



RESPONSE TO TO THE
ONTARIO MINISTER OF
COMMUNITY AND SOCIAL
SERVICES:

INCOME SECURITY:

A ROADMAP FOR CHANGE

Friday, January 5th, 2018

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Introduction

“All individuals are treated with respect and dignity and are inspired and equipped to reach their full potential. People have equitable access to a comprehensive and accountable system of income and in-kind support that provides an adequate level of financial assistance and promotes economic and social inclusion, with particular attention to the needs and experience of Indigenous peoples.” – Income Security: A Roadmap for Change

The staff, board, and volunteer members at the Halton Poverty Roundtable appreciate the opportunity to provide feedback on the recommendations of the “*Income Security: A Roadmap for Change*” (*Roadmap*) report. We commend the Ontario Government on the inherent spirit of the *Roadmap*. The powerful guiding principles lay the foundation for a strong future state, and will serve as ultimate benchmarks for measuring the success of a restructured system. The guiding principles are:

- Income adequacy;
- The realization of rights;
- Reconciliation and respect for Indigenous peoples;
- Easy access to comprehensive, culturally safe and trauma-informed services
- Economic and social inclusion;
- Equity and fairness, including the recognition of differential experience of poverty and the role of historical systemic disadvantage and structural racism in the creation of poverty;
- Sustainability of investment by government and respectful systems of accountability; and
- Ensuring all people are treated with respect and dignity.

This *Roadmap* has the potential to transform income security programs that affect the lives of hundreds of thousands of low-income people in Ontario. The key to this transformation is to move beyond the words, so eloquently written in the *Roadmap*, to acting on the recommendations inherent in the *Roadmap*, as well as any innovative and viable responses that follow from community feedback. We also acknowledge the Ministry for recognizing the need for a much needed human rights-based equity lens approach to serving vulnerable populations.

Poverty in Halton

At first glance, the headlines about the Halton Region present an affluent suburban oasis, nestled between Toronto and Hamilton, two urban centers with a well-documented low-income population. The City of Burlington has been named the best mid-sized city in Canada for the last five years, and yet, Mayor Rick Goldring acknowledges that is one of the most important challenges his city must address ([Inside Halton](#), 2013). Between 2006 and 2013, the number of low income families grew twice as fast (35.7%) as the number of families overall (17%), to 11,750 (Community Development Halton, [Community Lens #112](#), 2016). In 2016, the number of clients being served grew 28% to 38,000/month (Food for Life, [2016 Annual Report](#)). According to Community Development Halton, One in ten children in Halton live in low income households. This means that over 13,500 children are living in low income household, with 12.4% living in Oakville, 11% in Milton, 9.3% in Burlington, and 5.9% in Halton Hills ([Community Lens #131](#), 2016)

The HPRT has been working to eliminate poverty in Halton since 2011. We are a multi-sector and collaborative catalyst that brings together resources and partners around innovative and systems-focused solutions to poverty. The HPRT embraces income security solutions because of the members at our table with the lived experience of poverty. Their voices have been telling us for the over six years that we have been working together, that it's not just about providing sub-par and dis-incentivizing social assistance supports, shorter housing waitlists, and more food banks. It's about having the dignity of choice, the dignity of being able to thrive, and to be able to fully participate in all aspects of community life. We know that:

The social assistance system was designed in the late 1990s to be deliberately inadequate, punitive and coercive. Ontario Works presumes that everyone is employment ready, and doesn't recognize barriers to employment such as caregiving, racism, trauma, family violence and the many other factors that leave people economically vulnerable and socially isolated. ODSP is very difficult to access. No support is provided to people applying for ODSP, which requires completion of a lengthy application package and verification of disability often by numerous medical professionals. People can spend upwards of two years proving their disability, given the difficult initial application process and the very common situation of denial, internal review, and appeal to the Social Benefits Tribunal. This lengthy and alienating process damages self-esteem, makes people sicker, and increases their distance from the labour market, undermining their ability to enter or re-enter the workforce. Neither OW nor ODSP provides adequate services to support people's individual ambitions and goals, whether those goals are related to work or to other kinds of activities (ISAC, Feedback Submission on Income Security: A Roadmap for Change, Page 4, 2017).

Income Security: A Roadmap for Change: HPRT's Feedback

In our review of the *Roadmap* at HPRTs' Quarterly meeting in November, 2017, there was some discussion as to what was meant by the term "deepest poverty." A number of our members voiced the opinion that "poverty is poverty", and that by quantifying levels of poverty, there was a danger of building stratification into the system. In subsequent discussions around this issue, it was indicated to us that "deepest poverty" alludes to those receiving Ontario Works. While it has been common knowledge for some time that OW rates were dangerously low, we are encouraged by the intent to move somewhat quickly to remedy this situation and to continue to raise the standard flat rates of both OW and ODSP until they coincide with the LIM in 2027.

