

2024 Ontario Pre-Budget Submission

Submitted January 31, 2024 to:

The Honourable Peter Bethlenfalvy

Minister of Finance c/o Budget Secretariat Frost Building North, 3rd Floor 95 Grosvenor Street Toronto, Ontario M7A 1Z1

Feed Ontario 229 Yonge Street, 4th Floor, Toronto, ON, M5R1C1 Ashley Quan, Manager, Advocacy and Network Engagement ashley@feedontario.ca, 416-656-4100

About Feed Ontario

Feed Ontario is a network of more than 1,200 direct and affiliate food banks and hunger-relief agencies across the province. Last year, Ontario's food bank network served more than 800,000 low-income Ontarians who accessed our services 5.9 million times.

Introduction

More Ontarians are falling into an economic crisis, with 1 in 19 people in this province relying on food banks simply to put food on the table. Food bank use grew by 38 per cent over the previous year, which is the largest single-year increase on record, and double the increase that followed the 2008 recession. Ontarians' need for emergency food assistance is outpacing the capacity of food banks across the province. Some food banks have already been forced to reduce service or even close completely, and concern is rising about the potential for a network collapse.

This situation should be alarming to the Government of Ontario. Studies show that by the time someone walks through the doors of a food bank, they are often on the precipice of homelessness, with nearly half of all food bank visitors reporting that they would be homeless without the supports provided,¹ and 1 in 5 food bank visitors reporting that they have \$0 or less after paying for housing costs alone. This has a significant impact on families and communities, as well as a high economic cost to the province: as detailed in our Cost of Poverty report, 'poverty' costs Ontario an estimated \$3.9 billion in excess health care costs and \$1.1 billion in excess justice system costs every year.²

The Government of Ontario must take urgent action to prioritize the economic security of working and vulnerable Ontarians to prevent even bigger problems, including a rapid increase in homelessness and higher healthcare costs. While every Ontarian is feeling the pressure of the rising cost of living, it is those who were already in an economically precarious position that must now turn to food banks to survive, and therefore deserve particular focus and assistance in this budget.

To start addressing this crisis, Feed Ontario asks that the Government of Ontario invest in working and vulnerable Ontarians through the following actions:

To better support Ontario workers:

1. Increase the monthly earned income clawback exemption for Ontario Works from \$200 to \$1,000 to match that of the Ontario Disability Support Program.

¹ Dubey, R. (2022, October 18). Nearly 2,500 Hamilton residents say food banks saved them from homelessness. The Hamilton Spectator. https://www.thespec.com/news/hamilton-region/nearly-2-500-hamilton-residents-say-food-banks-saved-them-from-homelessness/article_4f9ddb3d-b86f-5988-ba2e-41c90aea28c0.html

² Feed Ontario. (2019). The Cost of Poverty. https://feedontario.ca/research/cost-of-poverty-2019/

- 2. Treat income from Employment Insurance, Canada Pension Plan, and Workers Safety Insurance Board the same as earned income for social assistance.
- 3. Increase investments in worker protection, including the enforcement of existing labour laws and recovery of stolen wages.

To better support vulnerable Ontarians:

- 1. Commit to treating the Canada Disability Benefit as a top-up to social assistance, not a cost-savings measure.
- 2. Incrementally increase social assistance rates: first to account for inflation since 2018, then to account for inflation since 1996, and finally to the poverty line.
- 3. Combine the basic needs and shelter portions of social assistance into a single flat rate.
- 4. Increase investments in housing programs to match spending from previous years and build more social, affordable, and supportive housing.
- 5. Increase investment in Student Nutrition Programs
- 6. Increase investment in non-profit organizations

Feed Ontario recognizes the progress that the Government of Ontario has made, including unfreezing ODSP rates, changing earnings clawbacks to ODSP, increasing the minimum wage to \$16.55 per hour, and partnering with the federal government on \$10/day daycare and the Canada-Ontario Housing Benefit. However, the scale of the challenge is immense, especially after so many decades of disinvestment in Ontario's social safety net. Far more ambitious and urgent action must be taken to help the more than 800,000 Ontarians still struggling to put food on their tables.

