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**REPORT TITLE:     The Erosion of Basic Living Standards for Peel’s Most Vulnerable Residents**

**FROM:                 Steve Jacques, MScPI, MCIP, RPP, Commissioner of Human Services**

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## **RECOMMENDATION**

- 1. That the priorities outlined in the report from the Commissioner of Human Services, listed on the Regional Council agenda titled “The Erosion of Basic Living Standards for Peel's Most Vulnerable Residents” be endorsed; and**
- 2. That the Regional Chair, on behalf of Regional Council, write to the Minister of Children, Community and Social Services to advocate for the provincial government to increase Ontario Works rates to a livable rate and commit to indexing supports to the annual rate of inflation, consistent with the Ontario Disability Support Program; and**
- 3. That the priorities be incorporated into Peel Region’s ongoing advocacy efforts with the Provincial government.**

## **REPORT HIGHLIGHTS**

- This report highlights key trends and issues impacting those living in poverty. These trends indicate a growing intensity of need among Ontario Works clients.
  - The size of the Ontario Works caseload in Peel has surged over the past 3 years leading to impacts to the delivery of the social assistance program in Peel.
  - Ontario’s extremely low social assistance rates are legislating thousands of Peel residents into deep poverty, making it difficult for them to secure housing, pay their bills, and maintain their health. These circumstances result in substantial costs to Peel Region, including increased healthcare expenses and social services usage.
  - Staff will work alongside community partners and groups to advocate for an essential rate increase and ensure appropriate level of services and supports are available to those who need them most.
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# The Erosion of Basic Living Standards for Peel's Most Vulnerable Residents

## DISCUSSION

### 1. Background

As previously reported to Council through a report titled 2023 Annual Income and Social Supports Report, at the May 9, 2024 Regional Council meeting<sup>1</sup>, increases in social assistance rates are urgently needed to prevent more Peel households from falling deeper into poverty. The caseload of Ontario Works (OW) clients in Peel is rapidly evolving, with many individuals now facing more complex and challenging needs. In Peel, 123,660 (8.6 percent) of Peel's population live in poverty, including 27,900 (9.5 percent) of children 0-17 years. It is estimated that 1.7 percent of Peel's population are in receipt of Ontario Works, living in deep poverty<sup>2</sup>.

Social services in Peel are chronically underfunded compared to other Ontario municipalities. Funding shortfalls impact essential services resulting in longer wait times and gaps in access to critical programs and supports in Peel. Taking action to ensure access to essential services and supports must be a priority as overcoming these barriers is essential to ensuring long-term stability outcomes.

### 2. Advocacy Priorities

To effectively address poverty and improve the lives of residents receiving Ontario Works, Peel Region and its community partners must continue to tackle these interconnected issues.

#### a) Increase Ontario Works Rates

As of July 2024, for the 6<sup>th</sup> consecutive year, Ontario Works rates have not increased, and no inflation-based adjustments have occurred. Ontario Works rates have remained the same despite the ongoing impacts of high inflation on the cost of living. Due to inflation, individuals (single person households) receiving \$733 in 2024 have significantly less purchasing power compared to 2018. To match inflation, Ontario Works rates would need to be increased by more than \$150 per month.<sup>3</sup> Given current social assistance rates, notably for single individuals, people live in deep poverty longer. Ontario Works has evolved beyond being just a short-term, last-resort option.

#### b) Increase Focus on Improving Social Determinants of Health

##### i) Access to Affordable Housing

The average market rate rent for a one-bedroom apartment is \$2,173<sup>4</sup> in Peel. However, an individual receiving Ontario Works gets a maximum of \$733, which is made up of a \$390 shelter allowance and \$343 for basic needs. The limited financial assistance provided by Ontario Works isn't enough to cover the cost of rent, forcing individuals to choose between paying for housing and other essential needs like food, transportation, and healthcare.

