental services for low income seniors and expand access to basic dental care to all low-income adults.

The Government of Ontario started creating prescription drug coverage for people under 25. That program should be restored. In addition, the Province of Ontario should work with the federal government to launch a universal Pharmacare program in Ontario.

¹¹ *Income Security: A Roadmap for Change*, prepared by the Government of Ontario, (October, 2017), https://files.ontario.ca/income_security_-_a_roadmap_for_change-english-accessible_0.pdf, 86.

Workers need to be better protected by making employers that contract temporary agency workers responsible for their health and safety. This regulation has already been drafted and needs to be enacted.

It is important to stress that healthier communities produce healthier, more productive employees and reduce costly visits to our overburdened emergency rooms and hospitals.

RECOMMENDATIONS

- **Fund better access to vision and dental care for low-income Ontarians.**
- **Restore Pharmacare for Ontarians under 25 years old and work with the federal government to establish a universal Pharmacare program for all Ontarians**
- **Make employers responsible for the health and safety of employees contracted through Temporary Help Agencies.**

Access to Justice: Restore funding to Legal Aid

For more than 30 years ISARC has worked closely with community partners including legal clinics and knows deeply the benefits and importance of the work carried out by Legal Aid Ontario on behalf of marginalized Ontarians.

Marginalized communities are especially vulnerable to exploitation and compared to those who are more economically well off, do not have the same opportunities to have their individual and collective voices heard. Legal clinics provide advocacy and support for people who are at risk of homelessness as well as protecting workers' rights and dignity of person.

RECOMMENDATION

- **Reverse the cuts to Legal Aid Ontario funding.**

Mobilizing Ontario's Resources

Ontario's program spending per capita is the lowest in Canada – about \$2,000 a person less than the Canadian average. Likewise, Ontario's revenue falls about \$2,000 per capita below the Canadian average. Careful stewardship is laudable. But there are times when frugality can be taken to a fault. The Province of Ontario is in a position where we can afford to invest more in public programs to improve the well-being of Ontarians, particularly our neighbours who are in greatest need.

We and many others across Ontario are waiting to see the government's commitment to act "for the people" carried out in a way that ensures that *all* the people of our province can live in dignity. We, and many others, have been calling for action in this area for a long time. We were active in calling for improvements to the social assistance system, along with many others across the province, through the report of the Commission for the Review of Social Assistance in Ontario. More than six years have passed since the release of the commission's report, *Brighter Prospects: Transforming Social Assistance in Ontario*. We await action in response to the commission's recommendations.

As the government prepares its budget, we urge it to be guided by the belief that a budget is not simply about allocation of sums of money for particular programs and services. Ultimately, it's about people and our priorities as a society. It's about ensuring that *all* the people in our society are able to enjoy an abundant life. And it's about putting moral values into action. No one should be left on the margins of society. When we enable everyone to develop their potential through investments in people, we all benefit.

It is time to mobilize Ontario's resources to make life better for people.