Recommendations to better support Ontario workers

Feed Ontario urges the Government of Ontario to make the following investments in the 2024-25 Budget:

1. Align the earned income clawback for Ontario Works (OW) with that of the Ontario Disability Support Program (ODSP) so workers can keep more money in their pockets.

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

Between 2017 and 2023, the hourly minimum wage increased from \$11.60 to \$16.55. During that same period, OW's rate only increased from \$703 to \$733, and the earned income clawback formula remained the same at \$200 per month. This means that in 2017, a minimum wage worker on OW could work up to 38 hours per week before becoming ineligible for OW, while in 2023, that worker becomes ineligible after only

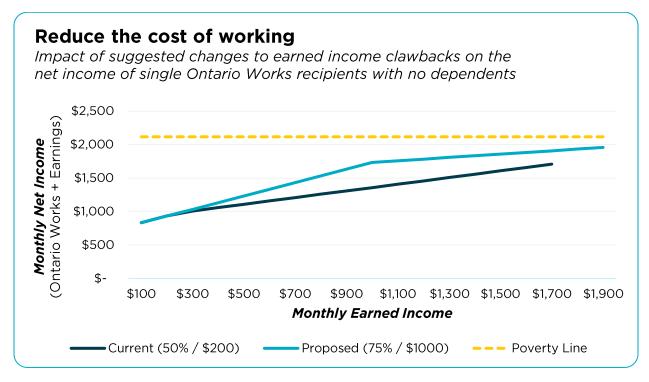
27 hours. When someone loses access to Ontario Works supports, they become more vulnerable to emergencies. Improving the earned income clawback formula for OW recipients can help address this challenge.

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 below, applying this change to Ontario Works would both:

- → Increase the amount recipients can keep from employment.
- → Ensure recipients move closer to the poverty line prior to becoming ineligible for support.³

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



2. Treat income from benefits like Employment Insurance (EI), Canada Pension Plan (CPP), and the Workers Safety Insurance Board (WSIB) the same as earned income for social assistance recipients.

Through premiums and payroll contributions, Ontarians pay into EI, CPP-Disability, and WSIB throughout their working lives. However, social assistance does not treat these

³ 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.

sources of income the same as earned income, but instead claws it back dollar for dollar. This makes it more difficult for recipients to combine benefits to achieve income adequacy.

Feed Ontario recommends changing the benefit clawback rate to that of the current earned income clawback rate for Ontario Works (50 per cent clawback) to ensure that social assistance recipients can keep more of the benefits they are entitled to receive.

3. Increase investments in worker protection, including into the recovery of stolen wages

A growing number of Ontario's workers need to rely on food banks to put food on the table, with one in six food bank visitors now citing employment as their primary source of income, an 82 per cent increase over 2016-17. What this indicates is that far too many workers are employed in precarious, low-wage, poor-quality jobs and, despite working, struggle to afford necessities like food.

'Delayed wages' was one of the most common reasons for visiting a food bank last year. Unfortunately, this is a widespread issue: 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.⁴

The Ministry of Labour has an important role to play in preventing wage theft and recovering wages owed from employers. Proactive workplace inspections are especially important for low-wage, precarious workers that experience barriers to making claims against their employers for stolen wages. Yet between 2018-19 and 2022-23, workplace inspections dropped by 66 per cent,⁵ and last year, the Employment Rights and Responsibilities Program saw a 60 per cent decline in funding.⁶

Feed Ontario recommends increasing investments in workplace inspections and enforcement of labour laws.

