



2023 Ontario Pre-Budget Submission

Submitted February 9, 2023 to:

The Honourable Peter Bethlenfalvy

Minister of Finance
c/o Budget Secretariat
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About Feed Ontario

Feed Ontario is a network of 1,200 direct and affiliate food banks and hunger-relief agencies across the province. In the last year alone, Ontario's food bank network served more than 587,000 low-income Ontarians who accessed our services over 4.3 million times.

Rising Food Bank Use: A Canary in a Coal Mine

Food bank use in Ontario continues to skyrocket, with Feed Ontario's 2022 Hunger Report revealing a 46 per cent increase in visits to food banks compared to pre-pandemic levels. This should be of deep concern to the Government of Ontario, as food bank use can be seen as a barometer for the economic health of the province and a warning signal for deeper societal challenges:

- **A growing number of people are running out of options:** First-time food bank use increased by 64 per cent over the last three years. Food banks are historically an option of last resort for those struggling with food insecurity, as people will often turn to coping measures such as deferring bills, accessing loans, or asking for help from friends or family first.¹ As these options start running out, more people have no choice but to access food banks for support.
- **Households are relying on food banks for longer periods of time:** Food banks were designed to be a temporary, emergency support. Unfortunately, more people must rely on food banks for longer periods of time, with a 44 per cent increase in the proportion of households visiting 12 or more times per year, compared to pre-pandemic.
- **Food bank visitors are at high risk of homelessness:** By the time someone walks through the doors of a food bank, they are often on the precipice of homelessness. A recent report out of Hamilton indicated that 46 per cent of those using the food bank would be homeless without the supports provided,² and a survey conducted by Feed Ontario food banks indicated that 22 per cent of respondents have \$0 or less left after paying rent.

While food banks are working hard to meet the increasing need for our services, this demand is putting significant strain on the capacity and infrastructure of hunger-relief organizations. Food banks have always relied upon generous donations from individuals in their communities, but as many Ontarians experience significant struggles with the rising cost of living, it impacts their ability to give food, money, and their time.

¹ <https://proof.utoronto.ca/resource/relationship-between-food-banks-and-food-insecurity-in-canada/>

² <https://www.thespec.com/news/hamilton-region/2022/10/18/hamilton-food-banks.html>

A recent survey of Feed Ontario member food banks revealed some of the pressure food banks are under:

- 60 per cent have seen food donations decline.
- 29 per cent are having difficulties finding enough quality volunteers.
- 26 per cent indicated that they were unable to purchase as much food as usual due to higher food prices.
- 19 per cent felt they had insufficient funding to sustain operations.

The current situation is not sustainable for food banks or those they serve. **Feed Ontario calls upon the Government of Ontario to take swift action** in the 2023 Ontario Budget to address the major drivers of food insecurity: insufficient social assistance, unaffordable housing, and precarious work. Investments in poverty reduction have never been more needed than today.

Summary of Recommendations:

1. Increase Ontario Works (OW) and Ontario Disability Support Program (ODSP).
2. Change the earned income clawback formula for Ontario Works to match that of the Ontario Disability Support Program.
3. Treat income from other benefits, like the Canada Disability Benefit, the same as earned income.
4. Combine the basic needs and shelter allowance into a single flat rate.
5. Invest in affordable housing as outlined by the Ontario Non-Profit Housing Association.
6. Invest in worker protection to build a strong workforce.
7. Invest in Ontario's nonprofit sector as outlined by the Ontario Nonprofit Network.

Recommendations for the 2023 Ontario Budget

RECOMMENDATION 1: Increase Ontario Works (OW) and Ontario Disability Support Program (ODSP) rates to account for the rise in the cost of living since 2018, with an ultimate goal of all supports combined meeting the poverty line.

