

To: Regional Council

Date: April 30, 2020

From: Janice Sheehy, Commissioner of
Human Services

Subject: Region of Peel Response to the
Ontario Poverty Reduction
Strategy Consultation

Please find attached for your information, the Region's written submission to the consultation on the renewal of *Ontario's Poverty Reduction Strategy*. The submission was provided to the Ministry of Children, Community and Social Services on April 30.

Background

On December 16, 2019, the Minister of Children, Community and Social Services announced that the Province was assessing its poverty reduction strategy and launching consultations on the renewal of the Strategy. Under the *Poverty Reduction Act, 2009*, the Ontario government is legislated to assess its poverty reduction strategy every five years.

On January 30, 2020, the Minister announced that an online survey was available for comment and was accepting written submissions until March 30, 2020. This deadline was then extended to April 30, 2020 due to the COVID-19 emergency.

Region of Peel staff in co-ordination and collaboration with the Peel Poverty Reduction Strategy Committee, a community-based partnership table, drafted a written submission that is largely based on themes, solutions and best practices found in the *2018-2028 Peel Poverty Reduction Strategy*. The themes in the *Strategy* touch on income security, economic opportunities, well-being and social inclusion, and evidence-based decision making.

Summary of the Region of Peel Submission

The Region of Peel's submission contains ideas about job creation and connections to employment, implementing the right supports and services, and making life more affordable. Framed by the *2018-2028 Peel Poverty Reduction Strategy*, which was endorsed by Regional Council on May 10, 2018, the recommendations in the attached submission focus on four key areas:

1. Income security
2. Economic opportunities
3. Wellbeing and social inclusion
4. An Evidence-Based Approach

Next Steps

Regional staff will continue to monitor developments on the creation and release of the Province's renewed poverty reduction strategy and keep Council apprized. Given the current COVID-19 emergency and continued focus of the Province on efforts related to the lifting of the emergency, it is uncertain when the new strategy will be released. The Region, working with the Peel Poverty Reduction Strategy Committee and community partners, will continue to look for opportunities to advance the proposals in its submission with the Province.

April 29, 2020

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**Re: Region of Peel Submission - Ontario Poverty Reduction Strategy
Consultation**

Thank you for the opportunity to participate in the development of a new Ontario Poverty Reduction Strategy. The Region of Peel appreciates the provincial government's efforts to consult on the establishment of this new strategy to help alleviate poverty in Ontario.

The Region of Peel's submission contains ideas about job creation and connections to employment, implementing the right supports and services, and making life more affordable. Framed by the Peel Poverty Reduction Strategy, the recommendations in the attached submission focus on four key areas:

1. Income security

- Set a socially accepted living standard
- Financially empower marginalized and low-income Ontarians
- Partner with financial institutions to create affordable and accessible banking options
- Build consumer awareness and protection
- Implement changes and increase access to social assistance programs and rates

2. Economic opportunities

- Provide training for emerging fields of employment (e.g., cleantech)
- Promote skilled trades and apprenticeships
- Expand community benefit agreements
- Make childcare more affordable and accessible

3. Wellbeing and social inclusion

- Continue to prioritize affordable housing
- Expand inclusionary zoning
- Make transit more affordable
- Get children on a trajectory for success

4. An Evidence-Based Approach

- Invest in programs and policies that demonstrate a reduction in poverty
- Collect and share provincial and local poverty related data

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The Region of Peel is committed to collaborating with the Province, our local municipal partners and other key stakeholders towards meeting our shared objective to develop an effective strategy. We look forward to working with all partners to build a poverty-free future in Ontario. For any questions regarding the Region's submission or for more information, please contact Adaoma Patterson at 416-524-6026 or adaoma.patterson@peelregion.ca.

Sincerely,



Janice Sheehy
Commissioner of Human Services
Region of Peel

Enclosure:
Encl. 1 - Region of Peel Submission

Region of Peel Submission

Ontario Poverty Reduction Strategy

The Region of Peel is pleased to contribute to the development of a renewed Ontario Poverty Reduction Strategy that will better reflect the changing socio-economic landscape that has occurred since the last strategy was released five years ago. It is critical that a comprehensive plan is implemented that will make a real difference in reducing poverty. Now more than ever as COVID-19 detrimentally affects Ontarian's ability to make ends meet and potentially drives more people into poverty, it is essential that the Province's strategy also include robust measures to address this new economic reality that Ontarians are and will be experiencing over the short and medium term.

