

25 in 5 Network for  
Poverty Reduction



# Making Good on the Promise

Evaluating Year One of Ontario's  
Poverty Reduction Strategy

DECEMBER 2, 2009

The 25in5 Network for Poverty Reduction is a multi-sectoral network comprised of more than 100 provincial and Toronto-based organizations and individuals working on eliminating poverty.

Produced by the Accountability Table of the 25in5 Network for Poverty Reduction

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# Making Good on the Promise: Evaluating Year One of Ontario's Poverty Reduction Strategy

## EXECUTIVE SUMMARY

A year ago, as Canada plunged into one of the sharpest recessions since the Great Depression, the Ontario government assumed long-awaited leadership to tackle poverty. On December 4, 2008 it promised to enact a plan to reduce child and family poverty by 25 per cent by 2013. Making good on that promise would lift more than 90,000 Ontario children and their families out of poverty within five years.

The decision couldn't have come at a more crucial time. A year into the promise to reduce poverty, the damaging effects of the recession have taken root in every community in this province. Hundreds of thousands of Ontarians have lost jobs. Food banks are struggling to feed record-long lineups of hungry people. Bankruptcy rates are on the rise. Inadequate Employment Insurance (EI) is thrusting out-of-work Ontarians into desperation. Asset-stripping rules and inadequate income supports are leaving those who turn to social assistance all the more vulnerable to lasting poverty.

Without immediate public support, the province's poverty rate will explode.

The most pressing challenge is to not repeat the mistakes of the 1990s. During the previous two recessions, Ontario's poorest households were hardest hit by the economic downturn and it took them much longer to bounce back. The income gap between the rich and the rest of us was among the worst in the nation. Governments of all levels had allowed prosperity to pass right by the poor.

This time we can choose a different path for our economic recovery.

Every Ontarian wants to see the backside of this recession, but shepherding the province through an economic recovery that works for everyone – not just the privileged few – will take visionary leadership and unwavering political commitment. We didn't start the fire of the global economic recession, but together, we can put out the flames. Now, more than ever, Ontarians need their government to make good on its promise to reduce poverty.

The good news is that investing in poverty benefits everyone and is a crucial component in Ontario's economic recovery. Every dollar provided through the Ontario Child Benefit and other income programs ends up with local retailers and grocery stores. These dollars purchase goods and services locally and provide immediate income for private and public landlords. They are job creators, providing revenue for local business. They are investments in economic recovery. It is these investments that will help prevent a longer and deeper recession and get Ontario into recovery mode faster.

Investing in poverty reduction is also the smart thing to do for Ontario's future prosperity. Policies and programs that tackle poverty – like better education, training, and early childhood education – lay the foundation for a smarter, better-equipped workforce that positions Ontario to meet future economic challenges.

On the anniversary of the province's commitment to reduce poverty, this report looks at what the Ontario government has achieved to date and identifies next steps for action. It finds that in the first year since its commitment to reduce poverty, the Ontario government has implemented some concrete, positive changes:

- **New Social Investments:** The 2009 provincial budget allocated nearly \$2 billion in new social investments, primarily to new commitments to the Ontario Child Benefit and to matching federal social housing infrastructure spending. Gains were also made on the enforcement of employment standards, although action on social assistance reform fell far short of our partners' benchmarks.
- **A Poverty Reduction Table:** The consolidation of the poverty reduction Results Team in early 2009 was also a significant achievement. It created a multi-ministerial table where issues of poverty reduction can be discussed on a regular basis.
- **Protection for Temporary Workers:** Temporary worker legislation, passed in May, gives new protections for temporary agency workers, including holiday pay and the scrapping of fees charged by temporary assignment agencies.
- **Legislation:** The Poverty Reduction Act was approved with unanimous support at Queens' Park. It requires current and future provincial governments to set a poverty reduction target and plan of action at least every five years in consultation with community stakeholders and low-income people.
- **Affordable Housing Consultations:** June marked the launch of public consultations on Ontario's Long-term Affordable Housing Strategy. The government is expected to announce its resulting strategy in 2010.
- **Early Learning Commitment:** In October, the government's much-anticipated response to the

Early Learning Advisor's report resulted in a commitment to invest more than a billion dollars into early year learning opportunities for a generation of children. This is a keystone of Ontario's poverty reduction (and prevention) strategy.

Despite these advances, there is much more work to do in order to make the 25 per cent target by 2013. With an economic recovery that is expected to be slow and an absence of federal commitments to poverty reduction, the province runs a very real risk of falling short of its poverty reduction goal unless bolder action is taken, and soon.

Chief among the more pressing priorities for 2010:

- **Social Assistance:** Progress on improving the province's deeply flawed social assistance programs has been stalled. The province had committed to review Ontario Works (OW) and the Ontario Disability Supports Program (ODSP) but to date there has been no action. In the meantime, punitive asset-stripping rules are forcing many of Ontario's unemployed to empty out their savings accounts and RRSPs to qualify for social assistance, making the impact of recession harder and longer than it needs to be. The incomes of people on OW and ODSP are dangerously below what is required to live in health and dignity. And far too many Ontarians are wrongfully refused Ontario Disability Supports.
- **More Stimulus Investments:** Continuing to move ahead on social infrastructure investments is critical not only to meet Ontario's poverty reduction goal but also to get the province's economy into full recovery mode. Affordable housing, early learning and child care, and income supports such as the Ontario Child Benefit and improved social assistance incomes are crucial to stimulating jobs and local economies by putting money into the hands of low-income Ontarians.

- **Affordable Public Transit:** Many municipalities facing budget problems during the recession are considering raising public transit fares, which will hit poor Ontarians the hardest. While more capital money flows to the infrastructure of transit systems across Ontario, the province and the federal government need to invest in a plan for dedicated, long-term operating funding to make transit accessible and affordable.
- **A Strategy for Disproportionately Poor Communities:** Women, Ontarians from racialized, immigrant, and Aboriginal communities, and people with disabilities are disproportionately poor. The province needs a poverty reduction strategy that reflects the systemic poverty within diverse communities – one that offers hope and opportunity for this and future generations.
- **Dental Care for Low Income Ontarians:** The province promised a new dental program for low-income Ontarians but full implementation of this commitment that ensures services are available to low-income adults as well as children has yet to take place.
- **A Jobs Strategy:** The Ontario government must ensure that a job is a pathway out of poverty. Maintaining previously scheduled minimum wage increases, boosting the minimum wage to \$11 in 2011, and indexing increases to inflation—as well as beefing up employment standards enforcement—are also vital. Retraining and education programs need funding that are sufficient to meet higher demands.
- **Listening to Lived Experience:** People living in poverty have expertise on actions that need to be taken to make life better. Government must create a community-based advisory committee to provide expert advice to the government’s Results Team.

# INTRODUCTION

## Poverty Reduction Strategy in Context

Following the sharpest and deepest recession since the 1930s, Ontario now faces a debate over how governments should respond.

In the 1990s, governments succumbed to endless rounds of belt-tightening, resulting in increased poverty. This time around, Ontario should aim to do better. It should approach the recession as an important opportunity to not only renew efforts to reduce and eradicate poverty but also contribute to Ontario's economic recovery.

Poverty reduction programs are critical to supporting and protecting vulnerable Ontarians. But investments in poverty reduction do a lot more for all of us. Investments in poverty reduction have proven to be effective economic stimulus and continued investments will help speed up recovery.

This is not a novel approach. In almost every recession since the Great Depression, governments redoubled their efforts to reduce poverty. In the years following the 1930s, Unemployment Insurance and the Baby Bonus were introduced. After the recession of 1957, Old Age Pensions were significantly increased. During the oil shock recession of the early-1970s, disability benefits were put on par with elderly benefits and Family Allowances were tripled. In the years following the recession of the early-1980s, social assistance benefits were raised by more than 50 per cent.

