

Draft: For Community Discussion

Blueprint for Poverty Reduction: Legacy for an Inclusive Ontario

November 2008



PREFACE

Call for Justice – Bishop Michael Bird, Anglican Diocese of Niagara

*“In the short term, **we realize that charity and compassion are essential when people are suffering and we will continue to respond to the needs of our neighbours.** But for too long, faith and community groups, individuals, volunteers and social service agencies and ministries have carried a disproportionate load in meeting the needs of individuals at the local community level . . .*

*We recognize that we all have a role to play to reduce poverty, **however, only government can accomplish the structural change** to law, programs and policies that are **essential for a successful poverty reduction strategy.** Only government can re-allocate the resources of society more equitably through its regulatory and taxing powers and increase its funding of social programs.*

Please hear our communities call for social justice.”

Letter to the Hon. Deb Matthews, June 2008

Commitment to Action – The Hon. Dalton McGuinty, Premier of Ontario

“Be assured that our government will continue to do everything that we can to help struggling families and to provide our children with opportunities for success.

*That is why, **by the end of 2008, our government will deliver a comprehensive, long term poverty reduction strategy, including targets and indicators.** Our first focus will be on child poverty, specifically ensuring that we break the cycle of poverty and give all of our children a chance at long-term success. . . .*

Our government looks forward to taking the next steps to fight poverty in Ontario and we look forward to continuing to work with all our partners.”

Letter to 25 in 5: Network for Poverty Reduction, October 1, 2008

THE IMPERATIVES OF POVERTY REDUCTION

❖ *A Social Imperative* -- Chronic Poverty is Corrosive to a Healthy and Inclusive Ontario.

- Nearly 1,300,000 residents of Ontario continue to live in poverty.
- Ontario remains the child poverty centre of Canada with nearly 43% of all poor children in the country (2006).
- More than 41% of Ontario children in poverty have one parent working full-year, full-time.
- There are disproportionately higher levels of poverty among Aboriginal peoples, women, racialized communities, and persons with disabilities.
- Research on the determinants of health confirms that poverty is strongly associated with severe illness, depression, abuse, and social instability.

❖ *An Economic Imperative -- Poverty Reduction Contributes to the Economic Health of Ontario.*

➤ A top quality labour force is a high priority for the future prosperity of Ontario (TD Economics, Sept. 2008).

➤ *“Our poverty reduction strategy is not only the right thing to do, it is critical for our future economic success. Ontario needs all of its citizens to be strong if we want to compete in the global economy. We cannot afford to let anyone fall behind.”*

Premier McGuinty, Letter to 25 in 5, Oct. 1, 2008

➤ A high quality of life is critical to attracting international investment and business to the province (Ontario International Trade Minister Pupatello as cited by Wolfe, The Wellesley Institute, 2008)

❖ *A Political Imperative -- Governments Across North America Recognize the Urgency of Poverty Reduction.*

- Provincial poverty reduction strategies are being pursued in Quebec, Newfoundland & Labrador, and Ontario, and are being explored in Nova Scotia and New Brunswick.
- 15 American states have adopted broad anti-poverty initiatives, including Connecticut and Minnesota, which have set specific poverty reduction targets.
- President-elect Obama has committed his administration to the “Half-in-Ten” goal for the US, taking the lead in North America on a *national* poverty reduction agenda.
- In Canada, four of the five federal parties had strong commitments to poverty reduction in the recent election.

❖ *A Fiscal Imperative* – Major Investment in Poverty Reduction is Fiscally Responsible Especially in Hard Times.

- A previous generation of Canadians living through the Depression accepted the necessity for governments to borrow for the war effort and to invest in post-war reconstruction and prosperity.
- Strengthening the incomes of vulnerable families and adults and investing in housing and child care will reduce poverty, and stimulate demand in local economies across Ontario.
- Ontario has the fiscal space to borrow for prudent investments in poverty reduction drawing from the current strength of provincial finances:
 - In 1999-2000, Ontario paid 17¢ on each \$1 of revenue for debt charges.
 - In 2007-2008, Ontario pays 9.3¢ on each \$1 of revenue for debt charges.