Social assistance is a long-standing driver of food bank use in Ontario. This is evident in data that shows 2 in 3 visitors to a food bank rely on OW or ODSP as their primary source of income. The failure to maintain the value of social assistance in the face of the rising cost of living has had a devastating impact on the people Feed Ontario's network serves, with a growing number of food banks reporting that visitors are requesting information on Medical Assistance in Dying (MAiD) because they feel such a strong sense of hopelessness.

Maximum rates for a single person, no dependents				
	2018	Current	Recommendation 1 2018 rates, adjusted for inflation	Recommendation 2 Meet the poverty line ³ in combination with other supports
Ontario Works	\$733	\$733	\$841 (+\$108)	\$2,028
ODSP	\$1,169	\$1,228	\$1,342 (+\$114)	\$2,634⁴

In 2018, the monthly rate for a single person on OW was \$733, and the rate for ODSP was \$1,169. Today, OW rates remain at \$733, despite a rising cost of living. ODSP was increased last year by 5 per cent to \$1,228, which was a welcome change, but still significantly less than the 14.8 per cent increase in the Consumer Price Index between 2018 and 2022. When taking into account inflation, ODSP recipients have \$114 less in purchasing power than they did in 2018, and OW recipients have \$108 less.

Feed Ontario recommends, as an immediate first step, to increase OW and ODSP rates to what they would have been if they had been maintained with inflation since 2018. This change would result in a single person on OW receiving \$841 per month and a single person on ODSP receiving \$1,342 per month.

Alongside this increase, Feed Ontario asks that the Government of Ontario work with the federal government to ensure that the combined provincial and federal supports available to those on OW and ODSP allow recipients to meet the poverty line, as defined by the Market Basket Measure, before being subject to any clawbacks or ineligibility considerations.

³ 2021 Market Basket Measure for Ontario, population 100,000 to 499,999 for a single person, adjusted for 2022 inflation. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110006601>

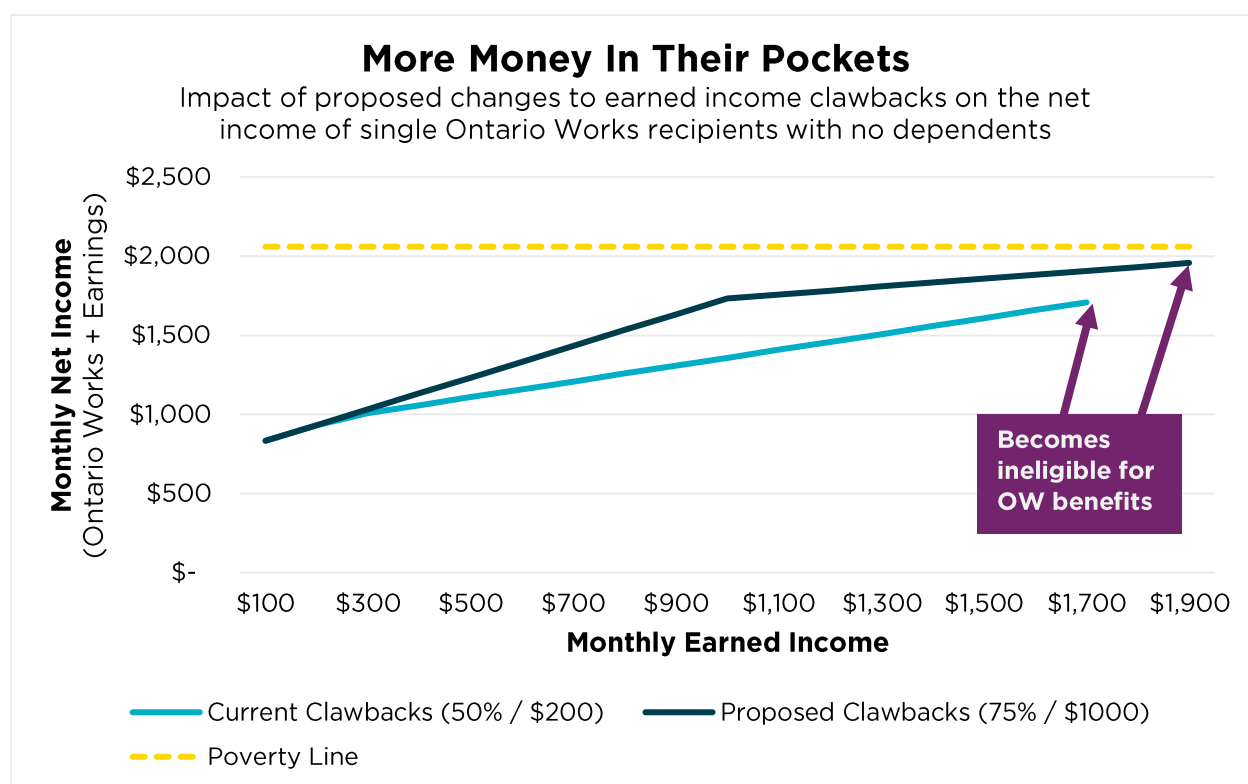
⁴ It has been argued that the poverty line for people with disabilities should be 30 per cent higher to account for the additional costs of living associated with having a disability that are not captured in the Market Basket Measure. <https://link.springer.com/article/10.1007/s1205-022-02900-1>