But following the recession of the 1990s, Ontarians were asked to buy into the idea that cuts to social programs and supports would provide a new route to prosperity for all. Erasing deficits and paying down debt at any price became the order of the day. In the end, vital supports like Employment Insurance lay in tatters and social assistance programs were relentlessly ravaged. Governments cut

eligibility and benefit levels, creating unnecessary hardship in the context of a slow economic recovery. After the last major recession, it took eight long years to achieve a full job recovery. Even then, Ontario left a higher number of poor behind than after previous economic downturns.

The simple truth is that what Ontarians were asked to believe in the 1990s was wrong. The bitter medicine of deficit cutting above all else did not work – it left more Ontarians vulnerable to the vagaries of the labour market and has forced more Ontarians into deeper poverty. The withered safety net that resulted is already showing its inability to withstand the ravages of the recent economic meltdown.

## Poverty Reduction Prepares Everyone to Participate and Benefit

Continuing to implement poverty reduction measures is a sure-fire way to make sure that “all hands are on deck”, as Premier McGuinty has said.

Policies and programs that tackle poverty – like better education and training, early childhood education and childcare – lay the foundation for a stronger, better-equipped workforce. And positioning Ontario's workforce to respond to the challenges of economic recovery and our changing economic times is good for Ontario's economy.

We know the poorest states in the U.S. with the lowest income redistribution and the lowest welfare standards rank among the least prosperous. On the other hand, northern European countries with high welfare expenditures to reduce income inequality, high standards of service delivery, and effective labour markets are among the most prosperous states in the world. We would do well to learn from these nations.

But ensuring that all members of society have well-timed, well-focused training and supports doesn't just prepare them to work – it helps everyone to prosper. Poverty reduction policies like a decent minimum wage, good jobs, and

better supports for low-income people help everyone benefit as the economy recovers.

And whether in the paid workforce or through participation in community, individuals and communities benefit from programs and services that help support an engaged populace, ready to contribute and benefit in whatever way they can.

All Ontarians deserve a share in the benefits of growing prosperity. And poverty reduction policies will get us there.

## Poverty Reduction Stimulates the Economy and Speeds up Recovery

Government investments in poverty reduction will help prevent a longer and deeper recession and get Ontario's economy into recovery mode faster. History shows it's true.

In the 1930s, governments spent the first three years of what became the Great Depression cutting public spending. As a result, economies shrank, retail credit dried up, banks failed, and unemployment soared – making the Depression even worse. Canada was caught in a cross-fire of protectionism and shrinking trade that eventually resulted in deflation and 10 lost years of economic hardship.

It was not until the policies of the New Deal in the U.S. and the Unemployment Relief Acts in Canada that Ontarians started to pull out of the economic nosedive that marked the 1930s. As obvious as the mistakes of the day appear in hindsight, Ontario still has powerful and vocal factions encouraging our governments to repeat those same mistakes today.

The challenge for Ontario is to put itself on the road to prosperity by doing what every government has done after almost every recession since the 1930s: Repair our social safety net by realigning programs and putting needed resources in the pockets of people who need it

most.

The reality is that a dollar provided through social assistance, the Ontario Child Benefit, or other income programs on Monday is a dollar spent at local retailers and grocery stores on Tuesday. It is income for private and public landlords, it purchases goods and services locally immediately. It is a job creator; it is revenue for local business and an investment in economic recovery.

Economic stimulus that targets the poor staves off the worst of the recession's damaging effects. Ontario must stay the course, and continue to invest in poverty reduction.

## Poverty Reduction Helps Struggling Ontarians

Poverty reduction isn't just about encouraging economic recovery. It's also about doing the right thing for Ontarians who are hurting.

Ontarians have been hard hit by the recession -- losing jobs, losing savings, and losing hope. Many face hardships they never thought they'd encounter. They need well-designed programs and supports to get back on track.

There are many others for whom recession is nothing new; those who have never recovered from governments' mistakes following the last recession; those for whom our labour market puts up systematic barriers to participation; those who knew struggle and hardship long before the U.S. credit crisis threw the global economy into disarray.

Investments in poverty reduction are investments in people. Our friends, our neighbours, our children, and ourselves. Ontario has always recovered from economic downturns. The challenge now is to ensure that everyone benefits from economic recovery, not just those already well off. In the economic recovery of the 1990s we got things wrong. This recovery, we have to get it right.

# YEAR ONE OF THE COMMITMENT

In the fall of 2008, 25 in 5 called on the Ontario government to institute a poverty reduction strategy that would address five key areas of concern. These Five Tests for an Effective Poverty Reduction Strategy form the basis of our efforts to track the government's progress on poverty reduction.

While Ontario's poverty reduction strategy didn't address all aspects of our five tests, it did make a series of important commitments. Progress on those commitments is tracked in the following pages.

## TEST #1: A 25 IN 5 TARGET

The first key aspect of an effective poverty reduction strategy is a commitment to an overall target of reducing poverty by 25 per cent in 5 years and by 50 per cent in 10 years.

Rather than commit to a broad poverty reduction target that explicitly includes adults, the Ontario government committed to reduce child poverty by 25 per cent between 2008 and 2013.

**ACTION REQUIRED:** The Ontario government must broaden the scope of poverty reduction beyond children to include all Ontarians, and must make explicit the goal of eliminating poverty in the long term. In addition, Ontario must recognize that the economic recession and the unwillingness of the federal government to play its part means that provincial leadership is more important than ever. Rather than maintain the status quo and miss the five-year target, the province must redouble its efforts and take even bolder leadership to prevent and reduce poverty.

## TEST #2: A SOLID MEASURING STICK

Effective poverty reduction strategies are premised on a clear way to measure progress.

The Ontario government committed to a set of eight indicators to track progress:

1. School Readiness

Indicator: Early Development Instrument

2. Educational Progress

Indicator: EQAO Score

3. High School Graduation Rates

Indicator: Graduation Rates

4. Birth Weights

Indicator: Healthy Birth Weights

5. Depth of Poverty

Indicator: Low Income Measure (40%)

6. Low Income Measure

Indicator: Low Income Measure (50%)

7. Ontario Housing Measure

Indicator: Housing Measure

8. Standard of Living

Indicator: Deprivation Index

The Low Income Measure (the number of people whose income is less than half of median income) will be the

lead indicator for poverty reduction in Ontario. While the other indicators already exist, the housing indicator and standard of living indicator have not yet been released. Baseline data for tracking progress on the commitment to reduce child poverty by 25 per cent between 2008 and 2013 will only become available in 2010, when Statistics Canada releases the Low Income Measure data for 2008.

**ACTION REQUIRED:** In addition to having broad measures of progress for each of these indicators, government should commit to track progress along geographic and demographic lines. Having this disaggregated data will indicate which communities are most impacted by poverty and where greater effort is needed to effectively reduce poverty. This would show Ontarians how historically disadvantaged groups are faring, including Aboriginal people, women, people with disabilities, new immigrants and people from racialized communities. It would also show how Ontarians in urban and rural areas are doing.

## TEST #3: POLICY SPECIFICS

An effective poverty reduction strategy requires specific, clear policy commitments in three priority areas: Sustaining employment, livable incomes, and strong & supportive communities.

### Sustaining Employment

#### Poverty-proofing the minimum wage

25 in 5 called on the Ontario government to poverty-proof the minimum wage for full-time earners. This means raising the minimum wage to a level at which a single adult working full-time, full-year would earn enough income to rise above the poverty line. Given that 40 per cent of low-income children live in families where at least one parent is working full-time, poverty-proofing the minimum wage is an important element of reaching the government's 25 in 5 target for child poverty.

