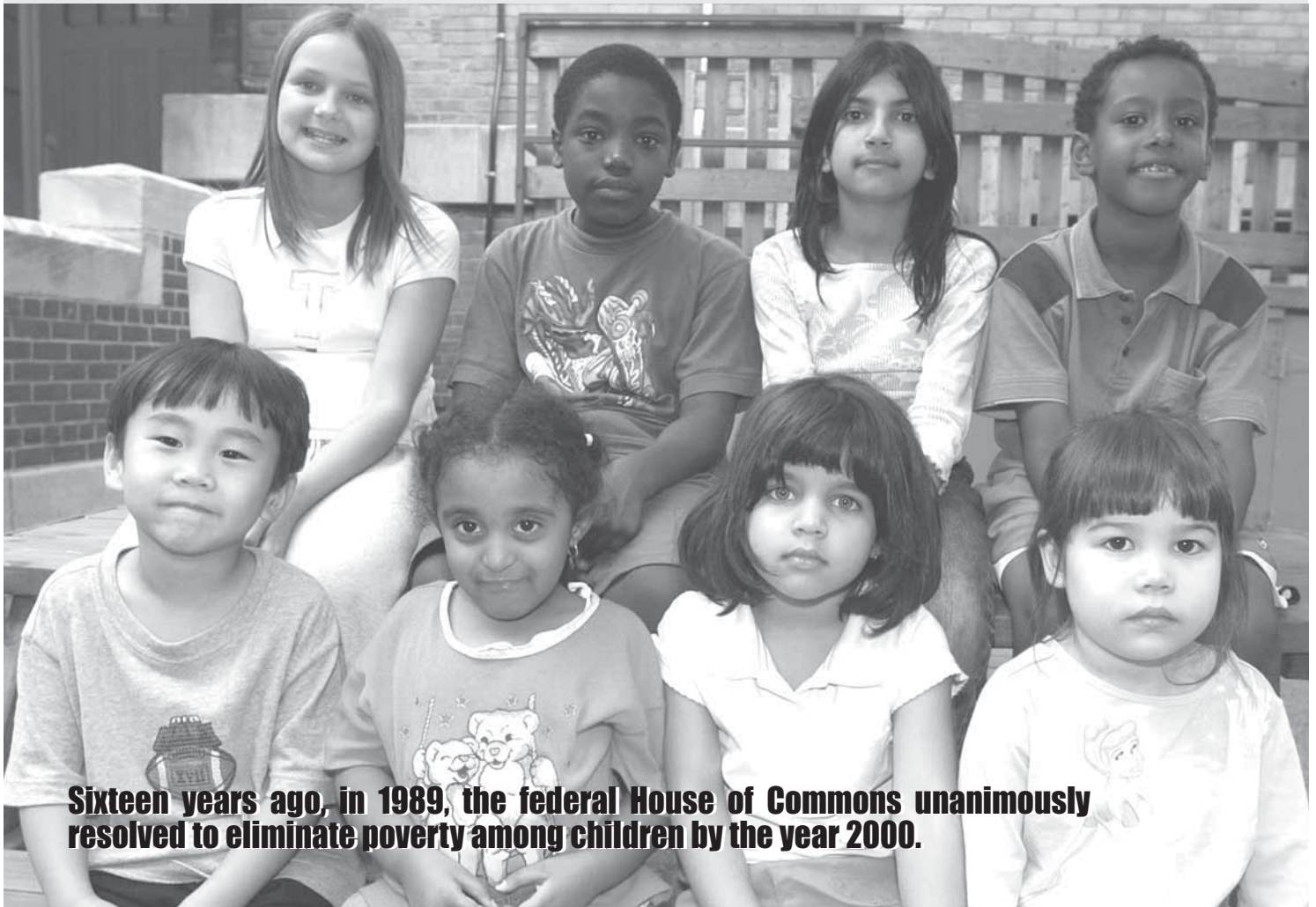


Putting Children First



2005 Report Card on Child Poverty in Ontario



Sixteen years ago, in 1989, the federal House of Commons unanimously resolved to eliminate poverty among children by the year 2000.