RECOMMENDATION 2: Change the earned income clawback formula for Ontario Works to match that of the Ontario Disability Support Program so workers can keep more money in their pockets.

The increases to minimum wage in Ontario over the last few years were a much-needed improvement for workers. However, neglecting to adjust Ontario Works' rates or earned income clawbacks to match, created a disincentive for recipients to work more hours and potentially impacts their overall financial stability.

Between 2017 and 2022, the hourly minimum wage increased from \$11.60 to \$15.50. During that same period, Ontario Works' rate only increased from \$703 to \$733, and the earned income clawback formula remained the same. In 2017, a minimum wage worker on Ontario Works could work up to 38 hours per week (a full-time job) before becoming ineligible for OW and losing access to the benefits provided. In 2022, that same worker becomes ineligible after working only 29 hours per week, the equivalent to a part-time job. As many companies tie access to extended benefits to working full-time hours, that worker is now less likely to replace OW-provided benefits with employer-provided benefits and is more vulnerable to health emergencies.

Improving the earned income clawback formula for OW recipients can help address this challenge. Feed Ontario recommends that the earned income clawback formula for OW recipients be changed from its current form of an earnings exemption of \$200/month (with 50 per cent of each additional dollar earned clawed back from assistance provided) to match the new formula for ODSP recipients at \$1,000/month (with 75 per cent clawed back).



As shown in the chart above, applying this change to Ontario Works would both:

- ➔ Increase the amount recipients can keep from employment.⁵
- ➔ Ensure recipients move closer to the poverty line prior to becoming ineligible for support.⁶

This would help recipients achieve greater financial stability and reduce the likelihood that they will need to return to the program after exiting.

RECOMMENDATION 3: Treat income from other benefits the same as earned income and work with the federal government to ensure recipients of the Canada Disability Benefit end up ahead.

Currently, social assistance recipients who receive benefits like Employment Insurance have their social assistance income clawed back at a rate of 100 per cent, making it more difficult to combine benefits to achieve income adequacy. Feed Ontario recommends changing the benefit clawback rate to that of the earned income clawback rate (75 per cent clawback with a \$1,000 exemption) to ensure that social assistance recipients can keep more of the benefits they are entitled to receive.

The current benefit clawback rate is also a concern with regards to a potential Canada Disability Benefit. Feed Ontario asks that the Government of Ontario work with the federal government to establish a minimum income floor to ensure this new benefit will help recipients receive the income support they need while retaining access to health benefits, such as coverage for medical supplies and critical disability support services. To account for the additional costs of living with a disability, the income floor should be at least 30 per cent above the poverty line⁷ to ensure recipients have the financial means to move out of poverty.

RECOMMENDATION 4: Combine the basic needs and shelter allowance into a single flat rate so there is a consistent level of support regardless of living situation.