(*Ontario Economic Outlook*, October 2008)

THE BLUEPRINT

The Founding Declaration of the 25 in 5 Network outlined three main goals for poverty reduction in Ontario:

- sustaining employment >> good jobs and a living standard above poverty for any adult who works full-time, full-year.
- livable incomes >> adequacy and dignity for all Ontarians, including those unable to work.
- strong and supportive communities >> equitable access to essential resources and life opportunities.

The Blueprint is a framework for action designed to:

- identify the key components of a poverty reduction plan for Ontario
- mobilize local and cross-community support for provincial action on a multi-year plan.

The Blueprint outlines key expectations, highlights strategic priority areas, and proposes a three year action agenda.

KEY EXPECTATIONS

A. 25 in 5 Target – commit to a multi-year plan to reduce family and adult poverty by 25% in 5 years.

- A reduction of overall poverty in Ontario from 10% to 7.5%, with 325,000 fewer Ontarians living in poverty.
- A reduction of child poverty from 12% to 9%, with 80,000 fewer Ontario children living in poverty.

B. Benchmark Indicator – adopt the Statistics Canada Low Income Measure [LIM] to monitor progress on the 25 in 5 target, and enable International comparisons.

C. 50 in 10 Target – commit to develop strategies for a 50% reduction of family and adult poverty in 10 years.

D. Outline Goals, Propose Action and Monitor Progress in High Priority Areas Critical to Poverty Reduction.

- **Assure that all parents and adults working full-year, full-time can have a living standard above poverty.**
- **Make a significant reduction in the number of lower income households that are paying more than 30% of gross income on rent and utilities.**
- **Establish timetables to eliminate the gap between incomes on social assistance and the benchmark poverty indicator.**
- **Develop population specific targets and strategies to address disproportionately higher levels of poverty among racialized communities, Aboriginal peoples, lone mothers, and persons with disabilities.**

E. Enshrine Poverty Reduction into Legislation and Establish Accountability Structures.

- Introduce an all-party *Poverty Reduction Act*, as in Quebec, that commits both the government and legislature to a multi-year strategy.
- Create an Advisory Committee to include people living on low incomes, and commit to ongoing community consultations and annual reporting.
- Continue the work of the Cabinet Committee on Poverty Reduction and create a Secretariat to bring ministries together.

F. Demonstrate a Serious Commitment to Invest in Poverty Reduction.

- Scaled to the population of Ontario, **Quebec made the equivalent of \$1 billion of new annual investments** in poverty reduction during the early years of their plan, excluding new investments made in child care.
- We expect significant investments in the 2009 Ontario budget for poverty reduction, to initiate and advance key elements of the multi-year plan.
- Annualized investments in the 2011 Ontario budget should be sufficient to meet the 25% reduction target in 2013.

STRATEGIC PRIORITY AREAS

Ontario must make full use of its statutory, regulatory and fiscal powers and broad public influence to achieve poverty reduction targets and goals in the following areas:

SYSTEM RESTRUCTURING

>> establish standards and promote practices in labour markets, public institutions, and community life that contribute to adequacy, equity and inclusion.

PUBLIC INVESTMENT

>> provide a social floor of income and resources to help people live out of poverty.

FEDERAL ACTION

>> ensure that the federal government provides direct income support to families and adults, and contributes to provincial investments in areas of shared responsibility for poverty reduction.

❖ *Four Priority Areas for System Restructuring:*

A. Labour Market

- Poverty proof the minimum wage to \$11/hr in 2011 & index thereafter.
- Enhance and extend employment standards for workers in precarious jobs and hire 100 additional inspectors for stronger enforcement.
- Restore card certification to strengthen the collective voice of workers.
- Restore & enhance successorship rights in the *Labour Relations Act*.
- Establish an Employment Equity Office to develop the operational foundation for a comprehensive employment equity program.
- Reactivate and resource pay equity policies in Ontario.