We applaud the recognition of the need to "fundamentally transform" the income security system, including: changing the legal and social cultures of the system to one of a client-centred approach with an emphasis on service and collaboration. The HPRT believes in and practices transparent communication. Therefore, we support the Ministry's pledge to publish an annual report on the progress towards the milestones within the *Roadmap*. We also appreciate the appointment of a third party body to review and respond to the published report.

Finally, some initial questions we had included "How will the recommendations contained within the *Roadmap* be integrated with Ontario's Poverty Reduction Strategy? Will the changes proposed in the *Roadmap*, replace the programs initiated by the Poverty Reduction Strategy, or will both program be carried out in tandem? How will the findings from the Ontario Basic Income Pilots, running in Hamilton, Thunder Bay, and Lindsay, affect or be integrated with the proposed changes in the *Roadmap*?"

The following pages outline the Halton Poverty Roundtable's additional recommendations for consideration.

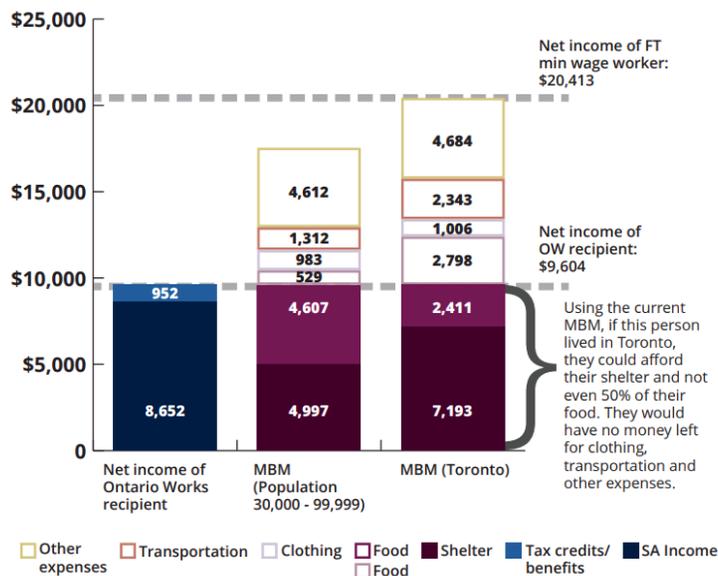
We thank you again for the opportunity to provide input on this *Roadmap* and are happy to work with you to make income security supports more accessible, empowering, and equitable.

Recommendation # One

While we fully support the establishment of a minimum income standard for Ontario and support the establishment of an Ontario specific Market Basket Measure. The *Roadmap* recommends a 10% increase to OW and a 5% increase to ODSP in this year, along with similar increases in Years 2 and 3 to move closer to income adequacy. These proposed rates of increase are inadequate (as mentioned in the *Roadmap* itself) and the timeline is too long. We echo the findings in the Income Security Advocacy Centre's Feedback Submission on the *Roadmap*:

We share this sense of urgency. Rate increases at this level are the very least that government can and should do to finally deal with the loss of purchasing power imposed by the 22% rate cut in the 1990s, the 8 years of rate freezes that followed, and the failure of annual rate increases since then to keep up with the pace of inflation. We urge government to move as quickly as possible and to invest as much as possible in rate increases in Budget 2018 as a down-payment on achieving income adequacy.

Consider the graph on the top of the next page (page 71, *Roadmap*, 2017). This image clearly indicates the inadequacy of the current OW rates. In light of this information, even the increase proposed in the *Roadmap* for 2019 fall far below what is required to live in Toronto. We feel that the establishment of a minimum income standard, at the current LIM, will not go far enough to counteract persistent poverty. We strongly urge the *Roadmap* to index social assistance rates to close the expressed gap (\$10,831) between current Ontario Works (OW) rates and the Market Basket Measure (MBM) of \$20, 435, and to collapse the ten-year period to the enactment of this minimum income to five years.