⁴ Workers Action Center. (2011). Unpaid wages, unprotected workers: A survey of employment standards violations. https://workersactioncentre.org/wp-content/uploads/2016/07/unpaidwagesunprotectedworkers eng.pdf

⁵ Government of Ontario. (2023, December 21) Employment standards enforcement statistics. https://www.ontario.ca/document/your-guide-employment-standards-act-0/employment-standards-enforcement-statistics

⁶ Government of Ontario. (2023, April 20). Expenditure Estimates for the Ministry of Labour, Immigration, Training and Skills Development (2023–24). https://www.ontario.ca/page/expenditure-estimates-ministry-labour-immigration-training-and-skills-development-2023-24#vote5

Recommendations to better support vulnerable Ontarians

1. Commit to treating the upcoming Canada Disability Benefit as a top-up to existing social assistance benefits, not a cost-saving measure.

In June 2023, the Government of Canada passed legislation that creates a framework for a Canada Disability Benefit, which would provide money to low-income, working-age people with disabilities. As the federal government develops the regulations that will determine the amount, eligibility, and rules around this new benefit, how this benefit interacts with provincial social assistance programs will have a significant impact on whether or not it will actually reduce poverty and the need for food banks.

The Canada Disability Benefit income should be treated the same way as the Canada Child Benefit: exempt from clawbacks on social assistance payments.

Feed Ontario urges the Government of Ontario to commit to treating the Canada Disability Benefit as a top-up to Ontario Works and the Ontario Disability Support Program, not a replacement.

2. Immediately increase Ontario Works 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.

Food banks are an emergency service, not a substitute for an adequate safety net. Yet the inadequacy of Ontario's social assistance programs means that hundreds of thousands of people must rely on food banks to help them survive, with more than half of visitors in the Feed Ontario network citing OW or ODSP as their primary source of income.

The provincial government has prioritized "life stabilization activities" as part of its modernization vision for social assistance, recognizing that the likelihood of finding and keeping a job is higher when people can address their pre-existing barriers to employment. However, when benefits are set at less than half the poverty line, the precarity of deep poverty is itself a barrier to employment and makes it more difficult to successfully exit assistance.

While it is positive that the Government of Ontario followed through on its commitment to increasing ODSP rates alongside inflation in July 2023, this measure does not fully make-up the ground lost between 2018 and 2021, when ODSP rates were frozen. Further, Ontario Works recipients have not received a similar inflationary commitment from the provincial government, meaning the income that they receive has remained the same since 2018. Ancillary benefits, such as the Special Diet Allowance, have also not received any increases, despite the rapidly rising cost of food.

Maximum social assistance rates for a single person, no dependents					
	Current Rate	Step 1: Match 2018 rates	Step 2: Match 1996 rates	Step 3: Match the poverty line ^{7 8}	
Ontario Works	\$733	\$867	\$924	\$2,117	
ODSP	\$1,308	\$1,383	\$1,651	\$2,752	

Feed Ontario recommends that, as an immediate first step, Ontario Works and ODSP rates first be increased to account for inflation since 2018, and then increased again to account for inflation since 1996, with the goal of combining base rates, additional benefits, and other supports to reach income adequacy.

3. Combine the basic needs and shelter allowances for social assistance programs 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.

Maximum social assistance allowances for a single person, no dependents					
	Basic Needs	Shelter	Total		
Ontario Works	\$343	\$390	\$733		
ODSP	\$752	\$556	\$1,308		

Statistics Canada. Table 11-10-0066-01 Market Basket Measure (MBM) thresholds for the reference family by Market Basket Measure region, component and base year. https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110006601

Cattari, L. (2021, January). Beyond Basic Needs: The Financial Cost of Disability. Hamilton Roundtable for Poverty Reduction. https://hamiltonpoverty.ca/preview/wp-content/uploads/2021/01/HRPR-Policy-Brief-TheFinancial-Cost-of-Disability.pdf

⁷ Market Basket Measure for Ontario, cities with a population between 100,000 to 499,999 people.

⁸ Poverty line for people with disabilities has been adjusted by 30 per cent to account for additional costs of living with a disability.

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.

4. Increase investments in affordable housing

Unaffordable housing is one of the primary reasons that Ontarians turn to a food bank for help. Feed Ontario's latest Hunger Report shows that 2 in 3 food bank visitors have less than \$100 left each month after paying for housing and utilities.

