

2025 Ontario Pre-Budget Submission

About Feed Ontario

Feed Ontario represents a network of more than 1,200 food banks and hunger relief organizations in Ontario. Through our network, we deliver millions of pounds of food to food banks across the province, serving more than 1 million people each year. While we work to strengthen and grow the capacity of the provincial food bank network, Feed Ontario continues to advocate for evidence-based programs and solutions to end food insecurity and poverty in our province. It is only through good public policies that prioritize people above all else that we will realize our vision of an Ontario where everyone is food secure.

Introduction

The number of people turning to a food bank has doubled since 2018, with over 1 million Ontarians using a food bank last year. Food bank visitors are at very high risk of homelessness¹, and so it is perhaps not a surprise that over the last few years municipalities across the province have reported significant increases in homelessness. This is not just a moral issue, but a challenge to Ontario's health and prosperity. Homelessness adds strain to already overburdened services, such as emergency responders, healthcare, and the justice system, and has impacts on community cohesion and public health. For example, someone experiencing homelessness costs the healthcare system \$10,297 more than a low-income individual who is housed.² Ultimately, homelessness costs far more to treat than it does to prevent.

Reforming Ontario's social assistance programs would help reverse this tide. Over half of food bank visitors rely on these programs, and the number of social assistance recipients experiencing homelessness has nearly doubled over the last two years.³ The Government of Ontario laid out an ambitious plan to transform social assistance in 2021,⁴ prioritizing outcomes of employment, financial resilience, independence and well-being. Unfortunately, these outcomes have largely not improved, especially for Ontario Works (OW): the most recent report has shown that OW cases with employment income is 36 per cent lower than baseline, and the percentage of OW cases that return within a year has remained the same.⁵

¹ [Mitchell, D. \(2022\).](#)

² [Richard, L. \(2024\).](#)

³ [Pinkerton, C. & Hauen, J. \(2024\).](#)

⁴ [Government of Ontario \(2021\).](#)

⁵ [Government of Ontario \(2024\).](#)

While there are several OW policy directives that contribute to these poor outcomes and trap hard-working recipients into a cycle of poverty, Feed Ontario is putting forward two immediate changes for inclusion in Budget 2025 which builds on the success of similar changes made to ODSP in 2022 and 2023:

- 1) **Help Ontario Works recipients exit the program in a more financially stable position, preventing the need for returning, by increasing rates:** Increasing the financial support provided through OW to at least 2018 levels (\$883 per month), as a first step towards doubling the rates, would help recipients build the foundation for greater independence and long-term employability, as well as reducing their risk of homelessness.
- 2) **Improve employment outcomes for Ontario Works recipients by reducing clawbacks on earnings:** Lowering clawbacks on employment income would reduce barriers to work and let recipients to keep more money in their pockets.

While income security programs are the best tool to address food insecurity and poverty, making life more affordable for Ontarians can also move the needle on these issues and fits into the government's existing priorities. Feed Ontario recommends the Government of Ontario:

- 3) **Help more families with the cost of living by increasing funding for school food:** Growing the investment in the Ontario Student Nutrition Program would ensure that more children are prepared for long-term success, take pressure off household budgets, and build on the government's past leadership.

In Budget 2025, Ontario has the opportunity to strengthen its workforce, reduce poverty, and build a more resilient economy. Feed Ontario is committed to working alongside the government to achieve a future where all Ontarians can succeed.

Recommendations

1) Help Ontario Works recipients achieve life stabilization and exit the program in a more stable financial position by increasing rates

Context: OW provides financial assistance to individuals as they work towards getting back on their feet, whether by seeking employment or accessing other necessary supports. Since 2018, the cost of living has risen dramatically—rent has increased by 32 per cent, and food costs have gone up by 43 per cent. Despite this, the financial assistance provided by OW has not seen any increase, leaving recipients with the same amount of support they would have received six years ago: a maximum of \$733 for a single person.