The Ontario government committed to raise the minimum wage to \$10.25 an hour by March 2010 prior to its official poverty reduction strategy announcement a year ago.

**ACTION REQUIRED:** The Ontario government's commitment to regular increases moves Ontario closer to a livable minimum wage but still falls short. An additional increase to \$11 an hour in 2011 – along with a commitment to depoliticize the minimum wage by indexing it to inflation – are among the next steps needed to poverty-proof the minimum wage.

#### Updating and enforcing employment standards for all workers

The Ontario government committed to propose legislation related to temp agencies and to hire new employment standards officers, improve Employment Standards Act compliance, and reduce the backlog of claims.

On May 4, 2009, Bill 139, the Employment Standards Amendment Act (Temporary Help Agencies) was passed. The Workers' Action Centre states that this legislation, which came into effect on November 6, 2009, will have a number of benefits. It will end fees charged to workers by temporary assignment agencies; reduce barriers to permanent work for temp agency workers; ensure all temp agency workers get public holiday pay, whether they are on assignment or laid-off from assignment; require agencies to give workers information about assignments and employment standards rights; ensure temp agency workers get the same termination and severance protections as other workers; and require that both the agency and client company are legally responsible when a worker is penalized for trying to enforce their rights.

With regard to better employment standards enforcement, the government's 2009 budget included \$4.5 million annually to hire new employment standards officers.

**ACTION REQUIRED:** Another \$5.5 million annual investment is needed in Budget 2010 to fulfill the government's commitment.

### **Create strong employment and pay equity programs**

This is an Achilles' heel in the Ontario government's poverty reduction strategy. The government has made no commitments to employment and pay equity programs, despite the fact that Ontario is in violation of the United Nations' pay equity standards.

**ACTION REQUIRED:** The Poverty Reduction Act recognizes that "Not all groups of people share the same level of risk of poverty. The poverty reduction strategy must recognize the heightened risk among groups such as immigrants, women, single mothers, people with disabilities, Aboriginal people and racialized groups." To ensure all Ontarians have access to sustaining employment, the government needs to meet this recognition with action and implement an employment and pay equity strategy aimed at identifying and eradicating barriers and discrimination.

### **Expand access to dental, drug and vision coverage**

In the 2008 budget, the Ontario government pledged to invest \$45 million annually to provide dental care for low-income Ontarians. It committed to invest this money in two ways: expand the Children in Need of Treatment program (CINOT) and work "with Public Health Units to build community capacity to deliver prevention and treatment services for low-income Ontarians." In January 2009, CINOT was extended to serve children up to age 18. In October 2009, the government invited public health units across the province to submit proposals for start-up funding to deliver the Low-Income Dental Program, with children and youth as the first priority.

**ACTION REQUIRED:** The next step is to ensure low-income adults have access to necessary dental services. In addition, government must expand its poverty reduction commitments to address the need for low-income prescription drug and dental coverage.

### **Make training and education real, meaningful and easy to access**

No new commitments were made in this area. But the need for programs that are real, meaningful and easy to access is urgent, as evidenced by the experience of the Second Careers Program.

This program was launched in 2008, at a time when Ontario had already lost 400,000 manufacturing and forestry jobs over the previous five years. Second Careers gives eligible workers up to \$28,000 for a maximum of three years of training and upgrading. But, as the Ontario Federation of Labour reports, "A surge in take-up rates has put current and future access to the provincial program in jeopardy." In fact, on November 13, the province introduced new family income testing guidelines for the Second Career Program. These guidelines will limit access to retraining programs for many workers, including women.

Cutting back on this program during the recession and recovery – exactly the time when people need it – is unwise. The OFL also says, "the federal government has been unrealistic with its rigid eligibility criteria for federal EI income benefits while workers are in training, making the benefits inaccessible to most." This underscores the urgent need for action at both the provincial and federal level to fix the rules and invest in needed training. Otherwise, many Ontarians will be left behind when the economy recovers.

**ACTION REQUIRED:** Now, more than ever, the recession has made urgent the commitment to improve training and education opportunities for all Ontarians. The Social Assistance Review should also address the real need for meaningful training and education opportunities for people receiving Ontario Works and Ontario Disability Support Program benefits.

## Call on Ottawa to enrich the Working Income Tax Benefit

The Ontario government has called on the federal government to increase the Working Income Tax Benefit. The 2009 federal budget did increase the Working Income Tax Benefit – from a maximum of \$522 a year to a maximum of \$925 for a single adult and from \$1,044 to \$1,680 for single parents and couples.

**ACTION REQUIRED:** The federal government has invited the provinces to enter into discussions to tailor the Working Income Tax Benefit to their own, provincial social programs. Taking this action would support Ontario’s efforts to provide better government by aligning services and programs for low-income Ontarians.

## Livable incomes

Close the gap between life on social assistance and moving out of poverty: The Ontario government made several commitments with respect to social assistance, chief among them the commitment to undertake a review of social assistance “with the goal of removing barriers and increasing opportunity.” One year later, that review has not yet begun.

The government also committed to implement three rule changes, which was done in January 2009:

- Fully exempt as income the earnings of persons on social assistance who are participating in post-secondary education.
- Extend the Up-Front Child Care Benefit to participants who may require support to maintain their participation in employment and employment assistance activities.
- Extend the time period to request an internal review from 10 days to 30 days.

In addition, the Ontario government also committed “to look at our programs with a person-centred approach in

order to give us an improved understanding of how to better align our programs so they address the issues of those they are designed to help.” That work was to have begun in early 2009 but there is no transparency on the government’s progress here.

Budget 2009 included a two per cent inflationary increase to social assistance benefit rates.

**ACTION REQUIRED:** The lack of action on the Social Assistance Review and on closing the gap between life on social assistance and moving out of poverty is a serious problem. People who have had to try to survive on Ontario Works (OW) or Ontario Disability Support Program (ODSP) benefits remain deep in poverty. The recent two per cent increase to benefit rates – the fifth such increase since 2005 – serves only to keep up with inflation and does nothing to reverse the deep cuts that were made in the 1990s. While the Ontario Child Benefit does benefit families with children on social assistance, some of that benefit is being lost due to Basic Needs rate restructuring. Single people or couples without children on assistance do not benefit.

The many Ontarians who have lost their jobs in the current recession and have had to turn to social assistance due to the inadequacies of the federal Employment Insurance program face the prospect of having to liquidate their life savings before they can access benefits to see them through the economic crisis. The lack of effective training and education supports in these programs leaves people unable to retool for new employment opportunities. And the benefit levels are so low that Ontarians are being driven deep into poverty.

The 25 in 5 Network for Poverty Reduction has laid out the following five benchmarks for a Social Assistance Review that will help Ontarians prepare for the economic recovery:

1. **The review must be grounded in a bold vision: Economic security and opportunity for all Ontarians.** Tinkering with Ontario Works and Ontario

Disability Support Program rules is simply not enough. We need social assistance programs that ensure Ontarians' well-being and provide the opportunities people need to contribute to the province's prosperity – because the province is going to need all the help it can get.

2. **The review must be proactive.** Immediate changes must be made to unfair and counterproductive rules that deny Ontarians supports they need to get ahead – rules like asset limits that virtually guarantee more hardship, not less, and that continue to hamper Ontario's recession recovery efforts.
3. **A timely process to launch deep reforms must be part of the review package.** A fundamental transformation must be made to overcome the silos of current programs and make further progress in crucial areas like the early childhood years, housing security, dental care and more.
4. **Providing decent, adequate income supports must be a stated outcome of the review.** Immediate and longer term steps must ensure that people who rely on social assistance, and all low-income people, are assured living standards of health and dignity as well as access to supports and tools, like meaningful training and education, to enable the pursuit of opportunity.
5. **People who have had to rely on Ontario Works and the Ontario Disability Support Program must have a leading role in shaping the review's recommendations.** This means seeking out and heeding the expertise of people who have been there. They have much to teach the committee – and all of us – in the review.