Child and Family Poverty in Ontario

Focus Area	What Has Happened?
Child and family poverty rate	<ul style="list-style-type: none"> → The child poverty rate has been stuck at 15-16% since 2000 despite strong economic growth. → 443,000 children – one in every six – live in poverty.
Depth of poverty	<ul style="list-style-type: none"> → The average low income family lives far below the poverty line. → Low income lone mother families are living (on average) \$9,600 below the poverty line.
The working poor	<ul style="list-style-type: none"> → The percentage of poor children living in working families has doubled in the past 10 years. → 33% of low income children are in families where the parent/s work full-time, full year.
Social exclusion	<ul style="list-style-type: none"> → Poverty rates for children in Aboriginal, visible minority and immigrant families are double the average rate. → The richest 10% of families saw a 41% increase in average incomes over the past ten years, versus a 4% increase for the poorest 10% of families.

Putting Children First: An Action Plan for Families and Children

“There are many demands for priority on the time and resources of government. And the case for children therefore bears repeating. It is the fundamental responsibility of government to protect the vulnerable and to protect the future. Children are both.”

UNICEF Child Poverty in Rich Countries, 2005', Innocenti Report Card No. 6, p.31

There are 1.2 million children in Canada living in poverty. Of those, 443,300 or 37% live in Ontario, Canada's largest and wealthiest province. Despite strong economic growth, Ontario's child poverty rate has stalled at 15-16% since 2000 – that's one in every six children. More and more families are working but continue to struggle in poor jobs. Many of these families find themselves stuck in a poverty trap where they cycle between social assistance and precarious, low paid jobs.

What are the costs to Ontario of having 16% of its youngest members live in poverty during their most formative years? Growing up in poverty is linked to poor health, lower school performance, and low

pay and unemployment as adults.

Many of the families struggling at the lowest rungs of the income ladder are lone mothers, recent immigrants, visible minorities, Aboriginal peoples, and people with disabilities. What are the risks when poverty rates are disproportionately high among specific communities? As income inequality increases, the social environment deteriorates, involvement in community life declines, population health deteriorates, and hostility and violence increase.²

What can be done to address child and family poverty in Ontario? The lessons learned from other industrialized economies which have reduced child poverty rates to 5% or less show that government investments in social programs and high quality labour markets are key.³ The voluntary sector, business, labour and community groups also have a role to play.

Over the past two years the Ontario government has focused investments in its priority areas of health, education and the economy. Campaign 2000 urges the Province to cement these investments with a multi-year plan to tackle child and family poverty – an investment in the most vulnerable of Ontario society and in our collective future. The five key components of an Action Plan for Children and Families appear below.

Action Plan to Reduce Child Poverty in Ontario

Component	What is happening in Ontario?	What Ontario needs to do
Good Jobs at Living Wages	<ul style="list-style-type: none"> → Minimum Wage increased to \$7.75 and will reach \$8/hour by 2007. → Approximately 37% of Ontario workers are in precarious jobs (part-time, temporary, self-employed) with little security and limited access to employment protection. → Increased funding for post-secondary education and training. 2 year tuition freeze ends 2006. → New investment in training and apprenticeships, including support for internationally trained professionals. New Canada-Ontario Settlement Accord provides federal funding for language training and settlement programs. 	<ul style="list-style-type: none"> → Increase minimum wage to \$10/hour and index to inflation to lift full-time, full-year workers from poverty. → Improve enforcement of Employment Standards Act and ensure workers in precarious jobs are covered. → Improve access to higher education and training for low income families and children. → Effectively implement new Canada-Ontario Settlement Accord to facilitate settlement and labour market participation for all newcomers. Ensure access to OHIP upon arrival for new immigrants. → Urge better access to EI. Only 30% of Ontario's unemployed covered.
Child Income Benefits	<ul style="list-style-type: none"> → Canada Child Tax Benefit (CCTB) will reach \$3,245/child/year by 2007. → Ontario passed on '04 & '05 increases to NCBS but continues to claw back \$1,463/child from families on welfare. Committed during election to end the claw back. 	<ul style="list-style-type: none"> → Stop the claw back of the National Child Benefit Supplement (NCBS) now. → Urge federal government to increase CCTB to \$4,900/child.
Child Care	<ul style="list-style-type: none"> → With federal child care funding Ontario plans to create 25,000 new spaces over 3 years under its "Best Start Plan". → The new federal Conservative government promised to honour the 2005 bilateral child care agreements for only 1 year → Province has not allocated \$300 million in provincial funding promised in the 2003 election. 	<ul style="list-style-type: none"> → Press new federal government to fully honour the child care agreements → Commit provincial funding to sustain & continue the development of child care in Ontario → Expand child care only in the non-profit sector, address the needs of children ages 6 to 12, and improve the wages, benefits and working conditions of early childhood educators.
Affordable Housing	<ul style="list-style-type: none"> → Election promise to match federal funding and build 20,000 affordable housing units, provide 35,000 housing allowances, and introduce rent control. → \$30 million committed in '05 Budget to produce 15,000 units and 5,000 housing allowances 	<ul style="list-style-type: none"> → Increase provincial funding to access matching federal funding and speed up slow process of building affordable housing units → Press new federal government to continue federal housing and homelessness funding
Renewed Social Safety Net	<ul style="list-style-type: none"> → Cumulative impact of cuts and inflation mean welfare benefits now have purchasing power equivalent to 1965. → Province lifted lifetime ban for fraud, restored nutrition allowance for pregnant women, extended health benefits for 6 months to ease transition to work. 	<ul style="list-style-type: none"> → Increase Social Assistance and ODSP rates to reflect real costs of living, and index benefits to inflation. → Implement recommendations of Deb Matthews Report to ease transition for those adults able to be in workforce.

