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ONTARIO'S POVERTY REDUCTION STRATEGY UPDATE – PRELIMINARY REVIEW

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report dated December 17, 2008, from the Commissioner of Community and Health Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Commissioner of Community and Health Services report back on the implications of key initiatives of Ontario's Poverty Reduction Strategy for programs and services delivered by The Regional Municipality of York.
2. This report be forwarded to Health and Emergency Medical Services Committee for information.

2. PURPOSE

On December 4, 2008 the Province released its Poverty Reduction Strategy "*Breaking the Cycle of Poverty*" (Attachment 1 www.growingstronger.ca). In this Strategy, the Province sets a target of reducing the number of children living in poverty by 25 percent over 5 years.

This report provides a general overview of poverty in York Region, an outline of the key initiatives in the Ontario Poverty Reduction Strategy and the Region's contribution to the provincial consultations in developing this Strategy. As well, for Council's information, attached are major research reports that provide some additional context to Ontario's Poverty Reduction Strategy.

3. BACKGROUND

York Region was involved in the provincial consultations to develop Ontario's Provincial Poverty Reduction Strategy

In 2007, the Ontario Government committed to develop a long-term strategy for reducing child and family poverty through a new Cabinet Committee on Poverty Reduction led by the Minister of Child and Youth Services, the Honourable Deb Matthews.

The Cabinet Committee on Poverty Reduction conducted public consultations in 2008 to gain input from people living on low-income, community groups, service providers, business and faith groups, and civic leaders on issues and solutions to address poverty.

On June 19, 2008, through the adoption of Clause No. 1 of Report No. 5 of the Community Services and Housing Committee, Regional Council endorsed ten key policy directions to support regional participation in the development of Ontario's Poverty Reduction Strategy. These policy directions touch on key areas such as affordable housing, child and family services, support to vulnerable seniors, employment supports and income security, public health interventions and local planning.

The policy directions contained in that report to Council were subsequently used by the Association of Municipalities of Ontario as a platform for providing feedback to the Province.

The Community and Health Services Department, on behalf of York Region, also took part in municipal roundtable discussions with Minister Matthews as part of the provincial consultations.

Research has shown that poverty is complex with many effects on society

Poverty is an extremely complex condition with economic, cultural, social and institutional roots that result in social, health and economic costs to society. These roots include:

- barriers to employment such as lack of affordable child care, accessible transit, recognition of foreign credentials
- high cost of basic needs such as affordable housing, utilities or food
- systemic barriers such as regulations for transitioning from Ontario Works to the labour market
- lack of opportunities either through lack of job skills or education, often this is associated with intergenerational poverty

It disproportionately affects certain populations such as people with disabilities, children, single parents, Aboriginals and new Canadians. For many, a loss of a job, a sickness or health issue, a family breakdown, or another major crisis or life event can trigger a spiral into longer-term poverty if supports are not available.

There is considerable evidence and research that shows there is a relationship between poverty and poor health outcomes, social isolation, lower productivity, lower educational attainment, increased criminal activity and the ability for children to succeed. This underscores the importance of why preventing and eradicating poverty is so important to the success of communities.

The following major research reports help outline the root causes of poverty, the impact that these causes are having on our communities, and why it is important that they are addressed:

- ***Cost of Poverty – An Analysis of the Economic Cost of Poverty in Ontario, Ontario Association of Food Banks, November, 2008 (Attachment 2 www.oafb.ca)***

This report provides an economic analysis of the cost of poverty and estimates that poverty costs Ontario \$38 billion a year through remedial costs – such as crime and health care costs, lack of opportunities and lost productivity. This report focuses on the return on investment that certain policies and programs such as early childhood programs and programs that improve literacy for adults and that are geared towards the root causes of poverty.

- ***Greater Trouble in Greater Toronto - Child Poverty in the GTA, Children's Aid Society of Toronto, December 2008 (Attachment 3 www.torontocas.ca)***

This study examines low-income trends among children (age 0 – 17 years) and their families living in the Greater Toronto Area (GTA). Key findings indicate that a greater share of the GTA's children that live in poverty has shifted to Peel and York Region and a 30-year upward trend in child poverty rates in the Toronto Census Metropolitan Area. According to this report, one in seven children in Richmond Hill and one in six children in Markham live in poverty.