**ACTION REQUIRED:** The Ontario government must meet its commitment to the Social Assistance Review, and undertake a Review that meets the 25 in 5 benchmarks.

### **Make it easier for people with disabilities to get access to the Ontario Disability Support Program (ODSP)**

No commitment was made and no action has taken place to make it easier for people with disabilities to get access to the Ontario Disability Support Program.

**ACTION REQUIRED:** The ODSP Action Coalition and its members and partners are calling on government to undertake the following concrete steps to increase access to ODSP: simplify the ODSP application process and provide applicants with help to apply; provide sufficient numbers of staff and give them appropriate training to ensure service is delivered in a manner which respects the dignity of all ODSP applicants and recipients; and make full information on all rights and benefits available to applicants and recipients in accessible formats.

### **Enrich the Ontario Child Benefit. Remove rules that claw benefits back from people on social assistance.**

The Ontario government committed to increase the Ontario Child Benefit (OCB) to a maximum of \$1,310 per child per year. In July 2009, the maximum OCB benefit was raised from \$600 a year to \$1,100 a year, two years ahead of schedule. The increase to the Ontario Child Benefit is an extremely positive step for government to have taken. This action will make a significant difference in the lives of Ontario's low-income children, whether their parents are working or receiving social assistance, and will get the government a long way toward meeting its 25 per cent poverty reduction target. But people on social assistance who have children are not seeing the full benefit of the OCB as Basic Needs benefits continue to be restructured.

**ACTION REQUIRED:** Boost the maximum Ontario Child Benefit to \$1,500 a year (\$125 a month) per child. In addition, the Ontario government must stop reducing the Basic Needs benefits of those social assistance recipients who receive the OCB.

### **Tighten the regulation of payday lending and other financial services.**

The Ontario government's poverty reduction strategy made no mention of this issue. However, before the strategy was announced, Bill 48, the Payday Loans Act, 2008 was passed on June 9, 2008 and came into effect on April 1, 2009. The Act tightens some regulations on payday lenders and set a maximum total cost of borrowing cap for payday loan agreements in Ontario of \$21 per \$100 borrowed.

**ACTION REQUIRED:** The Ontario government should continue to work with low-income groups and the financial services sector to ensure the availability of accessible and affordable financial services.

### **Call on Ottawa to expand coverage of Employment Insurance (EI) and enrich the Canada Child Tax Benefit.**

The Ontario government has called on the federal government to expand EI coverage and enrich the National Child Benefit Supplement.

**ACTION REQUIRED:** The federal government's extension of EI benefits to those who qualify does not go far enough to make the program work for the hundreds of thousands of workers who have lost their jobs. And the federal government has given no indication that it will increase the Canada Child Tax Benefit. The Ontario government needs to keep up the call, along with other provincial governments and social partners, for the federal government to expand coverage for employment insurance and enrich the CCTB.

## **Strong and Supportive Communities**

### **Make housing easier to afford. Build it to suit to people's needs. Keep it in good repair.**

The Ontario government committed to stabilize funding

for the Provincial Rent Bank Program with a dedicated commitment of \$5 million per year. It also committed to roll out a new ten-year, \$60 billion infrastructure plan, including investments in social housing, in 2009.

Budget 2009 included the promised funding to stabilize the Rent Bank Program. In addition, it included \$700 million over two years to rehabilitate social housing and make it more energy efficient; \$360 million to build new affordable housing for low-income seniors and persons with disabilities; and \$175 million over two years to extend the Canada-Ontario Affordable Housing Program. However, the infrastructure plan has not yet been rolled out.

While the Government of Ontario has matched federal housing dollars to fund the programs included in Budget 2009, this is in the context of a multi-year decrease in funds for the Ministry of Municipal Affairs and Housing. The Wellesley Institute reports: "spending at the housing ministry was \$926 million in 2005 and is projected to be \$703.9 million in 2009. That's a cumulative cut of \$657 million in the past four years - which more than offsets the \$585.3 million that the finance minister says the province will spend this year to match the federal housing dollars."

**ACTION REQUIRED:** From June through November, the Ministry of Municipal Affairs and Housing held a series of community consultations across the province on a new long-term affordable housing strategy. The Housing Network of Ontario (HNO) was actively engaged in the consultations, with members participating in consultation sessions across the province. In addition, the HNO tracked the comments and recommendations that were made at those hearings. In a report on the hearings, released November 16, 2009, the HNO lays out the following recommendations for Ontario's Affordable Housing Strategy:

- **Housing affordability for low-income Ontarians:** Decent, adequate and appropriate housing is unaffordable for many Ontarians. Measures must be

adopted to close the gap between housing costs and low incomes.

- **Supply and adequacy of affordable housing:** The number of affordable housing units must be increased, and ongoing funding is needed for new buildings, maintenance and repair.
- **Supports and programs for Ontarians to maintain and access affordable housing:** Some people need supports to fairly and equitably access and maintain affordable housing, including supportive housing, eviction prevention and housing retention programs.
- **Reform of social housing and residential tenancy legislation:** Existing legislation that governs social and private market housing needs to be reformed to better protect tenants and provide for flexibility for social housing providers.
- **Equity for historically disadvantaged communities:** Some groups in Ontario face higher levels of poverty and housing insecurity, and the strategy should include targeted measures to ensure equitably beneficial outcomes are achieved.
- **Coordination and cooperation:** A long-term affordable housing strategy that is part of the poverty reduction effort must include cooperation between different Ministries and levels of government in order to succeed.
- **Measuring success:** We need measures and targets to ensure that all Ontarians in need are able to equitably access adequate affordable housing.

The Housing Network of Ontario will be making specific recommendations for affordable housing investments in the 2010 provincial budget in the coming weeks.

**Make early learning and child care both universal and affordable.**

The Ontario government committed to implement full-day learning for four- and five-year olds, with part of the first phase of implementation focused on low-income neighbourhoods. On October 27, 2009, the government announced plans for phase-in of full-day junior and senior kindergarten starting in September 2010, with a goal of full implementation across the province by 2015. The government also announced that the Ministry of Education “will establish an Early Years Division, mandating it to develop a planning and policy framework that articulates a coherent vision for the education of, and supports for, children from zero to 12 years of age.” The Ontario Coalition for Better Child Care as well as individuals and organizations across the province have lauded the government’s action on this issue as being “a critical first step toward Ontario’s economic recovery and future prosperity”.

**ACTION REQUIRED:** A report issued in November by the Ontario Municipal Social Services Association shows that government must make a \$64 million commitment in the 2010 budget to prevent 7,600 children in low-income families across Ontario from losing their child care subsidies and to ensure 1,300 children with special needs continue to receive resource supports. This funding has been in place since a 2005 federal government transfer, but will run out as of April 2010.

Ontario Campaign 2000 estimates that the loss of these spaces will result in 10,000 parents across Ontario becoming unable to work, train, or look for work. And at least half of all communities in Ontario will experience even longer wait lists than before – not a wise move when people need supports during this recession.

Build a public education system that focuses on equitable outcomes. The Ontario government committed to:

- Triple the number of Parenting and Family Literacy Centres to 300;
- Invest \$10 million annually in an After School Program that will support children in high needs neighbourhoods;

- Make Learning Opportunities Grant funding more focused on helping low-income students who need it most;
- Encourage school boards to ensure that all students can participate in class activities, not just those who can afford it; and,
- Re-focus Parents Reaching Out Grants' funding to better help parents in higher-need areas participate in their child's education.