Ontario is in a serious housing and homelessness crisis. While the Government of Ontario has been working to increase the availability of market housing, provincial investments in social and affordable housing have fallen behind. Despite the bilateral agreement signed with the federal government under the National Housing Strategy (NHS) in 2018, average annual spending on Ontario's housing programs between 2019-20 and 2027-28 will be \$696 million, which is 19 per cent less than what was spent between 2014-15 and 2018-19.9

Feed Ontario recommends that, as a first step, the Government of Ontario increase funding for housing programs to match the average spending of previous years.

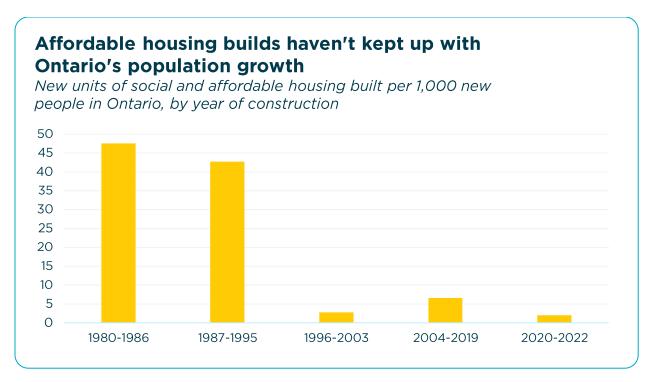
In addition, construction of new social and affordable housing in Ontario has not kept up with population growth. Since 2020, Ontario has built just two new units of social and affordable housing for every 1,000 new people added to the population.¹⁰ This is below the rate of 7 units per capita between 2004-2019, and far below the 47 units per capita built between 1980-1986.

Canada Mortgage Housing Corporation. (2022). Social and Affordable Housing Survey — Rental Structures Data Tables https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/social-affordable-housing-survey-rental-structures-data

Statistics Canada. Table 17-10-0005-01 Population estimates on July 1st, by age and sex. https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501

⁹ Kapoor, G. (2021, March 29). Understanding what matters: Summary of the Financial Accountability Office's report Housing and Homelessness Programs in Ontario. Maytree. https://maytree.com/publications/understanding-what-matters-summary-of-the-financial-accountability-offices-report-housing-and-homelessness-programs-in-ontario/
¹⁰ Calculations based on:

Calculations based on.



To begin reducing our affordable housing deficit, Feed Ontario endorses the Ontario Non-Profit Network's pre-budget submission, 11 which includes the following recommendations:

- Build at least 99,000 new co-op and non-profit homes that are needed immediately
- Create at least 30,000 supportive housing homes over the next 10 years
- Build at least 22,000 new Indigenous-owned and operate homes within the next 10 years
- Develop a capital repair program to protect Ontario's existing stock of 260,000 community housing homes
- Expand rental assistance and enhance other income support programs, such as the Canada-Ontario Housing Benefit (COHB) to keep people housed and prevent pathways into homelessness

5. Increase investments in student nutrition programs

Although federal and provincial investments in childcare, education, and financial supports have helped address child poverty, children remain the highest age group at risk of needing to access a food bank. Ontario's student nutrition programs help ensure that children can access healthy and nutritious food at school, which can have many benefits, including improved mental and physical health, higher test scores, and assistance to families struggling with the high cost of groceries.

¹¹ Ontario Non-Profit Housing Association. (2023). 2023 Ontario Pre-Budget Submission. https://onpha.on.ca/Content/PolicyAndResearch/COMMUNICATION_WITH_GOVERNMENT/2023/ONPHA_ON_Pre-Budget_Submission_-_2023-02-10.aspx

Feed Ontario endorses the Coalition for Healthy School Food's 2024 pre-budget submission, 12 which includes recommendations to:

- Double the annual provincial investment in the Ontario Student Nutrition Program from \$28.1 million to \$56.2 million to build on existing programs and augment the quantity and quality of nutritious food served to over 761,000 students in the province each day.
- Invest \$20 million over 3 years (\$6.7M per year) in student nutrition program infrastructure to support equipment needed to serve students nutritious food at school.
- Allocate a proportional core funding and infrastructure allotment to the First Nation Student Nutrition Program to advance Indigenous-led school food initiatives.