Recommendation # Two

We invite the Ministry to think beyond the income security system and to leverage all Municipal, Provincial, and Federal (especially when the Canadian Poverty Reduction Strategy is released) policy levers. Some examples of potential policy levers are described below:

- a. [**Ontario's Bill 106, Infrastructure for Jobs and Prosperity Act \(2015\)**](#), is an example of a powerful policy lever that is currently lacking regulation and action. Bill 106 states: "The purpose of this Act is to establish mechanisms to encourage principled, evidence-based and strategic long-term infrastructure planning that supports job creation and training opportunities, economic growth and protection of the environment, and incorporate design excellence into infrastructure planning" (Bill 106, Ontario, 2015).
- b. [**Bill 156, Alternative Financial Services Statute Law Amendment Act, 2016 \(An Act to amend various Acts with respect to financial services\)**](#). We applaud the Provincial Government on the strides made with changes to the [**Payday Loans Act, 2008**](#), effective January 1st, 2018. The unfortunate reality is that these changes do not go far enough to help people living in low income. ACORN (Association of Communities Organizations for Reform Now) found that 15% of Canadians don't have access to basic credit and cannot get small loans. Additionally:

A 2016 survey done by ACORN of its members showed that the reasons they use these services included the fact that they had no credit card, no lines of credit, and no overdraft protection to allow them to cover payments temporarily when they have no funds to do so. 30% of those surveyed said the loans were for food; 17% said housing, and 16% said they used predatory lending services for bills (Toronto Star, November 2017).

There are innovative financial inclusion solutions being tested in the UK, and the U.S. that go farther to address the root of the problem; the fact that people living in low income cannot access affordable credit solutions. A study done in Wales, [**Credit Where Credit's Due**](#), highlights that:

The findings from this research led the team to conclude that this issue cuts across a wide variety of policy areas and action is needed on many fronts, including education, housing, advice, health and not least the market place itself. There must also be greater cross-sectoral collaboration from the public and private sectors, and civil society, including communities themselves.

The HPRT acknowledges that the *Roadmap* identifies the need for the Ontario Government to develop a culture of trust, collaboration, and problem solving with respect to the legislative framework for social assistance programs. We ask our governments to take the bold and courageous step to adopt this lens across ALL government bodies and policy areas, to ensure that we are leveraging every public dollar being spent for the maximum social value topspin we can get out of each one.

What role can the Ontario Government play in:

- Developing or supporting the development of new consumer credit and savings products specifically targeting people living in low income?
- Facilitating better collaboration between existing government programs/departments, and across sectors who are active in the alternative financing space?

Recommendation # Three

We invite the government to put a stronger focus on accessible Micro-financing and Micro-lending opportunities. Micro-financing was popularized by Grameen Bank founder and Nobel Prize winner Muhammad Yunus. Micro-financing is a proven solution to tackle poverty and merits deeper analysis to consider how it can be leveraged to address poverty here, locally, and nationally. People living in low income cannot access fair-banking solutions, even for loans as small as \$5,000. A [study of entrepreneurship](#) in Canada completed by Intuit found that:

- 58% of small businesses managed to get off the ground with less than \$5,000, and 79% with less than \$20,000.
- Sole proprietors are significantly more likely than those with one or more employees to have started their business with less than \$5,000

We know that small business is one of the key economic engines in Canada and should stretch the limits on innovative approaches to expanding the economic pie. How can the Ontario Government build on programs such as the [Micro-lending for Women in Ontario program](#), to expand supports to other equity-seeking groups? What supports can be added to and what barriers can be removed from existing micro financing funding programs (age, gender, duration of funding cycle) to make them more accessible? How can the government encourage innovation by either creating or supporting the creation of a social financing platform, like this one, [Community Micro-lending](#), based in B.C., or by promoting other vetted programs? How can the social enterprise strategy play a role in poverty elimination by creating accessible income secure opportunities for people living in low income?

In closing, the HPRT reiterates its strong support of the Ontario Governments' commitment to a comprehensive overhaul of the income security system. We support, in principle, the majority of the recommendations referenced in *the Roadmap*. However, the Halton Poverty Roundtable, in concert with agencies such as the Income Security Advocacy Centre, and poverty reduction initiatives across the province: respectfully emphasize the need for the government to broaden its scope of what constitutes income adequacy to include all appropriate policies and programs at the Municipal, Provincial and Federal levels. Only a wholly integrated system will have the capacity and leverage required to fully address the complexities of persistent poverty within our communities.

HPRT also respectfully requests a re-evaluation of the time frames referenced with respect to changes to Ontario Works and ODSP, as well as the establishment of a minimum income standard. It is our express opinion that a ten year window for the implementation of changes to the system will do little to alleviate the experience and effects of poverty in Ontario. We propose that a roll-out of proposed changes be concluded within a period of, not more than, five years.

Once again, on behalf of the staff, board, and volunteer members of the Halton Poverty Roundtable, we sincerely thank you for the opportunity to respond to *Income Security: A Roadmap for Change*. We will be following the progress of the proposed changes with interest. We look forward to receiving a response to the issues and concerns raised within this correspondence, at your earliest convenience.

Sincerely,

A handwritten signature in cursive script that reads "Leena Sharma".

Leena Sharma Seth
Director Community Engagement