Currently, financial supports for OW and ODSP are divided into maximum ‘basic needs’ and ‘shelter’ allowances. The amount of the shelter portion that a program recipient is allotted is determined by assessing how much they pay for housing. This assessment ends up becoming both very intrusive and laborious, as it requires that the recipient provide continuous proof of costs paid for shelter, as well as disclosing intimate details of their living arrangements and relationships.

⁵ The recipients who would benefit most would be those earning \$1,000 per month, or approximately 16 hours per week at a minimum wage job; they would keep an additional \$375 of income.

⁶ With the current framework, a single OW recipient with no dependents would be cut off from benefits at \$1,666 per month in earned income; with the proposed changes, they could continue to receive benefits until \$1,977 per month in income.

⁷ <https://link.springer.com/article/10.1007/s11205-022-02900-1>

It also means that a recipient who is living in an emergency shelter or temporarily staying on a friend's couch would only receive the basic needs portion of social assistance, not the shelter allowance. This makes it very difficult for someone who is experiencing homelessness to save enough to secure stable housing of their own.

Feed Ontario recommends combining the basic needs and shelter portions into a single flat rate.

	Basic Needs (Maximum)	Shelter (Maximum)	Total
Ontario Works	\$343	\$390	\$733
ODSP	\$706	\$522	\$1,228

RECOMMENDATION 5: Invest in affordable housing.

Unaffordable housing is a major driver of food bank use. A recent survey of food bank visitors in Ontario showed that 2 in 3 respondents had less than \$100 left per month after paying for housing and utilities.

While the National Housing Strategy (NHS) was an important first step to creating more affordable housing options, it is not nearly enough to meet the growing need for affordable housing. An analysis by the Financial Accountability Office showed that by the end of the NHS' term in 2027, the percentage of Ontario households in core housing need will remain the same.

Feed Ontario endorses the Ontario Non-Profit Housing Association's 2018 costed plan, [*An Affordable Housing Plan for Ontario*](#), which contains the following four key recommendations:

1. Build 69,000 affordable rental homes over the next 10 years.
2. Deliver income support to 311,000 Ontarian households.
3. Extend the life of 260,000 community-owned rental homes.
4. Create 30,000 new supportive housing units for individuals with mental health and addiction issues and end chronic homelessness.

RECOMMENDATION 6: Invest in worker protection.

Over the last four years, a growing number of workers have needed to rely upon food banks in Ontario, with 1 in 8 households now citing 'employment' as their primary source of income. Despite the unemployment rate in the province falling to a 30 year low in 2022, far too many workers in Ontario are in precarious, low-wage jobs and are struggling to earn enough to afford basic necessities like food.

'Delayed wages' was one of the most common reasons for visiting a food bank last year. A survey conducted on precarious and low-wage workers found that 33 per cent of respondents were owed unpaid wages from their employers, and 77 per cent of

those were not successful in recovering wages owed to them. The Ministry of Labour has an important role to play in preventing wage theft and recovering wages owed from employers.

The pandemic has highlighted the importance of staying home when sick for the health of individuals, the public, and the economy. Yet 70 per cent of workers earning under \$25,000/year do not have access to paid sick days,⁸ and must make the difficult choice between paying their bills or going to work while sick.

- ➔ **Protect victims of wage theft:** Feed Ontario supports the recommendations made in the Ministry of Labour's Changing Workplaces Review, including increasing workplace inspections to catch incidents of wage theft, and making the complaints process safer and more accessible.
- ➔ **Re-institute equal pay for equal work and paid sick days:** Feed Ontario urges the Government of Ontario to restore legislative requirements for equal pay for part-time, temporary, and casual workers as well as the two paid sick days that were cancelled in the 2018 Making Ontario Open for Business Act.

RECOMMENDATION 7: Invest in Ontario's non-profit sector.

The nonprofit sector, including food banks, is playing an essential role in providing service and support to communities across the province. It is therefore essential that nonprofit organizations have the resources and infrastructure to meet community needs.