- ***Losing Ground – The Persistent Growth of Family Poverty in Canada's Largest City, The United Way of Greater Toronto, November 2007 (Attachment 4***

www.unitedwaytoronto.com/whoWeHelp/reports/pdf/LosingGround-fullReport.pdf)

This report identifies a growing number of low-income families living in Toronto and the factors that put them at risk. Specifically, it notes that the situation facing the 905 areas today are reminiscent of the challenges that emerged more than 25 years ago in Toronto.

These reports identify common building blocks needed for an effective poverty reduction strategy that are consistent with the ten key policy directions recommended by Regional Council. The Ontario Poverty Reduction Strategy addresses some of these issues but some areas are still yet to be addressed such as affordable housing.

4. ANALYSIS AND OPTIONS

Poverty is a growing issue in York Region

Although York Region is one of the more affluent communities in Ontario, according to the 2006 Census about one in eight, or 112,500 residents face (or are at risk of facing) economic hardship due to low-income (based on before-tax Low-income Cut-Offs). This represents an increase of 55 percent from the 2001 Census. This would be equivalent for a family of four living in York Region with a household income of \$33,251 or less.

In addition, between 2001 and 2006 key vulnerable groups have been increasing in York Region at a rapid rate including:

- Lone parents increased by 35 percent. As of 2006 there are 30,565 lone parent families in York Region.
- As of 2006 there are 46,460 *recent* immigrants living in York Region – these are resident who immigrated to Canada within the last five years.
- People with disabilities are estimated to have increased by 55 percent. There are approximately 140,000 people with disabilities living in York Region based on a projection from the 2006 Participation and Activity Limitation Survey (PALS).

In addition, as of 2006, about 29 percent (32,477) of all the residents living below the Low-income Cut-off are children less than 18 years of age. This is an increase of 62 percent from 2001. The map and table (*see Attachment 5*) indicates that all municipalities, with the exception of East Gwillimbury, have seen an increase in the number of children living in poverty. The child poverty rates are highest for Markham and Richmond Hill.

These trends are showing that York Region is at a similar cross-roads today as Toronto faced over 30-years ago. The challenge for the Region will be to identify the strategic directions that are needed now that will take York Region down a road that results in a continued high quality of life.

Ontario's Poverty Reduction Strategy focuses on child poverty

The Province has developed a long-term poverty reduction strategy that focuses on children and their families. Ontario's Poverty Reduction Strategy will reduce the number of children living in poverty by 25 percent over 5-years – lifting 90,000 kids out of poverty.

To track the progress of the Strategy, the Province will be reporting annually on key indicators such as income levels, school success, healthcare and housing. Further analysis will be required to understand how these indicators will be collected and translated in York Region.

Key initiatives announced in the Ontario Poverty Reduction Strategy will result in \$1.4 billion in provincial investments

The Strategy includes an annual provincial investment of \$1.4 billion at full implementation. Key initiatives of the Strategy include:

- Increasing the Ontario Child Benefit to \$1,310 per child. The Ontario Child Benefit gives financial support to low-income families.
- Investing in the creation of a new After School Program that will support children in high needs neighbourhoods.
- Enhancing the Crown Wards Success Strategy to support kids as they leave care and make the transition to independence.
- Expanding the Youth Opportunities Strategy to give kids in priority neighbourhoods more access to skills training and mentorship.
- Stabilizing Provincial Rent Bank Funding which provides temporary financial assistance to people facing possible eviction.
- Establishing a Community Opportunities Fund to encourage neighbourhood revitalization through partnerships between local business, governments, volunteers, community agencies and residents.
- Hiring of new employment standards officers, improve *Employment Standards Act* and reduce the backlog of claims.
- Establishing a Social Policy Institute that will evaluate social policy and identify best practices in other jurisdictions.

The Strategy also restates a number of commitments that were previously announced in the 2008 Ontario Budget, including:

- \$45 million annually to provide dental care for low-income Ontarians. This will include \$28.3 million over the next three years (or \$9.4 million annually) for the expansion of the Children in Need of Treatment (CINOT) to provide emergency/essential dental care free-of-charge to children age 17 and under in low-income families, up from the current maximum age of 14. The York Region Public Health Branch will be preparing a report specific to this program expansion and the funding implications for York Region in February 2009.
- Doubling the investment in Student Nutrition Programs to provide healthy meals and snacks for children in school so they are ready to learn.
- One-time funding to assist with repairs to about 4,000 affordable housing units across the province.