Child Poverty in Ontario

In 1989 Canada's Parliament resolved to eliminate child poverty by the year 2000. In 1989, 11.6% of Ontario's children lived in poverty⁴ (Figure 1). Since this time, Ontario's rate of child poverty peaked in 1996 at 23.1%, and has remained above the 1989 level.

Ontario's child poverty rate is now 16.1%. There are now 443,000 children living in poverty – equivalent to 1 in every 6 children in Ontario. The number of children living in poverty has increased substantially: by 58% since the 1989 resolution.

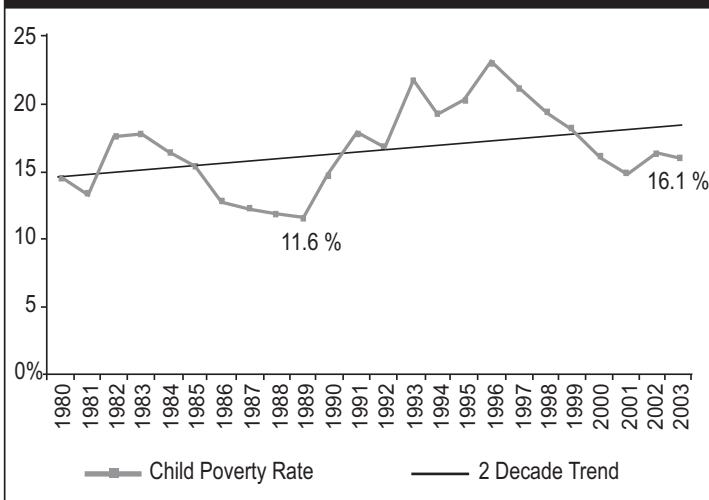
The duration of poverty (how long a child/family will be poor) and the depth of poverty (how far family incomes are below the poverty line) are two indicators of how severe the experience of poverty will be for children and families.

In the six-year period between 1996 and 2001, 703,000 children experienced poverty. Most of these children did not experience a brief spell of poverty. Three-quarters (76.7%) lived in poverty for between 2 and 6 years. More than one-third (39%) lived in poverty for four years or more – a substantial portion of their childhoods.

Families living in poverty also tend to have incomes far below the poverty line. Low income two-parent families needed, on average, an additional \$10,200 just to reach the poverty line. Female lone-parent families living in poverty needed, on average, an additional \$9,600 to reach the poverty line.

Clearly economic growth alone is not solving the persistence of child & family poverty in our province. Ontario needs to make key social investments to support vulnerable families, and take steps to ensure a better quality labour market with good jobs at living wages.