Feed Ontario endorses the Ontario Non-Profit Network's [2023 Pre-Budget Submission](#), specifically:

- ➔ ONN Recommendation #4: Strengthen Ontario's spirit by bolstering volunteerism.
- ➔ ONN Recommendation #5: Leverage existing resources, including public infrastructure and procurement dollars, to multiply economic and social benefits in communities.
- ➔ ONN Recommendation #6: Remove barriers for nonprofits to build critical infrastructure including affordable housing, childcare centers, long-term care homes, and other community amenities.

⁸ <https://atkinsonfoundation.ca/atkinson-fellows/posts/after-cerb-paid-sick-leave-provisions-in-canada/>

Endorsements

On behalf of the 141 Feed Ontario food bank members listed below, we urge the Government of Ontario to include the investments detailed in this submission in the 2023 Ontario Budget:

Acton	Acton Foodshare
Ailsa Craig	Ailsa Craig & Area Food Bank & Thrift Store
Alliston	The Good Shepherd Food Bank of Alliston Inc.
Aurora	Aurora Food Pantry
Bancroft	North Hastings Community Cupboard
Barrie	Barrie Food Bank
Barry's Bay	Madawaska Valley Food Bank
Beamsville	Community Care of West Niagara
Beaverton	Brock Community Food Bank
Belleville	Gleaners Food Bank Quinte Inc.
Belleville	Quinte Region Food Sharing Shelter
Blenheim	The Salvation Army Blenheim
Blind River	Blind River Emergency Food Bank
Bobcaygeon	Bobcaygeon Helps Food Bank
Bolton	The Exchange - Caledon Community Services
Bracebridge	The Salvation Army Bracebridge Community and Family Services
Bradford	Helping Hand Food Bank
Brampton	Knights Table
Brantford	Community Resource Service - Brantford Food Bank
brockville	Brockville and Area food bank
Burk's Falls	Burk's Falls and District Food Bank
Burlington	Burlington Food Bank
Caledonia	Caledonia & District Food Bank
Cambridge	Cambridge Foodbank
Campbellford	Campbellford Fare Share Food Bank
Carleton Place	Lanark County Food Bank-The Hunger Stop
Cayuga	Cayuga Food Bank
Chatham	Chatham Outreaach for Hunger
Cobalt	Cobalt Coleman Latchford & Area Food Bank
Cobourg	Northumberland Fare Share
Cobourg	Northumberland County Food 4 All
Cochrane	Cochrane Foodbank
Collingwood	Collingwood Foodbank, Salvation Army
Concord	The Food Bank of York Region`
Cornwall	The Agape Centre
Drayton	Drayton Foodbank
Dunnville	The Salvation Army Dunnville Community & Family Services
Eganville	Eganville and District Community Food Bank

Elliot Lake	Elliot Lake Emergency Food Bank Inc.
Erin	East Wellington Community Services
Fergus	Centre Wellington Food Bank
Fonthill	Pelham Cares Inc
Fort Erie	The Salvation Army Fort Erie Community Family Services
Fort Frances	The Salvation Army Fort Frances Corps
Gananoque	Gananoque Food Bank
Georgetown	Georgetown Bread Basket
Goderich	St. Vincent de Paul
Greater Sudbury	Banque d'aliments Sudbury Food Bank
Grimsby	Benevolent Society Of Grimsby and District
Guelph	Guelph Food Bank
Hagersville	Hagersville Food Bank
Hanover	The Salvation Army Hanover Food Bank
Hastings	Hastings/Roseneath Ministerial Food Bank
Hawkesbury	Hawkesbury Central Food Bank
Huntsville	The Salvation Army Huntsville
Ingersoll	The Salvation Army CFS & TS Ingersoll
Kanata	Kanata Food Cupboard
Kapuskasing	Kapuskasing Food Bank
Kenora	The Salvation Army, Kenora Community Ministries Centre
Killaloe	Killaloe Food Bank
Kingston	Partners in Mission Food Bank
Kirkland Lake	The Salvation Army
Kitchener	The Food Bank of Waterloo Region
Lanark	Lanark Highlands Food Pantry
Lindsay	Kawartha Lakes Food Source
Listowel	The Salvation Army CFS Listowel - Food Bank
London	London Food Bank
L'Original	Banque Alimentaire de L'Original
Markham	Markham Food Bank
Mattawa	Mattawa and area food bank
Meaford	Meaford Food Bank & Outreach
Midland	The Midland Salvation Army Food Bank
Milton	The Salvation Army-Khi Community.
Mindemoya	Manitoulin Family Resources
Minden	Minden Community Food Centre
Mississauga	The Mississauga Food Bank
Nanticoke	Jarvis Caring Cupboard
Napanee	The Salvation Army Napanee
Newcastle	Clarington East Food Bank
Newmarket	Newmarket Food Pantry
Niagara Falls	Project SHARE