The Ministry of Education reports that, as of November 2009, there are currently 144 Parent and Family Literacy Centres across Ontario, which means the Ontario government is 22 per cent of the way toward reaching its commitment of tripling the number of Parenting and Family Literacy Centres to 300.

Government launched its After School Program on October 9, 2009, with the aim of having programs in 270 locations and reaching 15,500 children and youth.

To date, the government has not reported action on Learning Opportunities Grants, encouraging school boards to reduce financial barriers for students participating in class activities, or on refocusing Parents Reaching Out Grants.

**ACTION REQUIRED:** The Ontario government must take steps to ensure the creation of 156 more Parenting and Family Literacy Centres across Ontario, and must ensure that its other commitments are met. The government needs to take action on Learning Opportunities Grants, school activity fees and the Parents Reaching Out Grant and report publicly on action it has taken on these commitments.

### **Fund vibrant community-based programs that connect and enrich us.**

The Ontario government committed to a variety of important community initiatives:

- More than double funding for the Youth Opportunities Strategy, to over \$22 million annually.

- \$5 million annually in a Community Opportunities Fund to encourage neighbourhood revitalization.
- \$7 million annually in the development of a Community Hub Program, using schools as hubs that respond to community needs related to poverty reduction and student achievement.
- \$19 million more annually to enhance the Crown Wards success strategy with the goal of improving educational outcomes and smoothing their transition to adulthood.
- Target a portion of the Mental Health and Addictions Strategy to low-income youth who have severe mental illness and/or substance addictions.
- Develop culturally sensitive programs in communities with Aboriginal populations.

Budget 2009 provided more than \$35 million over two years to enhance the Youth Opportunities Strategy, including more than \$12 million annually on an ongoing basis. It also allocated \$3 million to establish Community Hubs in selected low-income neighbourhoods.

On November 12, 2009, the government announced the creation of seven new Crown Ward Education Championship Teams to offer mentorship, peer support, motivation, and guidance to Crown wards across the province. This doubles the number of teams in Ontario to fourteen. And on February 24, 2009 the government announced that the all-party Select Committee on Mental Health and Addictions will give input to the government's long-term Mental Health and Addictions Strategy, including a focus on children and young adults.

No announcements have been made on movement on the Community Opportunities Fund or on developing culturally sensitive programs for communities with Aboriginal populations.

**ACTION REQUIRED:** Action is required on all these commitments. Budget 2010 needs to include funding for the Community Opportunities Fund. It should also ramp up funding of the Community Hub Program. Government

should also create a specially-targeted Aboriginal Poverty Reduction Strategy to address the shameful situation of Aboriginal poverty.

In addition, more assistance should be provided to the non-profit community services sector to shore up the crucial supports they provide to people impacted by the recession. The government's poverty reduction strategy recognizes that "non-profit, charitable and voluntary organizations are integral to a poverty reduction strategy by delivering the programs and services that matter to people, by strengthening communities and making a positive contribution to the economy." But a recent report by the Social Planning Network of Ontario shows that these organizations are experiencing a brutal one-two punch experienced by the non-profit community services sector – increasing demand for services coupled with lost revenue from funding cuts, both driven by the economic downturn. The provincial and federal governments must work with communities to identify reforms and investments that will strengthen capacity in this sector.

**Support public and community transit. Improve access. Make it affordable.**

The Ontario government did not make commitments to support public and community transit and make it more accessible and affordable.

The government did, however, commit more than \$9 billion in capital funding for new transit projects in the Greater Toronto Area and Hamilton in 2009, and transferred \$321 million in gas taxes to systems across the province.

**ACTION REQUIRED:** While more capital money flows to the infrastructure of transit systems across Ontario, dedicated operating funding has not kept pace to make transit accessible and affordable. The rising cost of transit fares remains a serious barrier for people with low incomes. Increased provincial operating subsidies and a long-term plan to fund transit across the province are needed to

help ensure public and community transit is accessible and affordable. The federal government must also step up to the plate with a national urban transit strategy to ensure local public transit systems are affordable.

## TEST #4: LEGISLATION AND ACCOUNTABILITY

Tabling legislation that brings the plan into law and invites all parties to support Ontario's poverty reduction strategy. The Ontario government committed to introduce legislation in spring 2009 to enshrine an ongoing commitment to a long-term strategy. Bill 152, The Poverty Reduction Act was introduced into the legislature in the spring of 2009 and passed into law on May 6, 2009. The legislation requires Ontario to set a new poverty reduction target and plan of action at least every five years, and to consult regularly on its progress with low income people, groups at heightened risk of poverty, and other key stakeholders.

The legislation passed with all-party support. The government listened to and made amendments to the bill based on input from 25 in 5 as well as other community groups and the opposition parties. Amendments that were advanced and accepted by the government include: a commitment to reduce adult poverty alongside child and family poverty; a recognition of the need to address discrimination and the barriers faced by disadvantaged groups; a requirement that Ontarians and, in particular, low-income people, be involved in design and implementation of poverty reduction strategies; and, specific timelines for annual reporting to the legislature.

There were also amendments that were not accepted, including: a vision for a poverty-free Ontario; a commitment to an independent review; a commitment to strengthening Ontario's human rights laws and enforcement; and a requirement that all Ontario's laws, policies

and practices be consistent with the principles of poverty reduction outlined in the legislation.

**ACTION REQUIRED:** Stick to legislated commitments.

### **Cabinet Committee on Poverty Reduction**

The Ontario government committed to create a Cabinet-level committee tasked with implementing the Poverty Reduction Strategy and supported by a dedicated secretariat. This team would seek advice from external experts and be responsible for overseeing the implementation of decisions, annual reporting on progress, and ongoing consultations with key stakeholders and the public.

A *Results Team*, including members of Cabinet and advisors, has been created to oversee the implementation of the Poverty Reduction Strategy as well as the recommendations of the Roots of Youth Violence report. The Results Team includes: Minister Laurel Broten; Minister Madeleine Meilleur; Minister John Milloy; Minister Kathleen Wynne; Minister Gerry Phillips; Carol Mitchell, MPP; Mark Chamberlain; and Michael Mendelson. We have been told that this team receives support from Cabinet Office as well as the Ministry of Children and Youth Services, but no dedicated secretariat has yet been acknowledged.

**ACTION REQUIRED:** Stay the course and support the Results Team with a dedicated secretariat.

### **Annual public reporting on progress.**

The Poverty Reduction Act stipulates that the Annual Report be tabled no later than March 31, 2010 and each subsequent year.

**ACTION REQUIRED:** The Ontario government must ensure that annual reporting continues.

**Creating an Advisory Committee that includes grassroots leaders, experts, and people living in low income.**

No action has been taken to address this issue.

**ACTION REQUIRED:** The Ontario government should convene an advisory committee in 2010 that includes grassroots leaders, experts, and people living in low income.

### **Committing to ongoing public consultation as the plan unfolds.**

The Ontario government has committed to engage with people in their communities at the halfway point of the five-year target to make sure the plan is on track. In addition, the Poverty Reduction Act stipulates that the Minister responsible must hold public consultations as part of the development of new poverty reduction strategies at least every five years.

**ACTION REQUIRED:** The halfway point of the current strategy, when public consultation should take place, is early in 2011.

**As part of the Poverty Reduction Strategy, the government committed to create an independent Social Policy Institute.**

The 25 in 5 Network does not have information on the status of this commitment.

## **TEST #5: BUDGETARY ACTION**

The Ontario government reported the following initiatives in Budget 2009 as moving forward on poverty reduction:

- Accelerated increases to the Ontario Child Benefit;
- An increase to the refundable property and sales tax credits;
- Investments of \$700 million over two years for social housing rehabilitation; \$360 million to build affordable housing units for seniors and people

with disabilities; and, \$175 million to extend the Canada-Ontario Affordable Housing Program

- \$4.5 million annually to hire employment standards enforcement officers
- Adjusting social assistance rates for inflation, a two per cent increase.

