

# Policy Framework for Poverty Reduction in Ontario: Structural Priorities and Lead Policy Initiatives

July 2008

Social Planning Network of Ontario



# **Poverty Reduction: *Seizing an Historic Moment***

- ❖ **Ontario Government commitment to pursue a poverty reduction strategy with targets and indicators within its current mandate.**
- ❖ **Development & implementation of poverty reduction strategies in other provincial jurisdictions (Quebec, Newfoundland & Labrador).**
- ❖ **Strong election commitments by federal Liberals and NDP to pursue bold poverty reduction initiatives in the next Parliament.**
- ❖ **The UK Poverty Reduction plan based on targets and timetables moved 600,000 children out of poverty in the first five years.**
- ❖ **Introduction and adoption of a US Poverty Reduction Plan called Half in Ten by the leading Democratic presidential candidate.**
- ❖ **Emergence of the acclaimed Nordic model – lowest levels of child poverty, high public investments, while building the most competitive and productive economies in the OECD.**

# Poverty Reduction: What is it?

## ❖ Poverty reduction is about:

- making serious progress on the eradication of poverty in our society.
- creating civic communities of human dignity and social inclusion.

## ❖ Successful poverty reduction strategies must:

- lead to structural changes both in existing living conditions and in pathways to better life outcomes,
- go beyond improvements in current social programs,
- avoid a charity model of social stigma and bare minimums.

# **Poverty Reduction: What do we expect?**

***Seek an Ontario Government commitment to introduce a multi-year Poverty Reduction Plan in the 2009 provincial budget, outlining specific measures to lower Ontario poverty levels by 25% before 2013, and by 50% before 2018.***

# Core Foundations of a Poverty Reduction Strategy

*Upgrade Living  
Conditions ...*

*... Through the Assurance of  
Decent Household Incomes  
and  
Basic Life Opportunities*

*Strengthen Local  
Supports ...*

*... Through Building Strong  
and Stable Community  
Infrastructures that  
Include & Engage  
Vulnerable Populations.*

# Proposed Common Priorities

## *Upgrade Living Conditions*

Assurance of  
Decent Household Incomes  
and Basic Life Opportunities

### *Sustaining Employment*

- *Any parent or adult working full-time, full-year for 30 or more hours a week (1,500 hrs/yr) can have a decent standard of living above poverty.*

### *Livable Incomes*

- *Support for a life of dignity and adequacy out of poverty for parents & adults in partial employment, or unavailable for employment due to temporary difficulties or disabilities.*

### *Essential Goods*

- *Access to enabling social resources such as affordable housing, transit mobility, child care, inclusive schools, continuing education, credential certification, unemployment and health benefits.*

# Lead Policy Initiatives

## Sustaining Employment:

### *Ontario*

- ❖ A *poverty proof* minimum wage indexed to \$10/hr in 2007 and reaching \$11/hr in 2011.
- ❖ Enhance & enforce strong employment standards.
- ❖ Restore card certification to strengthen the collective voice of workers.
- ❖ Create strong employment and pay equity programs.

### *Federal*

- ❖ Work Tax Credit of \$2,400 to protect take-home pay of working poor.

## Livable Incomes:

### *Ontario*

- ❖ *Close the gap* – adopt a timetable to ensure that people in need of social assistance can live out of poverty.
- ❖ Harmonize benefit reduction schedules on income-tested programs for the working poor.

### *Federal*

- ❖ An indexed Child Benefit of \$5,100 (2007\$) for each child in lowest income families.
- ❖ Introduce a basic income system for people with disabilities similar to that afforded seniors.

# Lead Policy Initiatives

## Essential Goods:

### *Federal and Ontario*

- ❖ Make major investments in:
  - the construction & maintenance of affordable housing units;
  - regional and community transit systems that support daily living and working needs;
  - public systems of early learning and child care.
  
- ❖ Introduce:
  - a housing allowance outside of social assistance to benefit all people with lower incomes;
  - drug, dental and vision coverage for all Ontarians.

### *Federal*

- ❖ Restore and improve Employment Insurance coverage for all adults in Ontario.

### *Ontario*

- ❖ Fund joint school board and community strategies to reduce youth drop-out rates.
- ❖ Introduce living allowances for special periods of training and education as required.
- ❖ Promote full access to trades and professions for all workers.