Poverty in Peel

Peel has grown into a diverse and economically prosperous region. However, underlying this rapid growth are signals that not all residents have been experiencing its benefits. In recent years, the Peel community has experienced a rise of precarious and unstable employment, changes in the types of jobs available, long wait lists for many services and higher costs of housing, transportation and food, which are all contributing to the complex, changing nature of poverty.

About the Region of Peel

The Region of Peel serves close to 1.5 million residents and approximately 175,000 businesses in Brampton, Caledon and Mississauga. The Region delivers a wide range of services across Peel including waste management, water and wastewater, public health, senior support services. The Region is also a service manager for housing and homelessness prevention, early learning and childcare and social assistance.

Poverty impacts many Peel residents. Here is a current snapshot of poverty (low-income) in Peel:

- 13 per cent (175,980 residents) live in poverty
- 18 per cent of Peel's children 0 to 17 years live in poverty
- 16 per cent of racialized (visible minority) communities live in poverty
- Approximately 20 per cent of Peel youth are unemployed.

Region of Peel's Actions to Address Poverty

The Region of Peel's vision is of a Community for Life, where everyone in Peel has access to the services and opportunities they need to thrive throughout each stage of their lives. To help achieve this vision and the long-term objectives in the Strategic Plan, Regional Council established Term of Council priorities for 2018-2022, three of which align with poverty reduction initiatives in Peel:

1. Transform housing service delivery

Peel's housing market is becoming unaffordable, causing more people to leave the community for less expensive housing or turn to the community housing sector for options and support.

2. Enhance supports for employment

In Peel, there has been a fundamental shift to underemployment, precarious and part time employment, contributing to the inability of some residents to afford the cost of living.

3. Advance community safety and well-being

The community is increasingly concerned about safety. Factors that negatively affect the safety and well-being of Peel residents are not adequately addressed.

Peel Poverty Reduction Committee & 2018-2028 Peel Poverty Reduction Strategy

Partnerships are an important aspect in the effort to address poverty. The Region works closely with communities through the Peel Poverty Reduction Committee. The Peel Poverty Reduction Committee is a multi-stakeholder collaboration of various sectors, municipal governments, networks, community agencies and residents working collectively to reduce and mitigate the impact of poverty and advocate to all levels of government and systems for investments that decrease poverty in Peel.

The Peel Poverty Reduction Committee is the first community-based partnership to develop a 10-year plan, the *2018-2028 Peel Poverty Reduction Strategy*, aimed at creating a community where everyone works together to build a poverty-free future. The Strategy intentionally focuses on the following three priority areas: Income security, economic opportunity and well-being and social inclusion.

Priority Area 1: Income security

Income security increases the ability of individuals and families to thrive and contribute to the social and economic well-being of the community. It includes broad safety net programs delivered by all levels of government to address low-income and related needs.

Priority Area 2: Economic opportunity

Economic opportunity is access to stable employment and entrepreneurial opportunities for all Peel residents. Economic opportunity is not only about job creation, but also about the impact of the changing nature of the labour market, the effect of technology and climate change on current and future jobs.

Priority Area 3: Wellbeing and social inclusion

Poor mental and physical health prevents residents from fully participating in activities at home, work, school and in the community. Social inclusion and access to equitable supports and services increase well-being for individuals, families, and communities.

The Strategy also includes goals, outcomes and actions to be accomplished and tracked over 10 years.

Overarching Themes

The Region's recommendations are shaped by the Peel Poverty Reduction Strategy and should be considered through the following perspectives:

- **Working poor** – The Ontario Poverty Reduction Strategy should focus on the working poor and those living on the margins and not just on those who are on social assistance. Single individuals make up a significant portion of those in poverty and/or in need of social housing (e.g. 53 per cent of applicants on the centralized wait list are single individuals), however they are unable to access many income support programs (e.g. Canada Child Benefit).
- **Health and wellbeing** – Poverty negatively impacts the mental and physical health of individuals, families and communities. People with the lowest income levels are nearly twice as likely to report having multiple chronic conditions in comparison with the highest income levels¹. In addition,

they are more likely to become a high user of costly health care resources². Reducing poverty will lead to better health outcomes over the long term and reduce the costs of health care.

- **Climate change** – Extreme weather worsens homelessness and inequity and compounds the affordable housing crisis. Recent research from the U.S. suggests³ that when affordable housing stock is damaged, homes are often demolished rather than rebuilt, leaving people displaced and resulting in a reduction of housing supply. Furthermore, vulnerable populations are more likely to live in communities that are less resilient to extreme weather and natural disasters as these locations are typically less desirable to live in and are therefore more affordable.