Problem: A major component of Ontario's *Vision for Social Assistance Transformation* is the importance of life stabilization, wherein caseworkers focus on the building blocks of greater independence and long-term employability, and eventually achieve self-

sufficiency. While this is an important and laudable goal, it is very difficult to actually stabilize one's life on \$733 a month given today's cost of living.

This means recipients are increasingly forced to dedicate their time and energy to basic survival—navigating complex social services, attending appointments, and worrying about where their next meal or rent payment will come from – instead of focusing on skills development or searching for stable employment. This results in worse outcomes for OW recipients, ultimately costing more money in the long run.

Solution: Feed Ontario recommends that the Government of Ontario adjust OW rates to at least the 2018 level of \$883 to reflect the rising cost of living, as a first step towards doubling the rates. This would help provide recipients with the necessary financial foundation to focus on securing stable employment and exit the program.

2) Improve employment outcomes by reducing clawbacks on earnings

Context: When social assistance recipients earn income from work, the money they receive from supports is clawed back. Prior to 2023, both Ontario Works (OW) and Ontario Disability Support Program (ODSP) exempted the first \$200 in earnings per month from clawbacks, and then reduced benefits by 50 cents for each additional dollar earned.

The Government of Ontario changed this formula for ODSP to exempt the first \$1,000 per month, while clawing back each additional dollar earned by 75 cents. This built on increases to support from ODSP in 2022. Combined, these changes appear to have led to improvements in outcomes for ODSP recipients, who had a 29 per cent increase in rates of cases with employment earnings since 2020, compared to a 4.5 per cent decline for OW recipients.

Problem: The OW clawback formula in its current state acts as a barrier to work and makes it more difficult to escape poverty. While the increase in Ontario's minimum wage from \$11.60 in 2017 to \$17.20 in 2024 was a positive step, not adjusting OW's clawback formula or support rates in accordance with wages inadvertently exacerbated the Marginal Effective Tax Rate (METR) on recipients. This high tax rate creates a significant disincentive to work more hours, as it can leave recipients financially worse off.

*For example, consider **Daniel**, an OW recipient who started receiving support in 2017. Daniel got a minimum wage job where he was working 26 hours a week.*

- *Monthly earnings: \$1,162*
- *OW cheque: Originally \$721, reduced to \$240 after clawbacks*
- *Total Income: \$1,402*

Daniel's rent was \$897 (the average 2017 rent for a bachelor apartment in Ontario), which left him with \$505 for other expenses. He also receives additional benefits through OW which helps him with his expenses. He is able to

take on an extra shift and save a small emergency fund over time, which helps him successfully transition off of OW when he is able to find a better-paying job.

*In 2024, **Sam** is an OW recipient working a minimum wage job. He currently works 22 hours per week, which gives him a total income (between OW and earnings) of \$1,559. His boss offers him a regular extra shift, which would bring him up to 26 hours per week.*

- *New monthly earnings: \$1,668*
- *OW cheque: Originally \$733, reduced to \$0 after clawbacks*
- *Total income: \$1,668*

His rent is \$1,307 (the average 2024 rent for a bachelor apartment in Ontario), leaving him with only \$361 for other expenses. Since the extra shift would mean Sam would earn too much for OW – despite working the same number of hours as Daniel – he would also lose access to additional benefits available through OW, increasing his expenses much more than the additional income from working more hours. This is why he regretfully turns down the extra shift.

Workers on OW today like Sam are worse off than workers on OW in 2017 like Daniel, due to base supports from OW not keeping up with the higher cost of living and the clawback structure not changing to reflect a higher minimum wage. This penalizes OW recipients trying to work their way off the program, build financial resilience, and escape poverty.

Solution: Feed Ontario recommends the Government of Ontario increase the earned income exemption for OW from \$200 to \$400. This would allow OW recipients to earn more without being subject to the high tax of clawbacks, and provide them a longer financial runway prior to exiting the program.