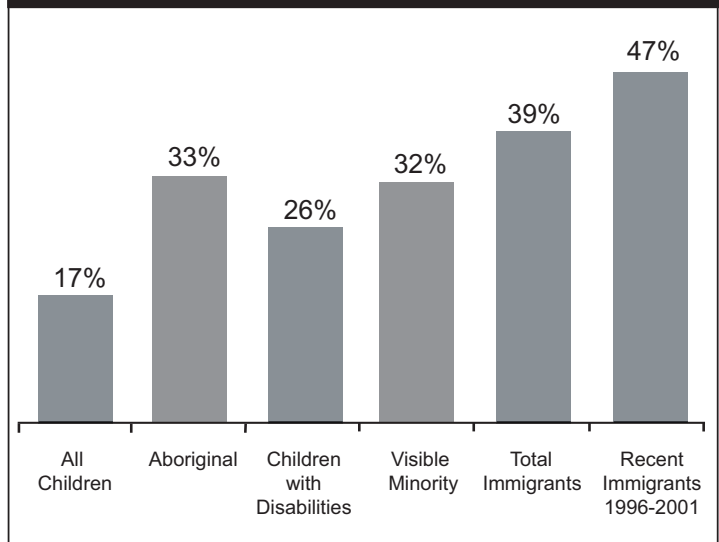
FIGURE 1: CHILD POVERTY RATE IN ONTARIO, 1980 - 2003



Source: Canadian Council on Social Development, 2005, using Income Trends in Canada 2003, Statistics Canada



FIGURE 2: CHILD POVERTY RATES AMONG SELECTED GROUPS IN ONTARIO, 2001



Source: Statistics Canada, Census 2001

Child Poverty Rates Among Vulnerable Groups

Ontario's child and family poverty problem hits lone mothers, children with disabilities, and children in Aboriginal, visible minority and immigrant families disproportionately hard⁵ (see Figure 2).

Forty per cent of low income children live in female lone-parent families. In 2003, only 12% of all Ontario children lived in female lone-parent families, but just over half (52%) of those children were living in poverty. Of those lone-parents in the workforce, many are stuck in low paid jobs earning less than \$10/hour⁶. In 2003 female lone-parent families had average incomes that were 66% of the incomes of male lone-parent families⁷.

According to the latest census data (2001), almost half of children in new immigrant families (47%) and about one-third (32%) of all children in visible minority families are living in poverty in Ontario (Figure 2). Studies have identified a number of reasons for these disproportionately high poverty rates including: an over-representation of racialized groups in low-paying occupations; non-recognition of international work experience and credentials; and racial discrimination in employment⁸.

New immigrant families have to deal with barriers to employment coupled with the high costs of settlement. It costs at least \$5,000 for a four-person family to complete immigration processing fees, and many new immigrants have to self-finance re-training when they discover their international credentials are not recognized. The Ontario Government should support the needs of newcomer families by eliminating the three-month waiting period for OHIP coverage, and increasing funding for English as a second language school programs with assurances that funding will be used only for that purpose. Family supports such as affordable quality child care, affordable housing, living wages, and labour market protection are particularly important for newcomer communities⁹.

One-quarter of Ontario's children with disabilities live in low income families. These families face barriers to full inclusion and immense financial and social stress. Inadequate services and supports can leave these families with more restrictions to participation in the workforce.

One-third of Ontario's off-reserve Aboriginal children live in low income families. Participation of Aboriginal peoples in Ontario's labour market is close to the provincial participation rate, but they experience higher unemployment levels relative to the total population and aboriginal workers have among the lowest average earnings compared with other groups¹⁰. Their most basic needs for food, clothing and shelter are not being met¹¹.

Greater Inequality: Economic Boom for Whom?

A growing economy helped raise incomes for families with children by an average of \$15,779 between 1993 and 2003 (all figures adjusted to inflation). But the benefits of Ontario's rising tide were far from being evenly distributed. While the province's richest families rode a massive wave of prosperity, poor families bobbed their way to very modest gains.