B. Social Assistance

- Undertake a one year review to transform OW and ODSP into programs have poverty reduction as a stated objective.
- Mandate the review of OW to incorporate coordinated strategies of support, training, and career preparation that can help people leave OW for jobs that lift them out of poverty.
- Remove restrictive barriers to ODSP eligibility and end wasteful appeals.
- Base the design of both OW and ODSP on a human capital approach, replacing punitive rules that entrench poverty with positive incentives and supports that lead to vocational paths and community integration.

C. Addressing Historical Disadvantage

- Establish an Equity and Anti-Racism Directorate within the Government of Ontario to embed equity frameworks and practices across all ministries and within the broad public sector.**
- Collect and track disaggregated data to identify differential impacts of poverty among all historically disadvantaged populations.**
- Work with education, training, employer and labour organizations to develop strategies that enhance the employment and life prospects of historically disadvantaged adults and youth.**

D. Public Education and Poverty Reduction

- Review uses of the Learning Opportunities Grant [LOG] to ensure that all LOG funding to school boards is targeted to disadvantaged students.**
- Provide designated funding through LOG to programs that work with low income families and neighbourhoods to promote learning.**
- Ensure that schools and their communities have the resources required to pursue recommendations of the McMurtry-Curling report highlighting the links between poverty, racial exclusion and youth violence.**
- Improve access to secondary school completion options and to post-secondary pathways of training, education and career preparation.**

❖ *Four Priority Areas for Public Investment:*

A. Income Support

- Increase the maximum Ontario Child Benefit payment to \$1500/child (indexed) from the current commitment of \$1100/child, ensuring that all families get full benefit of the improvement.
- Introduce a \$100/month food supplement in 2009 to alleviate chronic cycles of hunger experienced by adults on social assistance.
- Introduce an indexed Ontario Housing Benefit for all lower income families and adults to ensure that shelter costs do not exceed 30% of gross income.
- Institute full indexation of social assistance payments.
- Provide support allowances for extended skills training, education and vocational planning for parents, youth and adults on social assistance.
- Extend dental, drug, and vision coverage to low income workers.

B. Social Housing

- Introduce a multi-year program of public investments to construct 8,000 affordable housing units each year across Ontario.
- Provide ongoing investments sufficient to repair existing social housing stock.

C. Community Initiatives

- Introduce a Community Opportunities Fund to strengthen the capacities of organizations, networks, and peer groups for local engagement, support and inclusion.**
- Set up a Community Services Partnership Program that strengthens the core funding of voluntary and community agencies engaged in poverty prevention and alleviation.**

D. A Robust System of Early Childhood Education and Care: Universal, High Quality, Affordable & Not-for-Profit

- Cap parent fees and increase spaces to recognize the essential role of child care in poverty reduction.**
- Provide adequate core funding directly to child care centres.**
- Improve the wages and benefits of child care workers.**
- Develop a public investment plan to expand nonprofit child care programs.**