3) Position Ontario as a leader in student nutrition by increasing investment in the Ontario Student Nutrition Program

Context: Feed Ontario applauds the Government of Ontario for its leadership on student nutrition, becoming the third province to negotiate a national school food program agreement with the Government of Canada. At a time when more than 1 million Ontarians accessed a food bank, with nearly a third of them being children, the government acted quickly to put food on their plates. Through this historic investment, Ontario will receive \$108.5 million over 3 years from the federal government to support the Ontario Student Nutrition Program and First Nations Student Nutrition Program, supporting an additional 160,000 students with over 9.8 million meals.

Problem: While this additional funding is welcome, there is still much work left to be done. At present, only 40 per cent of students are being served by the Ontario Student Nutrition Program, leaving more than half of our province's children unable to access healthy meals through this program.

This has a long-term impact on our province: food insecurity is associated with a higher incidence of diet-related illness and lower academic performance,⁶ which can perpetuate cycles of generational poverty. Conversely, healthy school food programs have been shown to be a cost-effective intervention to raise test scores⁷ and increase lifetime earnings between 3 to 6 per cent,⁸ which would increase Ontario's productivity and tax base. Ontario currently invests \$37.6 million in school food programs, providing only 10 cents per student per day, nearly four times lower than the national median P/T contribution.

Solution: Feed Ontario supports the 2025 pre-budget submission from the Ontario Chapters of the Coalition for Healthy School Food, which calls upon the province to build upon the funding from the federal government with a historic investment of an additional \$115 million in Budget 2025, bringing Ontario up to the median P/T contribution. This investment would nearly double the number of students that could access a mid-morning meal at school and increase the percentage of Ontario students served by this program from 40 per cent to 70 per cent. It will help alleviate household financial pressures during an affordability crisis, saving Ontario families between \$520-760 per year, per child, and improve academic and health outcomes for the province's children.

Endorsements

On behalf of the 140 Feed Ontario members listed below, we urge the Government of Ontario to include the investments detailed in this submission in the 2025 Budget.

Acton – Acton Foodshare
Ailsa Craig – Ailsa Craig & Area Food Bank & Thrift Store
Alliston – Alliston Food Bank
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
Belleville – Gleaners Food Bank
Belleville – Quinte Region Food Sharing Shelter
Blenheim – The Salvation Army Community & Family Services
Blind River – Blind River Emergency Food Bank
Bobcaygeon – Bobcaygeon Helps
Bolton – Caledon Community Services
Bracebridge – Salvation Army - Bracebridge
Brampton – Knights Table

⁶ [Faught, E.L., et al. \(2017\).](#)

⁷ [Sajedinejad, S., et al. \(2022\).](#)

⁸ [Bütikofer, A., et al \(2018\).](#)