Ontario's Poverty Reduction Strategy identifies a role for municipalities

The Strategy identifies transportation and recreation as two areas for municipalities to have an opportunity to make an important contribution.

The Province is also asking municipal governments to explore the creation of service hubs that offer a range of supports in accessible locations.

The Province has “challenged” all communities to work collaboratively with business leaders, community agencies, activists and municipal governments to come together to reduce poverty. The Strategy commits \$5 million annually in a new Community Opportunities Fund to give local leaders support to coordinate neighbourhood revitalization projects that will support this work.

The Province requests Federal support

Through the Strategy the Province also continues to advocate for the Federal Government to:

- Change the Employment Insurance program.
- Enter into a renewed Early Learning and Child Care Agreement.
- Continue its commitments to the Affordable Housing Program.
- Continue its commitments to Aboriginals through the Kelowna Accord.
- Double the amount of the Working Income Tax Benefit, a refundable tax credit available to low-income individuals for families, to \$2,000 a year per family.
- Increase the National Child Benefit Supplement by \$1,200 per child.

The media has reported that this will cost the Federal government \$1.5 billion. However, the Federal government has not made any funding commitments in this area.

What the Poverty Reduction Strategy may mean for child poverty rates in York Region

Even if the target set by the Province to reduce child poverty by 25 percent is met, in the unlikely event that this population remains static, it would bring the number of children living below the low-income cut-off down to just over 24,000 children – still higher than the number in 2001. This underlines the importance of continuing to support programs for our low-income residents such as affordable and accessible transportation, child care supports, affordable housing and other regionally delivered programs that address and prevent poverty.

Community and Health Services will be developing a multi-year plan that will incorporate Poverty Reduction Strategy initiatives

In response to the current economy and the job losses in the Region, and to put in place some key interventions to help our more vulnerable residents, staff will be recommending

in early 2009 some proposed immediate, short-term early investment options for Council's consideration. These will be aimed at helping to keep more vulnerable residents from falling between the cracks and keep them contributing to our economy and communities.

For the medium-term to longer-term, staff will also be bringing forward to Council in early 2009, a proposal to develop a Community and Health Services multi-year plan for the Department's mandated and Council approved programs and services. The purpose of the multi-year plan will be to provide strategic directions to help guide future Community and Health Services investments and program development.

It is envisioned that the multi-year plan will focus on the provision of coordinated service responses that are people-centred and that will provide stability, housing, employment and family and health supports that will be responsive to demographic trends and socio-economic characteristics, unforeseen economic events, and new policy directions from other levels of government. The Poverty Reduction Strategy initiatives will be key factors influencing the directions within the multi-year plan.

5. FINANCIAL IMPLICATIONS

Specific provincial funding allocations for York Region under the Strategy are unknown at this time. Once more information is known, funding amounts and requirements will be reported to Regional Council by applicable program areas.

6. LOCAL MUNICIPAL IMPACT

Ontario's Poverty Reduction Strategy identifies that local municipalities can play an important role in reducing child poverty.

More information regarding the role of local municipalities will be included in a future report to Regional Council, which will provide more details on the Strategy, and what it might mean for York Region.

7. CONCLUSION

Overall feedback on the Poverty Reduction Strategy has been positive. Both the Ontario Non-Profit Housing Association and the Ontario Municipal Social Service Association were involved in the provincial consultations that led up to the release of the Strategy. Both associations are pleased with the Poverty Reduction Strategy as it provides a strong foundation for future action.

There are some concerns however; recent media reports indicate that the Federal government has not made any firm financial commitments towards the Strategy. The

Strategy, however, relies heavily on the Federal government to help achieve the provincial goal of reducing child poverty by 25 percent. It has also been pointed out that this Strategy will have no immediate, practical impact on the day-to-day lives of persons living in poverty.

Also, although the Province will be establishing a Cabinet-level committee and a Secretariat to oversee the implementation of the Strategy, there is no clear work plan on when or how a number of the initiatives will be implemented.

The Community and Health Services Department will conduct a more detailed review of the Strategy and a report will be prepared on the implications of the Strategy for York Region in early 2009.

For more information on this report, please contact Cordelia Abankwa-Harris, Managing Director, Strategic Service Integration and Policy Branch at extension 2150.

The Senior Management Group has reviewed this report.

(The five attachments referred to in this clause are attached to this report.)