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<sup>1</sup> May 9, 2024 Regional Council Meeting Agenda <https://pub-peelregion.escribemeetings.com/filestream.ashx?DocumentId=33110>

<sup>2</sup> Canada's Official Poverty Dashboard of Indicators: Trends, April 2024 (statcan.gc.ca)

<sup>3</sup> July-2024-Another-Year-with-NO-Relief-OW-Recipients-Left-to-Live-on-733-per-month.pdf (incomesecurity.org)

<sup>4</sup> rental\_report\_Q2-2024.pdf (trreb.ca)

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The provincial government has committed to building more affordable units, but the supply still falls well short of the demand. As of December 31, 2023, there were 32,329 households on Peel's centralized waiting list for a subsidized unit<sup>5</sup>. The average wait time for subsidized unit is between 12 to upwards of 20 years, depending on family size and number of bedrooms required<sup>6</sup>.

### ii) Food Security

In 2021, nearly 20 percent of Peel residents experienced some level of food insecurity, ranging from marginal to severe. Many families receiving Ontario Works are facing increased food insecurity, struggling to afford nutritious meals due to the rising cost of groceries. According to Statistics Canada report, in 2022, 35 percent of families living below the poverty line reported food insecurity, double the proportion of families living above the poverty line (16 percent)<sup>7</sup>. The cost of groceries climbed by an average of 19.1 percent from 2018 to 2022 across Canada<sup>8</sup>.

Food Banks Mississauga experienced a significant increase in demand for services between June 2022 and May 2023, serving 18 percent more users compared to the previous year and a staggering 82 percent more than pre-pandemic levels<sup>9</sup>.

### iii) Mental Health Services

According to Stats Canada, nearly one in five Canadians 12 or older require access to mental health services. Wait times for mental health services in Ontario can be quite lengthy, especially for low-income individuals who rely on publicly funded programs.

In Ontario, wait times to see a psychiatrist can be lengthy, with an average of at least four months and sometimes exceeding a year. The Children's Mental Health Ontario (CMHO) 2020 report highlights that children and youth (18 and under) may face even longer wait times, up to 2.5 years, for psychiatric services.

### c) Bridge Service Gaps and Eliminate Waitlists

Waitlists and gaps in community services are significant issues in Peel, impacting various sectors such as mental health and community programs. According to the Metamorphosis commissioned report ‘Provincial Funding for Social Services in Peel Region’, Peel receives less provincial funding for municipal and social services compared to the average Ontario municipality<sup>10</sup>. Consequently, Peel’s nonprofit sector is becoming less financially sustainable. Community agencies are struggling with service gaps, accessibility issues, and resource constraints, posing increasing challenges for clients who rely on these programs to achieve and maintain stability in their lives.

### d) Manage Growing Caseloads

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<sup>5</sup> Appendix I Housing Services 2023 Annual Report filestream.ashx (escribemeetings.com)

<sup>6</sup> Keep your wait list information updated - Region of Peel (peelregion.ca)

<sup>7</sup> <https://www150.statcan.gc.ca/n1/pub/75-006-x/2023001/article/00013-eng.htm>

<sup>8</sup> Canadians are facing higher levels of food insecurity - Statistics Canada (statcan.gc.ca)

<sup>9</sup> <https://www.foodbanksmississauga.ca/annual-impact-report>

<sup>10</sup> <https://communitymetamorphosis.org/wp-content/uploads/2024/05/Blueprint-Provincial-Funding-in-Peel-Region.pdf>

## The Erosion of Basic Living Standards for Peel's Most Vulnerable Residents

In 2024, Peel's Ontario Works caseload has surged dramatically, driven by an economic downturn in Canada and rising migration rates. In July 2024, the caseload was 41 percent higher compared to July 2023.

### **i) Individuals with Complex Needs**

There is a growing number of clients who have been out of the labour market for longer periods of time due to substantial health, personal, housing, and employment difficulties. Often these are complex barriers and a wide range of services and supports, beyond job search supports, are needed to stabilize their lives and enable them to improve their ability to get back on the path to employment.

### **ii) Asylum Claimants**

Asylum claimants currently account for 16 percent (3904 out of 24,131) of the total Ontario Works caseload. All asylum claimant clients receive financial and case management support through Ontario Works. Income and Social Supports staff have also been providing onsite support at shelters and overflow sites as needed to triage and help clients with system navigation.