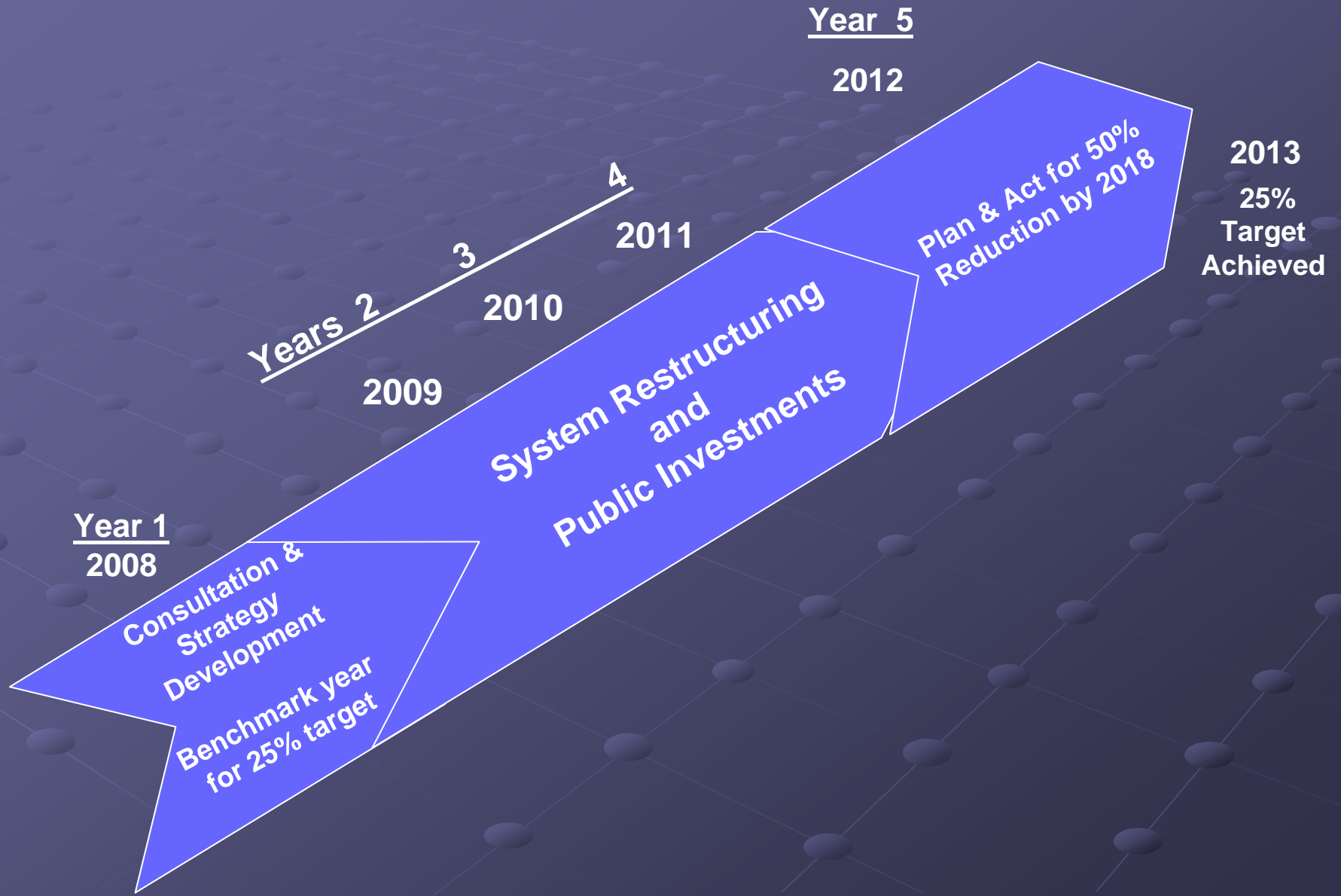
❖ *Four Priority Areas for Direct Federal Income Support:*

- A. Reverse the serious erosion of access to Employment Insurance benefits in Ontario, where only three out of ten unemployed workers are able to receive support.**
- B. Raise the maximum Child Benefit payment to \$5200 per child (\$2008) to reflect the cost of raising children for families on low incomes.**
- C. Enhance the Working Income Tax Benefit to \$2400/yr with benefit reduction schedules to start only when net earnings have taken the worker out of poverty.**
- D. Introduce a basic income system for persons with disabilities similar to that afforded seniors.**

A THREE YEAR ACTION AGENDA

- **Communities across the province have become the lead guardians of the Ontario Poverty Reduction Strategy and must ensure that it stays on track.**
- **Ontario communities can use the Blueprint and work together to monitor and hold accountable provincial and federal government action on poverty reduction.**
- **The development of local community blueprints with targets and actions can strengthen the engagement of people and help with the mobilization of local resources to address conditions of poverty particular to communities and regions.**
- **Success in meeting the 25% poverty reduction targets will require campaigns of concerted action on strategic priorities in the three-year period from 2009 to 2011.**

❖ *Critical Timeframes for Poverty Reduction:*



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