**ACTION REQUIRED:** Ramp up investments in Poverty Reduction Strategy because making good on the province's commitment to reduce child and family poverty by 25 per cent in the next five years is key to addressing the challenges facing Ontario today and into the future.

**1. A focus on poverty reduction ensures that all hands are on deck ready to take part in Ontario's recovery strategy.** Policies to tackle poverty lay the foundation for a stronger, well-equipped workforce where all hands are on deck, ready to take on the challenges of a 21st century global economy. But right now programs such as social assistance are not as effective as they could be in providing unemployed Ontarians with the tools and skills that they need to participate more fully in economic and community life. A social assistance review is a necessary next step to ensure we can achieve maximum effectiveness and better outcomes for those who rely on these programs.

**2. Investments in affordable housing, early learning and social assistance will continue to stimulate the economy and help to prevent a longer recession.** Investments in social infrastructure economic stimulus helps stave off the worst of the recession and create jobs. We must stay the course and continue investing in infrastructure such as affordable housing and early learning and child care, along with strengthening the incomes of vulnerable families and adults, so that we can continue to make a difference in reducing poverty while stimulating demand in local economies across Ontario.

**3. Action on poverty reduction is crucial to support hard-hit Ontarians right now, so that we can ensure that we can all get back on our feet as quickly as possible.**

Chief among the more pressing priorities for 2010:

- **Social Assistance:** Progress on improving the province's deeply flawed social assistance programs has been stalled. The province had committed to review Ontario Works (OW) and the Ontario Disability Supports Program (ODSP) but to date there has been no action. In the meantime, punitive asset-stripping rules are forcing many of Ontario's unemployed to empty out their savings accounts and RRSPs to qualify for social assistance, making the impact of recession harder and longer than it needs to be. The incomes of people on OW and ODSP are dangerously below what is required to live in health and dignity. And far too many Ontarians are wrongfully refused Ontario Disability Supports.
- **More Stimulus Investments:** Continuing to move ahead on social infrastructure investments is critical not only to meet Ontario's poverty reduction goal but also to get the province's economy into full recovery mode. Affordable housing, early learning and child care, and income supports such as the Ontario Child Benefit and improved social assistance incomes are crucial to stimulating jobs and local economies by putting money into the hands of low-income Ontarians.
- **Affordable Public Transit:** Many municipalities facing budget problems during the recession are considering raising public transit fares, which will hit poor Ontarians the hardest. While more capital money flows to the infrastructure of transit systems across Ontario, the province and the federal government need to invest in a plan for dedicated, long-term operating funding to make transit accessible and affordable.

- **A Strategy for Disproportionately Poor Communities:** Women, Ontarians from racialized, immigrant, and Aboriginal communities, and people with disabilities are disproportionately poor. The province needs a poverty reduction strategy that reflects the systemic poverty within diverse communities – one that offers hope and opportunity for this and future generations.
- **Dental Care for Low Income Ontarians:** The province promised a new dental program for low-income Ontarians but full implementation of this commitment that ensures services are available to low-income adults as well as children has yet to take place.
- **A Jobs Strategy:** The Ontario government must ensure that a job is a pathway out of poverty. Maintaining previously scheduled minimum wage increases, boosting the minimum wage to \$11 in 2011, and indexing increases to inflation—as well as beefing up employment standards enforcement—are also vital. Retraining and education programs need funding that are sufficient to meet higher demands.
- **Listening to Lived Experience:** People living in poverty have expertise on actions that need to be taken to make life better. Government must create a community-based advisory committee to provide expert advice to the government’s Results Team.

## CONCLUSION

Right now, today, on our streets and in our neighborhoods, there are people hurting. People who never expected to find themselves without a job. People who are dealing with realities they never dreamed they’d face, and who now must make choices they never thought they’d have to make.

This scenario is playing itself out in towns and cities across Ontario, as more of us are out of work, E.I. benefits run out, expenses keep rising, and bills keep coming.

As we continue to endure the effects of the economic downturn, families are losing their footing, and the slide from middle class into poverty is becoming more of a reality. People are forced to use up their savings, sell their homes and cars, or not send their children to university. But all this may not be enough to forestall the inevitable.

Men, women and their children – people once accustomed to piling in the car on weekends to grocery shop – may well find themselves in a strange new world of food banks, welfare offices, case workers and homeless shelters.

Those more familiar with this terrain know that these new arrivals will experience a profound shock when they encounter the realities of our much-vaunted but inadequate social safety net.

Those for whom the hardship of the recession is nothing new know the programs and supports available to Ontarians are simply not geared to help people return to good jobs, to get back to productivity, to hang on to even a little of what they had before the fall. Much of the system we have – the system that should be helping to reduce and eliminate poverty – is still a reflection of a divisive time, when governments played into commonly held prejudices and assumptions about those living in poverty, blaming and shaming one segment of society already under the gun.

Government, good government, responsible government, has a strong role to play now in the lives of Ontarians.

Over the last two years, as the provincial government embarked on poverty reduction consultations and instituted this province’s first-ever poverty reduction strategy, we have seen real, positive change in the way the poor are portrayed. The province has committed to reduce the level of poverty, to take steps to ensure children don’t go to school or to bed hungry.

This is all to the good, and this report shows that we're making progress.

But there is so much more to be done – so much more our provincial government must do to meet the challenge of our economic times and fulfill the promises of poverty reduction. There is no better time than now.

There is such a hunger out there, in those who've just lost their jobs and those who've had over a decade of unemployment, in the recently dispossessed middle class worker and the second-generation welfare recipient. There is such a hunger for a meaningful life, for decent jobs, for a fair opportunity to rebuild and to contribute.

Ontario's economy – and its communities – needs everyone to be at their best, to be a part of the recovery and prosperity that will inevitably come. But if we make the wrong moves now, if we stop investing in poverty reduction and give in to calls to slash and to cut, that recovery and that prosperity will be delayed. And so we need to remove obstacles and tear down walls. We need to fundamentally change the way we've dealt with those mired in poverty – and those for whom poverty is a new and unwelcome threat.

The first step in moving forward, the most important and critical step, is to listen to the voices of experience, to

open up to new ideas and possibilities, to redesign the way we treat those in need.

The Social Assistance Review, promised and long overdue, has to be a major part of our efforts.

Continuing to move ahead on social infrastructure investments is critical not only for poverty reduction but also to continue the stimulus that our economy still needs. Affordable housing, early learning and child care, and income supports such as the Ontario Child Benefit and increasing social assistance incomes are crucial to stimulating jobs and local economies by putting money into the hands of low-income Ontarians.

Finally, we must ensure that a job is a pathway out of poverty. Sticking with minimum wage increases and delivering on further capacity for employment standards enforcement is key in this respect.

We have to do right by our neighbours, by our sons and daughters, by ourselves. And the Premier has to do right to keep the promises his government made. The time has come. The clock is ticking.

# YEAR ONE OF THE COMMITMENT – AT A GLANCE

In the fall of 2008, 25 in 5 called on the Ontario government to institute a poverty reduction strategy that would address five key areas of concern. These Five Tests for an Effective Poverty Reduction Strategy form the basis of our efforts to track the government’s progress on poverty reduction.

While Ontario’s poverty reduction strategy didn’t address all aspects of our five tests, it did make a series of important commitments. Progress on those commitments is tracked in brief in the following pages. More detail is available in the body of this report.