Niagara-on-the-Lake	Newark Neighbours
North Bay	North Bay Food Bank
Norwich	The Salvation Army Norwich
Oakville	Kerr Street Mission
Orangeville	Orangeville Food Bank - Caring for the Community
Orillia	The Sharing Place Food Centre
Oshawa	Feed the Need in Durham
Owen Sound	The Salvation Army Community and Family Services
Ottawa	Ottawa Food Bank
Palmerston	Palmerston Community Food Bank
Paris	The Salvation Army Paris Food Bank
Parry Sound	Harvest Share Community Food Programs
Pembroke	St. Joseph's Community Food Bank
Perth	The Table Community Food Centre
Peterborough	Kawartha Food Share
Port Colborne	Port Cares Reach Out Food Centre
Port Elgin	Saugeen Shores Community & Family Services
Prescott	Food For All Food Bank Serving South Grenville Area inc.
Red Lake	Red Lake/Ear Falls Food Banks
Renfrew	Renfrew and District Food Bank
Richmond Hill	Richmond Hill Community Food Bank
Ridgetown	The Salvation Army Ridgetown
Sarnia	Inn of the Good Shepherd
Sault Ste Marie	The Salvation Army (Sault Ste Marie)
Seeleys Bay	ROLL Aid Centre
Sharbot Lake	North Frontenac Food Bank
Simcoe	Simcoe Caring Cupboard
Smiths Falls	Smiths Falls Community Food Bank
Smithville	West Lincoln Community Care
South Mountain	House of Lazarus
South River	Good Happenings Food Bank
St. Catharines	Community Care St. Catharines and Thorold
St. Marys	Salvation Army St Marys
St. Thomas	St. Thomas Elgin Food Bank
Stoney Creek	Hamilton Food Share
Stratford	Stratford House of Blessing
Strathroy	Salvation Army Strathroy
Sutton West	Georgina Community Food Pantry
Sydenham	South Frontenac Community Services Corporation
Thunder Bay	Regional Food Distribution Association
Tillsonburg	Helping Hand Food Bank
Timmins	Timmins Food Bank
Toronto	Daily Bread Food Bank

Toronto	North York Harvest Food Bank
Trenton	Trenton Care and Share Food Bank
Uxbridge	Loaves & Fishes Foodbank
Walkerton	Walkerton & District Food Bank
Wallaceburg	The Salvation Army Wallaceburg
Warkworth	7 Hills Community Pantry
Wasaga Beach	Wasaga Beach Ministerial Food Bank
Waterdown	Food With Grace, Waterdown Food Bank
Waterford	Waterford & District Food Cupboard
Welland	The Hope Centre
Warton	Warton Salvation Army
Wiikwemikong	Wiikwemikoong Food Bank
Wilberforce	Central Food Network
Winchester	Community Food Share DS
Windsor	UHC Hub of Opportunities/Windsor Essex Food Bank Association
Wingham	North Huron Community Food Share
Woodstock	The Salvation Army-Woodstock