Energy poverty is also a growing concern. Energy poverty refers to the inability of individuals, households, or communities to afford adequate energy/fuel for necessities of life, such as heating and cooling. Building complete communities that are energy efficient ensures that those with low-income are not spending a disproportionate amount of their income towards the cost of energy for their homes or fuel for personal vehicles and reduces greenhouse gas emissions.

Recommendations

The Region of Peel recognises that the causes of poverty are varied and that many of the challenges faced by people who live in poverty are interdependent. That is why a successful poverty strategy will require cross ministry and cross strategy collaboration and coordination. It will also need to integrate and create synergies with local, regional, and federal poverty strategies and initiatives to address the root causes of poverty.

The following are the Region of Peel's recommendations, grouped into the four areas of focus:

1. Income security

Many Peel residents who struggle with income insecurity can attribute their challenges to benefit systems and regulatory structures that are out-dated and ineffective. The Region commends the Province for exempting those earning less than \$30,000 per year from paying provincial income tax. While this is a helpful start, the Region offers additional suggestions to enhance income security. As part of the Ontario Poverty Reduction Strategy, the Province should:

- **Set a socially accepted living standard** that is informed by quality data collection, evaluation and analysis. The standard will help measure progress and guide investments and where to target income supports. Income levels need to be adequate to cover the basic necessities of life. The Province should encourage the adoption and payment of a Living Wage in the private sector and provincially funded income support programs. Working full-time hours should provide sufficient income to afford the basic necessities.
- **Financially empower marginalized and low-income Ontarians** by improving access to benefits and tax credits, safe and affordable financial products and services, and advancing financial literacy. The strategy should focus on upstream solutions that may prevent people from falling into financial challenges. The Region applauds the Province's newly adopted career curriculum for Grade 10 students to learn about financial literacy to prepare for their

future in the workforce. Financial empowerment interventions have been proven to improve financial wellbeing for people with low-income⁴. Financial literacy has the potential to assist low-income individuals and families in accessing relevant information and resources to improve their financial situation and learn how to make more informed financial choices and progress toward their life goals⁵.

- **Partner with financial institutions** to create affordable and accessible banking options including short term loans, credit and bank accounts that offer reduced interest rates and increased subsidized programs for low-income families⁶.
- **Build consumer awareness and protection** by enhancing regulation of pay day loan lenders, lowering the fees and/or interest rates charged by pay day loan lenders, and promoting the use of pay day loan maps to inform income security programs of lending businesses in the community. These financial empowerment practices can improve access to safe and affordable mainstream financial services and products that meet the needs of low-income people and reduce their reliance on fringe and predatory financial services.
- **Implementing changes and increasing access to social assistance programs** by providing more integrated supports for families in need. Helping people break the cycle of poverty, re-enter the workforce and get back on track is a priority for both the Region and the Province. As a part of a new system transformation of the Ontario Works Program, the Province is proposing to help provide “life stabilization” support to those with barriers to employment that cannot be addressed through traditional employment and training. The Province should adopt an integrated service delivery model for these programs. The Province should also consider increasing social assistance rates.

2. Economic opportunities

The rise of precarious and unstable employment has changed the types of jobs available in Peel. Many residents also experience systemic barriers to high quality education and work experience. The Region encourages the Province to prioritize economic opportunities by:

- **Providing training for emerging fields of employment** such as in the cleantech sector. According to the *A Made-in Ontario Environment Plan*, Ontario has the largest and fastest-growing cleantech sector in Canada. Actions are needed to build on this success and to address existing precarious employment, underemployment or skills-mismatch challenges that vulnerable populations face.

The Region encourages the Province to work with the federal government to ensure that policies and training opportunities are designed to enable the growth of new and innovative employment sectors while targeting vulnerable, at risk, racialized and marginalized youth. The creation of future-ready, more secure and stable employment opportunities can lead to increased income and employment and fairer income distribution.

- **Promoting skilled trades and apprenticeships** to address the issues prevalent in Peel such as skills-mismatch, precarious employment, older worker phenomenon and youth unemployment.

The Region is pleased with the Province's recent \$500,000 funding to the Sheridan College Pre-Apprenticeship program in Brampton. However, with a youth unemployment rate of nearly 20 per cent, the Peel Poverty Reduction Strategy has made increasing employment opportunities a priority. Continued efforts are needed to modernize employment programs and apprenticeships to address challenges people face in navigating the existing employment and training landscape.