FIVE TESTS FOR A SUCCESSFUL POVERTY REDUCTION STRATEGY	GOVERNMENT’S POVERTY REDUCTION STRATEGY COMMITMENTS	RESULTS TO DATE
<b>TEST #1: A 25in5 TARGET</b>		
An overall target of reducing poverty by 25% in 5 years	Reduce the number of children living in poverty by 25 percent (90,000 children) over 5 years.	Set target for child poverty but not adult poverty. ●
<b>TEST #2: A SOLID MEASURING STICK</b>		
A clear way to measure progress: A lead income-measure combined with a set of additional indicators	Measure #1: School Readiness - Indicator: Early Development Instrument Measure #2: Educational Progress - Indicator: EQAO Score Measure #3: High School Graduation Rates - Indicator: Graduation Rates Measure #4: Birth Weights - Indicator: Healthy Birth Weights Measure #5: Depth of Poverty - Indicator: Low Income Measure (40%) Measure #6: Low Income Measure - Indicator: Low Income Measure (50%) Measure #7: Ontario Housing Measure - Indicator: Housing Measure Measure #8: Standard of Living - Indicator: Deprivation Index	The Low Income Measure (i.e. the number of people whose income is less than half of median income) will be the lead indicator for poverty reduction in Ontario – a positive move.  LIM data for 2008, the baseline for government’s poverty reduction target, will only be available from Statistics Canada in 2010.  While most of the indicators already exist, as of the writing of this report the government has not released information on the Deprivation Index and the Housing Measure they will use. ●
<b>TEST #3: POLICY SPECIFICS</b>		
<b>Sustaining Employment</b>		
Poverty-proof the minimum wage for full-time earners	Confirm previous commitment to raise minimum wage to \$10.25 an hour by 2010.	The minimum wage was raised to \$9.50 an hour in March 2009 and is scheduled to rise to \$10.25 in 2010. Next step should be to increase minimum wage to \$11 by 2011. ●

**LEGEND:** ? Insufficient information    ○ No action toward meeting the 25in5 Test    ● Partial fulfillment or work underway toward meeting the 25in5 Test    ● Fulfillment of Government Commitment & meets the 25in5 Test

**FIVE TESTS FOR A SUCCESSFUL POVERTY REDUCTION STRATEGY**

**GOVERNMENT'S POVERTY REDUCTION STRATEGY COMMITMENTS**

**RESULTS TO DATE**

Update and enforce employment standards for all workers.	Invest \$10 million annually to hire new Employment Standards Officers, improve Employment Standards Act compliance and reduce the backlog of claims.	Budget 2009 invested an additional \$4.5 million annually to hire more Employment Standards Officers.	⊙
	Propose legislation related to temporary help agencies.	Bill 139, The Employment Standards Amendment Act (Temporary Help Agencies) was passed on May 4, 2009 and came into effect November 6, 2009.	●
Create strong employment and pay equity programs.	No commitment was made.	The government remains silent, even though Ontario is in violation of United Nations pay equity standards.	○
Expand access to dental, drug and vision coverage.	Invest \$45 million annually to provide dental care for low-income Ontarians.	In January 2009, the Children in Need of Treatment (CINOT) program was expanded to include children up to age 18. In October 2009, the government invited public health units across Ontario to submit proposals for start-up funding to deliver a new Low-Income Dental Program, with children and youth as the first priority. Access must be expanded to provide services to low-income adults.	⊙
Make training and education real, meaningful and easy to access.	Invest \$2 billion over three years in Skills to Jobs Action Plan, including the Second Career Program (a retraining program for workers laid off since 2005) with a grant of up to \$28,000 to help pay for tuition fees, books and living expenses.	To cope with overwhelming demand, on November 13, 2009 the province announced new guidelines for the Second Career Program that involve family income testing. These new guidelines will limit access to re-training programs for many workers, including women.	⊙
Call on Ottawa to enrich the Working Income Tax Benefit.	Call on federal government to increase its support for the Working Income Tax Benefit.	The 2009 federal budget made some progress. Ontario has not yet responded to Ottawa's invitation to discuss tailoring the WITB to the provincial strategy.	⊙

**Livable incomes**

Close the gap between life on social assistance and moving out of poverty.	Review social assistance with the goal of removing barriers and increasing opportunity.	The review continues to be delayed.	○
	Fully exempt as income the earnings of persons on social assistance who are participating in post-secondary education.	Implemented January 2009.	●

**LEGEND:** ? Insufficient information ○ No action toward meeting the 25in5 Test ⊙ Partial fulfillment or work underway toward meeting the 25in5 Test ● Fulfillment of Government Commitment & meets the 25in5 Test

**FIVE TESTS FOR A SUCCESSFUL POVERTY REDUCTION STRATEGY**

**GOVERNMENT'S POVERTY REDUCTION STRATEGY COMMITMENTS**

**RESULTS TO DATE**

[cont'd] Close the gap between life on social assistance and moving out of poverty.	Extend the Up-Front Child Care Benefit to participants who may require support to maintain their participation in employment and employment assistance activities.	Implemented January 2009. ●
	Extend the time period to request an internal review from 10 days to 30 days.	Implemented January 2009. ●
	Look at our programs with a person-centred approach.	No action to date. ○
Make it easier for people with disabilities to get access to the Ontario Disability Support Program (ODSP).	No commitment was made.	No action to date. ○
Enrich the Ontario Child Benefit. Remove rules that claw the OCB back from people on social assistance.	Increase the Ontario Child Benefit to a maximum of \$1,310 per child per year.	The maximum benefit was raised to \$1,100 a year (from \$600) in July 2009, two years ahead of schedule. But social assistance benefits for people with children were restructured downward once again. ◎
Tighten the regulation of payday lending and other financial services.	No commitment was made.	Bill 48, the Payday Loans Act was passed on June 9, 2008. Various provisions of the Act came into effect on April 1 and July 1, 2009, tightening regulations on payday lenders and setting a maximum total cost of borrowing cap for payday loan agreements in Ontario of \$21 per \$100 borrowed. ◎
Call on Ottawa to expand coverage of Employment Insurance (EI) and enrich the Canada Child Tax Benefit (CCTB).	Call on the federal government to host a summit to discuss Employment Insurance modernization.	The Ontario government called on the federal government to expand EI coverage and enrich the CCTB when they released the Poverty Reduction Strategy and again when the 2009 provincial budget was released. ◎
	Develop and implement a Sustainable Procurement Strategy.	No action to date. ○
	Develop a Social Venture Capital Fund.	No action to date. ○
	Encourage social investment, innovation and collaboration.	Government has funded research by Social Innovation Generation at MaRS on social venture financing. ◎

**Strong and Supportive Communities**

Make housing easier to afford. Build it to suit people's needs. Keep it in good repair.	Stabilize the Provincial Rent Bank Program with dedicated annual funding of \$5 million.	Budget 2009 allocated \$5 million a year, beginning in 2009-2010 for municipal rent bank programs. ●
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**LEGEND:** ? Insufficient information ○ No action toward meeting the 25in5 Test ◎ Partial fulfillment or work underway toward meeting the 25in5 Test ● Fulfillment of Government Commitment & meets the 25in5 Test