### **iii) Youth**

More than 2,700 young people are encountering increasing difficulties in the labour market, with these challenges being even more pronounced for racialized youth and those with lower levels of education.

### **iv) Single Individuals**

As of July 2024, 69 percent of Peel's caseload comprised of single individuals, with the average age of 38 years old. Single individuals, especially those without dependents, often have fewer financial resources and support systems compared to families. This makes them more vulnerable to economic hardships and more likely to need social assistance.<sup>11</sup> It is important to highlight that given current social assistance rates, particularly for single individuals, people live in deep poverty longer as the length of time on Ontario Works increases.

### **e) Address the Impacts of Social Assistance Modernization**

Social Assistance modernization has resulted in significant changes to the roles of provincial and municipal teams in social assistance. Functions have been realigned to provide more efficient, person-centered support for clients. A key focus is centralized intake, which aims to simplify the Ontario Works application process, reduce administrative tasks, and allow caseworkers more time to support clients while enhancing program integrity at the application stage.

Starting October 1, 2024, the Ministry of Children and Community Services (MCCSS) will be responsible for initial eligibility decisions, including authorization of initial payment and notifying applicants, in 10 areas of the province including Peel. This means that the Ministry's Intake & Benefits Administration Unit (IBAU) will handle initial eligibility decisions for most applications.

Peel's role will move away from handling initial eligibility decisions and some administrative tasks associated with the intake process. However, we will continue to be

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<sup>11</sup> <https://maytree.com/changing-systems/data-measuring/social-assistance-summaries/ontario/>

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responsible for ongoing eligibility and Ontario Works case management. These changes do not impact benefits or ongoing eligibility for social assistance clients. Full implementation across the province will be completed in 2025.

### 3. Proposed Direction

- a) **Cross-Sector Collaboration:** Partner with interdepartmental groups and organizations across different sectors, including health, employment, and housing to align efforts and create a unified strategy.
- b) **Public Awareness Campaigns:** Raise awareness through media campaigns, public forums, and educational initiatives. Promote these priorities at events such as the AMO annual conference.
- c) **Data and Research:** Collect and analyze data to highlight gaps in services, programming pressures and the inadequacy of current Ontario Works rates.
- d) **Engage Policymakers:** Engage with MPPs, and facilitate ongoing discussions with the Ministry of Children, Community, and Social Services, as well as other relevant ministries.

## RISK CONSIDERATIONS

### 1. Funding Reductions

Provincial funding in 2024 remained the same as in 2023, and it is anticipated to remain constant in 2025. Shifts in provincial funding models may lead to underfunding of essential services that require more resources to meet complex needs. If provincial funding for program delivery is reduced without an adequate decrease in administrative effort due to social assistance modernization, Peel Region will struggle to effectively address the needs of Ontario Works clients.

### 2. Service Fragmentation

The current level of community social service delivery in Peel is insufficient to meet residents’ needs, and the funding available is inadequate to sustain these services<sup>12</sup>. These community agencies often lack the resources necessary to effectively measure and demonstrate their impact. This financial shortfall is also causing agencies to struggle in providing comprehensive support, leaving community needs unmet.

### 3. Resource Impacts

With an increasing number of clients, staff may find it challenging to dedicate sufficient time to everyone’s needs. The continuous exposure to clients’ issues and the pressure of handling a heavy workload can significantly impact staff well being. The demanding nature of the job, combined with high caseloads, can lead to higher turnover rates among employees.

## FINANCIAL IMPLICATIONS

There are no financial implications as result of this report. The activities will be integrated into the Region’s ongoing advocacy efforts to all levels of government.

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<sup>12</sup> <https://communitymetamorphosis.org/wp-content/uploads/2024/05/Blueprint-Provincial-Funding-in-Peel-Region.pdf>

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### CONCLUSION

With the council's endorsement of the priorities detailed in this report, staff will collaborate with interdepartmental groups, community partners, other municipalities, and various organizations to raise awareness and advocate for necessary changes from the Provincial government to support Peel's most vulnerable residents. Staff will return to Council in early 2025 with an update on these advocacy and awareness efforts.

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