- **Expanding community benefit agreements** into a provincial public procurement process in Ontario⁷. A provincial community benefits policy can take advantage not only of Ontario's infrastructure investments, but also of related provincial and federal initiatives on infrastructure and social procurement. Such a policy can create employment, training opportunities and other benefits for Ontarians through the procurement process for large public sector projects.
- **Making childcare more affordable and accessible.** Affordable childcare plays an important role in helping people, particularly women, participate in the workforce and it directly affects social inclusion. For many families in Peel, the affordability of childcare remains a major challenge. Therefore, the Region of Peel recommends that the Province continue to make childcare more affordable by:
 - updating the income test formula to reflect the current cost of living,
 - expanding affordability investments in childcare, and
 - Implementing enhancements to Childcare Access and Relief from Expenses (CARE) tax credit.

These strategies would allow more families to afford childcare and help them stay employed, enter the workforce, or further their education and skills to enhance their employability. Also, to avoid reductions in the availability of quality childcare, EarlyON and Special Needs services, the Region of Peel recommends that the Province cease or cautiously phase-in provincial funding reductions for early years and childcare over a longer period of time.

3. Wellbeing and social inclusion

Barriers in mental and physical health, and in social and economic systems can prevent people from being part of and contributing to their community. A socially inclusive society is one where all people feel valued, differences are respected, and basic needs are met so they can live with dignity. It is important for the Province to work with municipalities to provide support to help people overcome barriers to social inclusion and employment. The Region commends the Province for its funding of the senior dental program.

The Province can create the conditions that allow people to participate fully in society by:

- **Continuing to prioritize affordable housing** as a key strategy in the Province's renewed poverty reduction strategy. Incomes, especially social assistance rates are not keeping up with steeply rising rents and housing costs. The cost of living in general is making it more difficult for Ontarians of all incomes but especially low- and middle-income earners to afford a place to live. In the Region of Peel, 80 per cent of households cannot afford to buy a home or move into a new rental unit in Peel, based on a 30 per cent of household income affordability threshold⁸.

To address housing affordability, the Province should focus on:

- supporting a variety of incentives to increase affordable rental housing supply including the Region's planned incentives pilot program and favourable tax treatments
 - enhancing tenant protections to ensure stability and affordability for renter households
 - making more rent supplements available and expanding the new Canada-Ontario Housing Benefit
 - lowering development charges /fees to incentivize the development of affordable rental properties
 - ensuring that the Regional Service Manager has the funding and flexibility to provide housing for low and middle-income households
 - ensuring that the next generation of affordable housing incorporates environmental, social and economic sustainability considerations, and
 - including key elements of complete communities which prioritize energy efficiency, resilience, inclusivity and connectedness in the development of affordable rental housing.
- **Expanding inclusionary zoning** to permit municipalities the flexibility to implement this affordable housing tool beyond Major Transit Station Areas. The Region recognizes the connection between transit access and affordability and supports the use of inclusionary zoning and development of affordable housing in Major Transit Station Areas to enable healthy, complete communities. However, restricting the use of inclusionary zoning to Major Transit Station Areas limits municipalities' choice in planning for affordable housing, especially for municipalities where there are few or no Major Transit Station Areas currently planned. Inclusionary zoning should not be "one size fits all". Municipalities are unique and in the best position to understand the local context and determine where affordable housing is needed.
 - **Making transit more affordable** for people with low-income. Persons with low-income have difficulty affording transportation, which is essential to getting to work, to school or to medical appointments. Their social mobility is often hindered because of the lack of transportation resources. To enhance the participation of low-income people in the economy, education system and broader society, the Region used its own funds to establish an affordable transit program.

The Province should consider making transit more affordable by entirely subsidizing transit programs or at least cost sharing them with municipalities. Provincial investment in an affordable transit program would enable an expansion of an important and essential support for low-income Ontario families in need of affordable transit.

Affordable Transit Program

Similar to other jurisdictions, in 2017, Region of Peel Council approved a permanent Affordable Transit Program for transit fare subsidies for eligible residents in the cities of Brampton and Mississauga. The Affordable Transit Program provides a 50 per cent discount on a monthly adult pass for 12 months. The Program has been a proven success in making transit more accessible for residents who are most in need. In less than two years, many participants report that it enables them to get to appointments, employment and other essential services.

Since 2018 there has been a steady uptake in demand for the program. Regional Council voted to increase the budget to \$1.6 million, however, if sales continue at the current (pre-COVID-19) rate, the cost of the program will exceed the Region of Peel's fiscal capacity to fund it over the long-term.

- **Getting children on a trajectory for success.** Research demonstrates the significance of the early years to children's growth and development. Many facets of early development shape an individual's lifelong educational achievement, economic productivity, health related behaviors, and physical and mental health⁹. The Province should provide ongoing investment in programs that help to put and keep kids on a trajectory for lifelong success. The Healthy Babies Healthy Children (HBHC) Program helps children get a healthy start in life by providing them with opportunities to reach their potential. It is recommended that the Province address inadequate funding for the HBHC program and provide adequate supports for EarlyON programs so more children can access these enriching programs¹⁰.