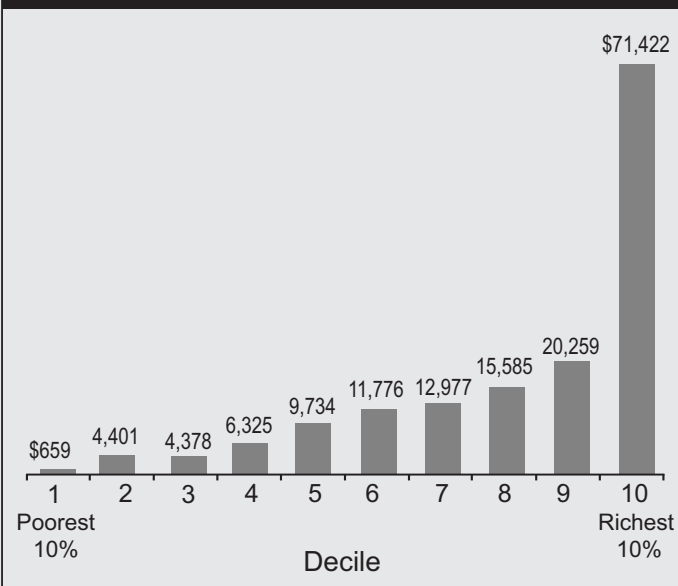
Figure 3 divides Ontario's families with children into 10 equal groups (deciles) from the lowest to the highest of family incomes. It shows the average net gain in family income for each decile between 1993 and 2003.

The numbers show that Ontario's poorest families missed out on their share of Ontario's growing economic pie. The poorest 10% of families saw their average income rise a mere 4% to \$17,261 in 2003 from \$16,603 ten years earlier. In contrast, average incomes for Ontario's richest 10% of families with children rose by 41% to \$246,236 in 2003, from \$174,813 in 1993 – an increase of \$71,422, on average, over that same ten-year period.

The one-sided distribution of benefits from Ontario's boom has further entrenched inequality in Ontario. Over the past ten years, for every \$1 increase in the incomes of the poorest 10% of families with children, there was a \$108 increase in the incomes of the richest 10% of families with children.

**FIGURE 3: AVERAGE INCREASE IN FAMILY INCOME
BY DECILE, 1993 - 2003**

Ontario families with children under 18 (constant 2003 \$)



Source: Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics, masterfile

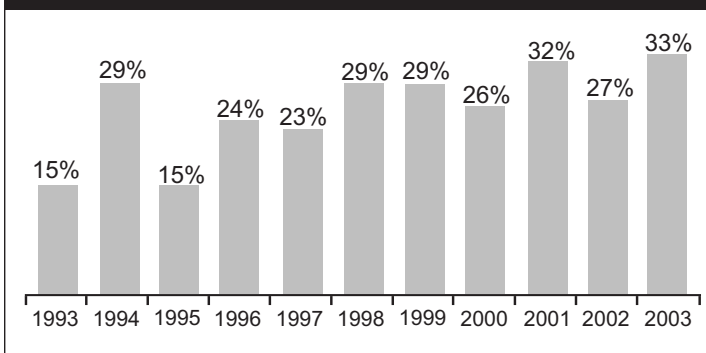
Moving Forward:

Good Jobs at Living Wages

It is often said that a job is the best route out of poverty. Yet in 2003, 1 in every 3 Ontario children (33%) living below the poverty line had at least one parent in the labour force working full-time, full-year. As **Figure 4** shows, over the past ten years, the proportion of poor children living in families where the parent(s) work full-time has doubled.

Low wages and poor working conditions – the growth of insecure, unstable work with little or no benefits and unprotected by labour legislation – are some of the reasons behind Ontario's high child and family poverty rate. Too many parents are not able to find employment that pays well, that provides enough hours, that is stable and continuous, or that provides reasonable benefits.

**FIGURE 4 : PERCENTAGE OF POOR CHILDREN IN FAMILIES WITH
FULL-TIME, FULL-YEAR EARNINGS IN ONTARIO, 1993 - 2003**



Source: prepared from Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics, masterfile

About 37% of all jobs are precarious: part-time, temporary, contract or self-employed. Women, immigrants and visible minorities are more likely than Canadian-born white males to be found in precarious work¹². Workers in temporary and contract jobs are at higher risk of unpaid wages, wages below the legal minimum, and unpaid statutory holiday and overtime. The Workers Action Centre estimates that at least one in every three Ontario employers violates the Employment Standards Act, yet the Ministry of Labour's commitment to only 2,000 surprise inspections means Ontario workplaces have less than a 1% chance of being inspected¹³. Between 1990-2003, there accumulated half a billion dollars in wages that employers were ordered to pay, but had not been collected by the Ministry of Labour and paid out to workers¹⁴.