## **Second Core Foundation:**

## ***Strengthen Local Supports***

**Improve the capacity of excluded populations for equitable access to employment, income, and opportunity resources.**

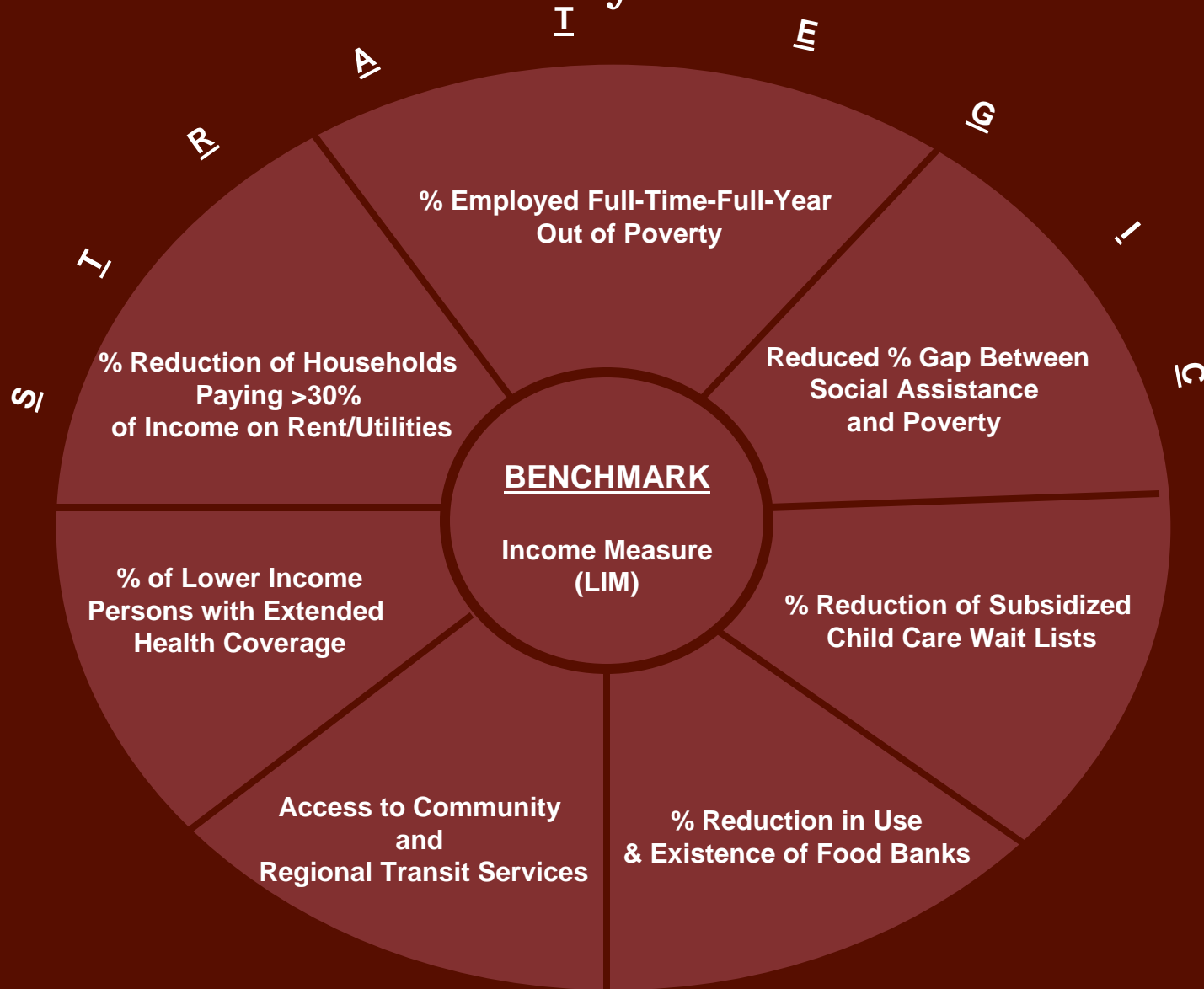
- ❖ **Vulnerable populations with high levels of poverty:**
  - ***women alone with children***
  - ***Aboriginal peoples***
  - ***racialized minorities***
  - ***people with disabilities***
  - ***recent immigrants & refugees***
  - ***victims of domestic violence***
  - ***persons with mental health & addiction problems***
  - ***homeless adults & families***
  - ***adults with limited literacy***

- ❖ **Build strong and stable community infrastructures:**
  - **Core funding for networks of neighbourhood, ethno-racial, & voluntary agencies to develop and sustain engagement & advocacy.**
  - **Responsive public services in priority areas such as food security, recreation, settlement programs, and crisis support.**

# Perspectives on Poverty Indicators

- ❑ There must be a recognized *benchmark indicator* for an Ontario poverty reduction strategy to ensure transparency and accountability.
- ❑ Canada has two well-established and widely accepted *indicators* of poverty
  - Low Income Cut-Offs (LICO)
  - Low Income Measure (LIM)
- ❑ LICO is an indicator of relative hardship
  - identifies households with insufficient income for necessities, contingencies and amenities based on average living standards.
  - uniquely Canadian indicator, *allows for historical comparisons*.
- ❑ LIM is an indicator of exclusion
  - identifies percent of adults and children living below 50% of median income for their group.
  - similar to European Union and United Nations definitions of income poverty, *allows for international comparisons*.
- ❑ Strategic indicators can be developed to highlight levels of social progress in areas of structural and developmental significance

# Structural Wheel of Benchmark and Strategic Indicators on Poverty Reduction



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