Brantford – Brantford Food Bank
Brockville – Brockville & Area Food Bank
Burk's Falls – Burk's Falls and District Food Bank
Burlington – Burlington Food Bank
Caledonia – The Caledonia & District Food Bank
Cambridge – Cambridge Self Help Food Bank
Campbellford – Campbellford Fare Share Food Bank
Carleton Place – Lanark County Food Bank - The Hunger Stop
Cayuga – Cayuga Foodbank Inc.
Chatham – Chatham Outreach for Hunger
Cobalt – Cobalt Coleman Latchford & Area Food Bank
Cobourg – Northumberland County Food 4 All
Cobourg – Northumberland Fare Share Food Bank
Cochrane – Cochrane Food Bank
Collingwood – The Salvation Army Collingwood Community Church
Concord – The Food Bank of York Region
Cornwall – The Agapè Centre
Dunnville – The Salvation Army Dunnville
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
Gananoque – Gananoque Foodbank
Georgetown – Georgetown Bread Basket
Goderich – St. Vincent de Paul
Grimsby – GBF Community Services
Guelph – Guelph Food Bank
Hagersville – Hagersville Food Bank
Hamilton – Hamilton Food Share
Hanover – Hanover Food Bank
Hastings – Hastings and Roseneath Food Bank
Hawkesbury – Hawkesbury Central Food Bank
Huntsville – The Salvation Army Huntsville Food Bank & Family Services
Ingersoll – The Salvation Army in Ingersoll
Kanata – Kanata Food Cupboard
Kapuskwasing – Kapuskasing Food Bank
Kenora – The Salvation Army, Kenora Community Ministries Centre
Killaloe – The 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 Community & Family Services - Foodbank
London – London Food Bank
L'Original – L'Original Food Bank
Markham – Markham Food Bank
Mattawa – Mattawa & Area Food Bank
Meaford – Golden Town Outreach
Midland – Salvation Army Midland Family Services
Milton – The Salvation Army-Khi Community Milton
Mindemoya – Manitoulin Family Resources
Minden – Minden Community Food Bank
Mississauga – Food Banks Mississauga
Morrisburg – Community Food Share
Mountain – House of Lazarus
Nanticoke – Jarvis Caring Cupboard
Niagara-On-The-Lake – Newark Neighbours Food Bank
Napane – The Governing Council of Salvation Army in Canada
Newcastle – Clarington East Foodbank
Newmarket – Newmarket Food Pantry
Niagara Falls – Project SHARE
North Bay – North Bay Food Bank
Norwich – The Salvation Army Norwich
Oakville – Kerr Street Mission
Orangeville – Orangeville Food Bank
Orillia – The Sharing Place Food Bank
Oshawa – Feed the Need in Durham
Ottawa – Ottawa Food Bank
Owen Sound – The Salvation Army Owen Sound
Palmerston – Palmerston Community Food Bank
Paris – The Salvation Army Paris
Parry Sound – Harvest Share
Perth – The Table Community Food Centre
Peterborough – Kawartha Food Share
Port Colborne – Port Cares Reach Out Food Centre
Port Elgin – The Salvation Army Saugeen Shores Community & Family Services
Prescott – South Grenville Food Bank
Red Lake – Red Lake & Ear Falls Food Banks
Renfrew – Renfrew & District Food Bank
Ridgetown – The Salvation Army Community & Family Services
Sarnia – The Inn of the Good Shepherd
Sault Ste. Marie – The Salvation Army Sault Ste. Marie
Seeley's Bay – R.O.L.L. Aid Centre
Simcoe – The Salvation Army Simcoe Community Church
Sharbot Lake – North Frontenac Food Bank

Smiths Falls - Smiths Falls Community Food Bank
Smithville - West Lincoln Community Care
South River - Good Happenings Food Bank
St. Catharines - Community Care, St. Catharines & Thorold
St. Marys - Salvation Army St Marys Foodbank
St. Thomas - St. Thomas Elgin Food Bank (The Caring Cupboard)
Stratford - Stratford House of Blessing
Strathroy - The Salvation Army CFS Strathroy
Sudbury - Banque d'aliments Sudbury Food Bank
Sunderland - Brock Community Food Bank
Sydenham - Southern Frontenac Community Services Corporation Food Bank
Thunder Bay - Regional Food Distribution Association of Northwestern Ontario
Tillsonburg - Helping Hand Food Bank
Timmins - Timmins Food Bank
Toronto - Daily Bread Food Bank
Toronto - North York Harvest Food Bank
Trenton - Care Share Food Bank Trenton
Uxbridge - Uxbridge Loaves and Fishes Food Bank
Walkerton - Walkerton & District Food Bank
Wallaceburg - The Salvation Army Chatham-Kent
Warkworth - 7 Hills Community Pantry
Wasaga Beach - Wasaga Beach Ministerial Food Bank
Waterdown - Food with Grace, Waterdown Food Bank
Waterford - Waterford and District Food Cupboard
Welland - The Hope Centre
Wiarton - Peninsula Food Bank
Wiikwemikoong - Wiikwemikoong Food Bank
Wilberforce - Central Food Network
Winchester - Community Food Share
Windsor - Windsor Essex Food Bank Association
Wingham - North Huron Community Food Share
Woodstock - The Salvation Army - Woodstock Food Bank