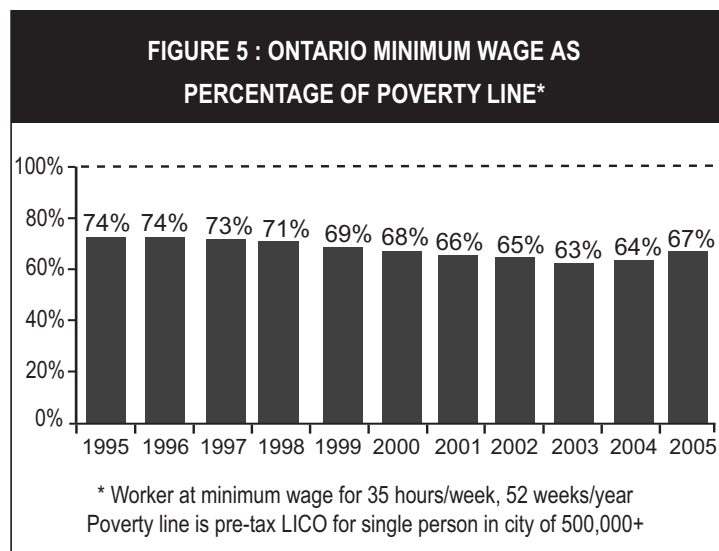
The Ontario Government must do a better job enforcing the Employment Standards Act to ensure adequate standards for working conditions in all sectors. The Province should also make changes to the Employment Standards Act to ensure that contract, temporary and self-employed workers, who are currently not protected by the Act, are included.



An Action Plan for Children

Ontario's Minimum Wage

A single person working full-time should not be poor. In 1995, however, when Ontario's minimum wage was frozen, a single person working full-time at minimum wage would earn only about three-quarters of the income needed to reach the poverty line. By 2003, due to price inflation, their earnings fell to 63% of the poverty line (Figure 5). In 2004 the Ontario Government finally increased the minimum wage. It rises to \$7.75 in 2006 and is targeted to reach \$8.00 by 2007. That will still not bring a full-time worker to the poverty line.



Source: Campaign 2000 using Statistics Canada's Pre-tax LICO

About 25% of workers are low paid earning less than \$10/hour¹⁵. Ten dollars an hour is considered a 'living wage' because a single person working full-time in a large urban centre would earn enough to reach the poverty line. To enable adults without children and with full-time earnings to lift themselves from poverty, the minimum wage needs to be \$10 an hour. This, in combination with an improved federal Child Tax Benefit of \$4,900, would also enable parents with children to escape poverty. The province needs to index the minimum wage to inflation annually to prevent its value from eroding.

Access to Employment Insurance

Changes in Employment Insurance (EI) made during the 1990s mean that low-income workers who find themselves unemployed are less likely to qualify. Nationally, the percentage of unemployed people receiving EI benefits fell from 82.7% in 1990, to 43.5% in 2004. Ontario has the lowest proportion of EI coverage among all provinces with only 29.7% of Ontario's unemployed receiving EI in 2004¹⁶. Unemployed workers who do not qualify for EI often turn to provincial-municipal social assistance.

The Government of Ontario estimates that if unemployed Ontarians received the same EI benefits as the rest of Canada there would be an additional \$1.5 billion in benefits provided¹⁷. EI should be the first line of defense for unemployed Ontario working parents. The Ontario government reports that it has negotiated a new Labour Market Partnership Agreement with the federal government that brings Ontario's share up to that of the other provinces. It should continue to advocate changes such that EI benefits are much more accessible to Ontario's unemployed.

Access to Good Jobs for Newcomers

Rising levels of poverty and access to good jobs are issues of particular concern for new immigrant families and racialized communities. Ontario receives 57% of all newcomers to Canada with the majority belonging to racialized groups¹⁸. The most recent wave of immigrants is the most highly educated and qualified with more than 70% of adult newcomers having some form of post-secondary education or training¹⁹. Yet the unemployment rate among recent immigrants is 30%, while many others are underemployed in low wage and precarious jobs²⁰.

What are some of the barriers to good jobs which new immigrants encounter? Employer requirements of Canadian work experience, and non-recognition of internationally-attained credentials and work experience are key barriers. Over half of the initial jobs held by newcomers are unrelated to their qualifications²¹. Racial discrimination limits access to employment, training and promotions²². Racialized groups continue to have higher rates of unemployment than the national average and a double digit income gap, regardless of their level of education²³.