6. Invest in Ontario's non-profit sector

Food banks are being asked to continually do more with less. The sector has experienced a dramatic spike in demand over the last year, but resources have not kept up. Our 2023 Hunger Report revealed that:

- 69 per cent of food banks are concerned about having enough food
- 24 per cent of food banks are concerned they will need to pause or reduce service due to demand exceeding their capacity and resource limitations
- 4.4 per cent of food banks are worried that they may need to close their food bank completely within the next six months due to insufficient resources

Ultimately, this problem must be addressed through lessening the need for food banks through public policy that reduces poverty in our communities. However, in the interim, food banks and other non-profit organizations need support.

Feed Ontario endorses the Ontario Non-Profit Network's 2024 pre-budget submission, ¹³ which includes recommendations to:

- Establish a home in government to efficiently work with the over 58,000 nonprofits, charities, and grassroots groups in Ontario.
- Future-proof Ontarians' social infrastructure with investments that reflect true cost of service and program delivery to take the pressure off of institutional settings, like hospitals and long-term care.
- Address the nonprofit human resource crisis to ensure Ontarians have access to community support.

¹² The Coalition for Healthy School Food, Ontario Chapter. (2024). Written Submission for the Ontario Pre-Budget Consultations in Advance of the 2024 Budget.

https://drive.google.com/file/d/1L SOQE-Vc6cNOwalWiY88QCt Umbe4o5/view

¹³ Ontario Non-Profit Network. (2024). 2024 Ontario Pre-budget Submission. https://theonn.ca/publication/pre-budget-submission-2024/

- Make government activities deliver twice as much for communities by implementing strategies for community benefit agreements and social procurement.
- Enable communities to develop the infrastructure they need with access to capital and lands.

Endorsements

On behalf of the 141 Feed Ontario 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 & Area Food Bank

Alliston Food Bank Aurora Aurora Food Pantry

Bancroft North Hastings Community Cupboard

Barrie Food Bank

Barry's Bay Madawaska Valley Food Bank
Beamsville Community Care of West Niagara

Beaverton Brock Community Food Bank - Sunderland & Beaverton

Belleville Gleaners Food Bank Quinte Inc.

Belleville Quinte Region Food Share Shelter - Gleaners

Blenheim The Salvation Army Blenheim

Blind River Emergency Food Bank Inc.

Bobcaygeon Bobcaygeon Helps Food Bank Bolton Caledon Community Services

Bracebridge The Salvation Army Bracebridge Community Church

Bradford Helping Hand Bradford Food Bank

Brampton Knights Table

Brantford Community Resource Service - Brantford Brockville Operation Harvest Sharing - Brockville

Burlington Burlington Food Bank Partnership West

Caledonia & District Food Bank

Cambridge Cambridge Food Bank

Campbellford Campbellford Fare Share Food Bank

Carleton Place Lanark County Food Bank - Carleton Place

Cayuga Food Bank

Chatham Outreach for Hunger

Cobalt Coleman Latchford & Area Food Bank

Cobourg Northumberland County Food 4 All
Cobourg Northumberland Fare Share Food Banks

Cochrane Food Bank Inc.