4. An evidenced-based approach

Effective programs are designed when governments make policy decisions based on evidence and have assurance that investments are delivering impactful results. The Region of Peel undertook an evidenced-based approach to its strategic planning and decision-making process. The Region's Strategic Plan leverages evidence to evaluate the success of the plan as a whole and the various strategies that were used.

In the report *Managing Transformation: A Modernization Action Plan, Line-by-line Review of Ontario Government Expenditures 2002/03 - 2017/18*, Ernst & Young recommended that the Province make a strong and direct commitment to evidence-based decision making¹¹.

The Province can strengthen its evidence-based approach by:

- **Investing in programs and policies that measurably demonstrate a reduction in poverty and improvement in the health and well-being of Ontarians.** The Province's policy development across the whole of government should be evidence-based, use sound analysis, data and research to set clear goals, evaluate programs and determine financial and social return on investment.

- **Collecting and sharing provincial and local poverty related data to produce informed decisions.**
As part of its open data and open government strategy, the Province has committed to a more open and transparent government by sharing data and information. It would be more effective, efficient and consistent for the provincial government to collect and disseminate local and provincial poverty related data.

Local and regional municipal governments often lack sufficient data to design and assess local poverty reduction strategies and programs. Data is often available at larger geographic levels, but not the local level. For example, food insecurity data is available at the Toronto Census Metropolitan Area level, but not at the regional (Peel) or local (Brampton, Caledon, Mississauga) municipality levels. The Province should commit to collecting poverty-related data at the local and provincial geographic levels.

Conclusion

Thank you for the opportunity to provide input into the development of the Ontario Poverty Reduction Strategy.

The key factors towards the development of a successful strategy seek to understand and address the root causes of poverty, focusing on providing supports and solutions for income security, economic development as well as the promotion and protection of well-being and social inclusion for people living in poverty in Ontario.

The Region of Peel is interested in continuing to engage with the Ministry of Children, Community and Social Services and supporting the government's efforts as it develops and releases the Ontario Poverty Reduction Strategy.

For any questions regarding the Region's submission or for more information, please contact:

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Works Cited

¹ CCHS (2013/2014). Canadian Community Health Survey Share File, 2009/2010, 2013/2014, Statistics Canada. Ontario Ministry of Health and Long-Term Care.

² HQO (2016). Health Quality Ontario. Income and Health: Opportunities to achieve health equity in Ontario. Toronto: Queen's Printer for Ontario; 2016.

³ NPR. March 5, 2019. 'How Federal Disaster Money Favors the Rich' Retrieved from <https://www.npr.org/2019/03/05/688786177/how-federal-disaster-money-favors-the-rich>

⁴ Prosper Canada. 2020. Financial Empowerment. Retrieved from <http://prospercanada.org/Financial-Empowerment/Overview.aspx>

⁵ Peel Poverty Reduction Committee. 2018. Retrieved from http://www.povertyinpeel.ca/_include/Peel-Poverty-Reduction-Strategy-2018-2028.pdf

⁶ Peel Poverty Reduction Committee. 2018. Retrieved from http://www.povertyinpeel.ca/_include/Peel-Poverty-Reduction-Strategy-2018-2028.pdf

⁷ Peel Poverty Reduction Committee. 2018. Retrieved from http://www.povertyinpeel.ca/_include/Peel-Poverty-Reduction-Strategy-2018-2028.pdf

⁸ The 80 per cent figure was determined by comparing the housing affordability income-based threshold to December 2019 Toronto Regional Real Estate Board (TREB) resale prices and third quarter 2019 TREB rental prices. Housing is considered affordable if it costs less than 30 percent of a household's before-tax income. The figure does not take into account pre-existing equity/savings/secondary mortgages for ownership that could be used to lessen the monthly carrying cost of housing.

⁹ Peel Public Health. June 2017. 'Nurturing the Next Generation Foundation Report'. <https://www.peelregion.ca/health/resources/pdf/NTNG-foundational-report.pdf>

¹⁰ Peel Public Health. June 2017. 'Nurturing the Next Generation Foundation Report'. <https://www.peelregion.ca/health/resources/pdf/NTNG-foundational-report.pdf>

¹¹ Ernst & Young. September 21, 2018. *Managing Transformation: A Modernization Action Plan for Ontario Line-by-line Review of Ontario Government Expenditures 2002/03 - 2017/18* Retrieved from https://files.ontario.ca/ey_report_2018_en.pdf