As part of a strategy to reduce child and family poverty rates it is critical that government, employers and community organizations work together to design and implement programs that promote labour market attachment through training, employment and economic integration of immigrants²⁴. New immigrants must be part of this process to ensure that employment barriers are removed and social supports are developed which meet the specific needs of these communities. Immigration is vital to Ontario's economic growth, and to our social and cultural diversity. The under-utilization of immigrant skills costs Canada \$3-\$5 billion annually and contradicts our national image as an inclusive society welcoming of all²⁵.

Some positive steps have been taken recently, including investments in internationally trained immigrants through supports for accreditation, academic enhancement and skills training. The signing of the Canada-Ontario Immigration Agreement (November 2005) promised increased federal funding to improve settlement and economic integration for all newcomers²⁶. The new Canada-Ontario Labour Market Partnership Agreement transfers responsibility for all labour and training programs to Ontario with further opportunities to support the economic integration of newcomers.

Campaign 2000 urges continued investment in services that help all newcomers access good jobs commensurate with their skills and training, including labour market integration programs, workplace language skills training, and apprenticeship programs. Broader initiatives are also needed to address employment discrimination in the workplace, including employment equity policies, and public education to increase awareness of the skills and experience that new immigrants are bringing to our communities.

Access to Post-Secondary Education & Training

Post-secondary education and training are critical pathways out of poverty because they increase skill levels and help to access better paying jobs. Rising tuition costs and the prospect of large student debts have become significant barriers for low income families. During the past 2 years the Ontario Government has taken important steps to address accessibility including instituting a two year tuition freeze to September 2006, restoring needs-based grants, and improving student financial assistance and apprenticeship support.

Campaign 2000 supports the Canadian Federation of Students and others in urging an extension of the tuition freeze and the development of a long-term plan to reduce tuition fees so that college and university education is affordable for all Ontarians.

An Effective Child Income Benefit

“My team and I oppose the Conservative Government’s practice of clawing back the National Child Benefit, a practice we will end during our first mandate.”

Liberal Leader Dalton McGuinty, July 31, 2003
Letter to Campaign Against Child Poverty

Government income transfers have a strong anti-poverty impact: they both prevent and reduce the severity of child poverty. Existing government income transfers prevented an additional 213,200 Ontario children from falling into poverty in 2003. Without transfers, Ontario’s child poverty rate would be even higher at 24%.

The Canada Child Tax Benefit is one of the single largest government income transfers to families with children and plays a central role in reducing child poverty by directly recognizing the additional costs and responsibilities of raising children. Wages are not responsive to family size.

The Child Tax Benefit is made up of a base benefit that most families receive, and the National Child Benefit Supplement (NCBS) that is targeted to lower-income families to reduce child poverty. In July of 2005 the base benefit was \$1,228 per child per year, and the NCBS was an additional \$1,722 per child per year. The Ontario government has deducted, or clawed back, the NCBS from the cheques of families on social assistance.

The clawback of the NCBS greatly reduces its anti-poverty impact. In Ontario, 27% of low income children entitled to the NCBS have it clawed back because their families rely on social assistance. A staggering 36% of children from lone parent families who are entitled to the NCBS have it clawed back. It is estimated that in the Greater Toronto Area alone, 13,500 children would no longer need to use a food bank if the NCBS was restored to families on social assistance²⁷.

The Ontario Liberal government committed itself to ending the clawback of the NCBS from social assistance. The Province has slowly begun to end the clawback by allowing families on social assistance to keep the federal increases (\$259) to the NCBS of the past two years. Now the Province should end the remaining clawback – up to \$1,463 per child.

Universally Accessible Early Learning and Child Care

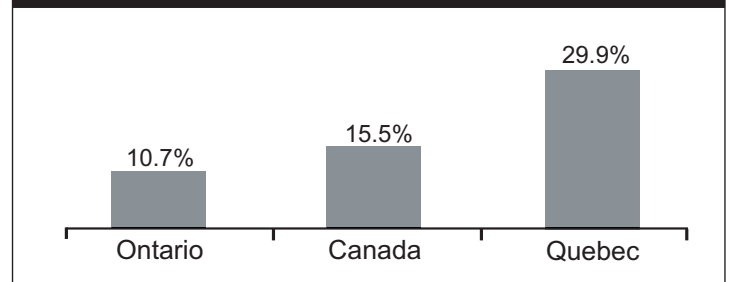
Good quality child care is one essential pathway out of poverty for families. Early learning and child care programs promote children’s well being and strengthen the foundation for lifelong learning. Quality child care enables parents to work and receive training, and supports equal opportunity for women in the labour market. Every child (age 0 to 12) should have access to high quality child care services.