**FIVE TESTS FOR A SUCCESSFUL POVERTY REDUCTION STRATEGY**

**GOVERNMENT'S POVERTY REDUCTION STRATEGY COMMITMENTS**

**RESULTS TO DATE**

[cont'd] Make housing easier to afford. Build it to suit people's needs. Keep it in good repair.	Institute a new 10-year, \$60 billion infrastructure plan, including social housing in 2009.	The infrastructure plan has not been released.	○
Make early learning and child care both universal and affordable.	Implement full-day learning for four- and five-year olds.	On October 27, government announced the phase-in of full-day junior and senior kindergarten for four and five year olds starting September 2010 with the goal of full implementation across Ontario by 2015. Part of the first phase of implementation will be focused on low-income neighbourhoods.	●
Build a public education system that focuses on equitable outcomes.	Triple the number of Parenting and Family Literacy Centres to 300.	The Ministry of Education reports that there are 144 Parent and Family Literacy Centres across Ontario as of November 2009.	●
	Invest \$10 million annually in an After School Program to support children in high needs neighbourhoods with new after-school programs and new initiatives focused on physical activity and wellness.	Launch of the program was announced October 9, 2009, with the aim of having programs in 270 locations and reaching 15,500 children and youth.	●
	Focus a portion of the Learning Opportunities Grant on helping low-income students who need it most.	No action to date.	○
	Encourage school boards to ensure that all students can participate in class activities, not just those who can afford it.	No action to date.	○
	Re-focus a portion of the Parents Reaching Out Grants funding to better help parents in higher-need areas participate in their child's education.	No public information is available on the status of this commitment.	?
Fund vibrant community-based programs that connect and enrich us.	More than double funding for the Youth Opportunities Strategy to over \$22 million annually.	Budget 2009 provided more than \$35 million over two years, including more than \$12 million annually on an ongoing basis, to enhance the Youth Opportunities Strategy (YOS).	●
	Invest \$5 million annually in a Community Opportunities Fund to encourage neighbourhood revitalization.	No action to date.	○
	Invest \$7 million annually in the development of a Community Hub Program, using schools as hubs that respond to community needs related to poverty reduction and student achievement.	Budget 2009 allocated \$3 million for 2009-2010 to establish Community Hubs in selected low-income neighbourhoods.	●

**LEGEND:** ? Insufficient information ○ No action toward meeting the 25in5 Test ● Partial fulfillment or work underway toward meeting the 25in5 Test ● Fulfillment of Government Commitment & meets the 25in5 Test

**FIVE TESTS FOR A SUCCESSFUL POVERTY REDUCTION STRATEGY**

**GOVERNMENT'S POVERTY REDUCTION STRATEGY COMMITMENTS**

**RESULTS TO DATE**

	Enhance the Crown Wards success strategy with the goal of improving educational outcomes and smoothing their transition to adulthood. Invest \$19 million more annually to support these kids as they leave care and make the transition to independence.	On November 12, 2009 the government announced that 7 new Crown Ward Education Championship Teams will offer mentorship, peer support, motivation, and guidance to Crown wards across the province. This doubles the number of teams in Ontario to fourteen.	◎
	Target a portion of the Mental Health and Addictions Strategy to low-income youth who have severe mental illness and/or substance addictions.	On February 24, 2009 the government announced that the all-party Select Committee on Mental Health and Addictions will give input to the government's long-term Mental Health and Addictions Strategy, including a focus on children and young adults.	◎
	Develop culturally sensitive programs in communities with Aboriginal populations.	No action to date.	○
Support public and community transit. Improve access. Make it affordable.	No commitment was made.	Capital investments and gas tax transfers have been made, but no sustained operating funding has been provided to address access and affordability.	◎

**Test #4: LEGISLATION AND ACCOUNTABILITY**

Table legislation that brings the plan into law and invites all parties to support Ontario's poverty reduction strategy.	Introduce legislation in spring 2009 to enshrine an ongoing commitment to a long-term strategy.	The Poverty Reduction Act (Bill 152) was passed into law with all-party support on May 6, 2009.	●
Carry on the work of the Cabinet Committee on Poverty Reduction and create a Poverty Reduction Secretariat that is responsible for bringing together various Senior Ministers, driving implementation, and tracking progress.	Create a Cabinet-level committee tasked with implementing the Poverty Reduction Strategy and supported by a dedicated secretariat.  This team will seek advice from external experts and will be responsible for overseeing: <ul style="list-style-type: none"> <li>• Implementing decisions;</li> <li>• Annual reporting on progress;</li> <li>• Ongoing consultations with key stakeholders and the public.</li> </ul>	In January 2009, a Results Team was created to oversee the implementation of the Poverty Reduction Strategy and recommendations from the Roots of Youth Violence report. The Results Team is chaired by the Minister of Children and Youth Services, includes members of Cabinet, MPPs and advisors, and receives staff support. No dedicated secretariat has been confirmed.	◎

**LEGEND:** ? Insufficient information   ○ No action toward meeting the 25in5 Test   ◎ Partial fulfillment or work underway toward meeting the 25in5 Test   ● Fulfillment of Government Commitment & meets the 25in5 Test

**FIVE TESTS FOR A SUCCESSFUL POVERTY REDUCTION STRATEGY**

**GOVERNMENT'S POVERTY REDUCTION STRATEGY COMMITMENTS**

**RESULTS TO DATE**

Annual public reporting on progress.	Report back every year to Ontarians on the indicators of opportunity.	The Poverty Reduction Act stipulates that the Annual Report be tabled no later than March 31, 2010 and each subsequent year.	●
Create an Advisory Committee that includes grassroots leaders, experts, and people living in low income.	No commitment was made.	The Government made no commitment to an Advisory Committee on poverty reduction either in the Poverty Reduction Strategy or in the Poverty Reduction Act.	○
Commit to ongoing public consultation as the plan unfolds.	Engage people in their communities at the halfway point of the five year target to make sure the plan is on track.	The Poverty Reduction Act requires the Minister to undertake public consultations as part of the process for creating a new poverty reduction strategy at least every five years. The halfway point of the current strategy, when public consultation should take place, is early in 2011.	◎
	Create an independent Social Policy Institute to <ul style="list-style-type: none"> <li>• Evaluate social policy, including economic evaluation;</li> <li>• Identify best practices in other jurisdictions for use in Ontario;</li> <li>• Work with international experts to develop innovation roadmaps for Ontario in specific areas of competitive strength, social policy and economic importance.</li> </ul>	No action to date.	○

**LEGEND:** ? Insufficient information   ○ No action toward meeting the 25in5 Test   ◎ Partial fulfillment or work underway toward meeting the 25in5 Test   ● Fulfillment of Government Commitment & meets the 25in5 Test

TEST #5: BUDGETARY ACTION

Continue to ramp up annual investments towards meeting the 25in5 target, beginning with a significant down-payment on poverty reduction in the 2009 budget.

Budget 2009

- Accelerated increases to the Ontario Child Benefit;
- Increased the refundable property and sales tax credits;
- Invested \$700 million over two years for social housing rehabilitation; \$360 million to build affordable housing units for seniors and people with disabilities; and, \$175 million to extend the Canada-Ontario Affordable Housing Program
- Set aside \$4.5 million annually to hire employment standards enforcement officers
- Increased social assistance rates by 2%.

Acceleration of the Ontario Child Benefit, which came into effect in July 2009, was an important policy both for poverty reduction and economic stimulus, putting an additional \$400 million a year into the hands of families struggling to get by. However, social assistance rates were once again adjusted downwards for families with children.



The indexed, refundable property and sales tax credit increases come into effect in January 2010, offsetting additional HST costs for low income households.

Budget 2009 included the promised funding to stabilize the Rent Bank Program. In addition, it designated \$700 million over two years to rehabilitate social housing and make it more energy efficient; \$360 million to build new affordable housing for low-income seniors and persons with disabilities; and \$175 million over two years to extend the Canada-Ontario Affordable Housing Program. While the government of Ontario has matched federal housing dollars, this is in the context of a multi-year decrease in funds for the Ministry of Municipal Affairs and Housing.

\$4.5 million annually for employment standards enforcement represents 45% of the government's commitment to invest \$10 million a year.

The 2% increase in social assistance is effectively an adjustment for inflation. It would take a 55% increase in social assistance rates to re-establish the purchasing power they had in 1993.

**LEGEND:** ? Insufficient information    ○ No action toward meeting the 25in5 Test    ● Partial fulfillment or work underway toward meeting the 25in5 Test    ● Fulfillment of Government Commitment & meets the 25in5 Test