Collingwood The Salvation Army Food Bank - Collingwood

Concord The Food Bank of York Region

Cornwall Centre Agape Centre

Dunnville The Salvation Army Dunnville Community & Family Services

Eganville Eganville & District Community Food Bank
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
Fort Frances The Salvation Army - Fort Frances
Gananoque Gananoque & District Food Bank

Georgetown Georgetown Bread Basket

Goderich St. Vincent de Paul

Greater Sudbury Banque d'aliments Sudbury Food Bank Grimsby Grimsby Benevolent Fund Food Bank

Guelph Guelph Food Bank

Hagersville Hagersville Food Bank Network
Hanover The Salvation Army - Hanover
Hastings Hastings Roseneath Food Bank

Hawkesbury Food Bank

Huntsville The Salvation Army Huntsville Food Bank & Family Services

Ingersoll The Salvation Army Ingersoll
Kanata Kanata Food Cupboard
Kapuskasing Food Bank

Kenora The Salvation Army, Kenora Community Ministries Centre

Killaloe Food Bank

Kingston Partners in Mission Food Bank
Kirkland Lake The Salvation Army - Kirkland Lake
Kitchener The Food Bank of Waterloo Region
Lanark Highlands Food Pantry

Lindsay Kawartha Lakes Food Source

Listowel The Salvation Army Community & Family Services Listowel

London London Food Bank

L'Orignal Banque Alimentaire de L'Orignal

Markham Food Bank

Mattawa and Area Food Bank
Meaford Golden Town Outreach - Meaford
Midland The Salvation Army - Midland

Milton The Salvation Army - Khi Community - Milton

Mindemoya Manitoulin Family Resources

Minden Food Bank

Mississauga Food Banks Mississauga
Morrisburg Community Food Share DS
Nanticoke Jarvis Caring Cupboard

Napanee The Napanee Salvation Army Food Bank

Newcastle Clarington East Food Bank Newmarket Newmarket Food Pantry

Niagara Falls

North Bay

North Bay

North Bay Food Bank

The Salvation Army

Oakville

Orangeville

Orillia

Oshawa

Project S.H.A.R.E

North Bay Food Bank

The Salvation Army

Kerr Street Mission

Orangeville Food Bank

The Sharing Place - Orillia

Feed the Need in Durham

Ottawa Food Bank

Owen Sound The Salvation Army C&FS Owen Sound

Palmerston Palmerston Food Bank

Paris The Salvation Army Paris Food Bank

Parry Sound Harvest Share Community Food Programs

Pembroke St. Joseph's Food Bank Network

Perth The Good Food Bank Peterborough Kawartha Food Share

Port Colborne Port Cares Reach Out Food Centre

Port Elgin The Salvation Army Saugeen Shores Community Food Bank

Prescott Food For All Food Bank

Red Lake Red Lake Friendship Centre Community Food Bank

Renfrew & District Food Bank

Richmond Hill Richmond Hill Community Food Bank

Ridgetown Salvation Army Sarnia Inn of the Good Shepherd

Sault Ste Marie The Salvation Army C&FS - Sault Ste Marie

Seeleys Bay R.O.L.L. Aid Centre

Sharbot Lake North Frontenac Food Bank Simcoe The Salvation Army - Simcoe

Smiths Falls Smiths Falls Community Food Bank Smithville West Lincoln Community Care

South Mountain House of Lazarus

St. Catharines Community Care of St. Catharines & Thorold

St. Thomas St. Thomas Elgin Food Bank
St. Marys The Salvation Army St. Marys
Stoney Creek Greater Hamilton Food Share
Stratford Stratford House of Blessing

Strathroy The Salvation Army Strathroy Community & Family Services

Sutton West Georgina Community Food Pantry

Sydenham Southern Frontenac Community Services
Thunder Bay Regional Food Distribution Association
Tillsonburg Helping Hand Food Bank - Tillsonburg

Timmins Food Bank
Toronto Daily Bread Food Bank

Toronto North York Harvest Food Bank
Trenton Care and Share Food Bank
Uxbridge Uxbridge Loaves and Fishes Food Bank

Virgil Newark Neighbours Food Bank
Walkerton Walkerton & District Food Bank
Wallaceburg Salvation Army
Warkworth Seven 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

Wiarton The Salvation Army - Wiarton
Wikwemikong Wikwemikong Food Bank Network
Wilberforce Central Food Network - Wilberforce

Winchester Community Food Share DS

Windsor Windsor & Essex County Food Bank Association

Wingham North Huron Community Food Share Woodstock The Salvation Army Woodstock