In Ontario, the percentage of mothers who participate in the paid workforce ranges from 68% of mothers with young children age 0 to 2; to 74% of mothers with children as young as age 3 to 5; to 83% of mothers with children age 6 to 15.

In Ontario, however, there are only enough regulated child care spaces to accommodate 10.7% of children age 0 to 12. In Canada as a whole, there are regulated child care spaces to accommodate 15.5% of children. In Quebec there are regulated child care spaces to accommodate 29.9% of children²⁸. Ontario is lagging in the development of child care (**Figure 6**).

The 2003 Ontario Liberal election platform included a commitment of \$300 million in provincial funding for its “Best Start Plan” child care. To date there has been very little new provincial funding spent on child care. The province has, however, removed some barriers that restrict access to child care subsidies (it no longer counts RESP and RRSPs as assets in determining subsidy eligibility).

FIGURE 6 : PERCENT OF CHILDREN 0-12 FOR WHOM A REGULATED CHILD CARE SPACE IS AVAILABLE, 2004



Source: Prepared from Friendly, M, Beach, J. *Early Childhood Education and Care in Canada, 2004*, Childcare Resource and Research Unit, 2005.

Best Start is funded with federal transfers through the 2003 and 2005 Early Learning and Child Care (ELCC) agreements for services to children age 6 and under. Under the ELCC agreements, by 2007/08, new federal funding for Ontario will reach \$585.5 million²⁹. With this additional funding, Ontario plans to create 25,000 new child care spaces over the next three years. The priority is to expand child care in schools and create hubs for early learning and integrated access to services.

The new federal Conservative government, however, stated during the election campaign that it would only honour the bilateral 2005 ELCC Agreements for the first year. Campaign 2000 calls on the Ontario Government to press the new federal government to honour the ELCC Agreement, and commit to provincial funding to ensure the sustainability of child care in the province. We urge commitment to expand in the not-for-profit sector only, and a plan to address the early learning and child care needs for children aged 6-12. Support is also needed to increase wages, benefits, and improve working conditions for early childhood educators.

Affordable Housing

Good quality, secure, affordable housing anchors families in community, increases a child’s chance of success at school, and provides a base for parents’ employment or training. Seventy per cent of Ontario’s low income families with children live in unaffordable housing where they pay more than 30% of total income on shelter. Declining federal and provincial government supports combined with reduced private sector involvement have led to a crisis in affordable rental housing.

Between 1994 and 2004, Ontario saw a net loss of 16,435 rental units. During this period rents for approximately 75% of all rental units have been increasing well above the inflation rate. The biggest increases were in Toronto and Barrie where rents rose by 50% more than inflation³⁰. In these expensive markets low income tenants are leaving their housing because they cannot afford the rent, or they are being evicted and end up temporarily sharing housing with family or friends, or in the shelter system. In 2002 in Toronto there were 4,779 children in emergency shelters³¹.

There are over 160,000 households across Ontario on the waiting list for municipal social housing³². In Toronto, the wait is 5-10 years³³.

A federal/provincial Affordable Housing Agreement was signed by Ontario in 2001. Between 2002-2004 both government levels promised to create 46,332 new homes in Ontario, yet audited statements show only 63 units were built³⁴. Part of the failure is the Ontario Government’s reluctance to commit matching funding. This began to change in 2005 when Ontario committed \$30 million with a promise to produce 15,000 housing units and 5,000 housing allowances. This falls short of provincial election commitments, and unfortunately will help very few Ontario families on the waiting list for social housing as there is no ‘rent-geared-to-income’ component in the building program³⁵. With a new federal government in place, Ontario now needs to press for continued federal housing and homelessness funding.

Campaign 2000 joins with other advocates in calling for the Province to increase provincial funding with a focus on developing permanently affordable, not-for-profit housing, and to speed up the process of turning funding commitments into actual housing units. The Province should increase the supply of affordable housing while improving affordability through rent supplements, effective rent control, and increases to the minimum wage and shelter allowance of social assistance.

A Renewed Social Safety Net

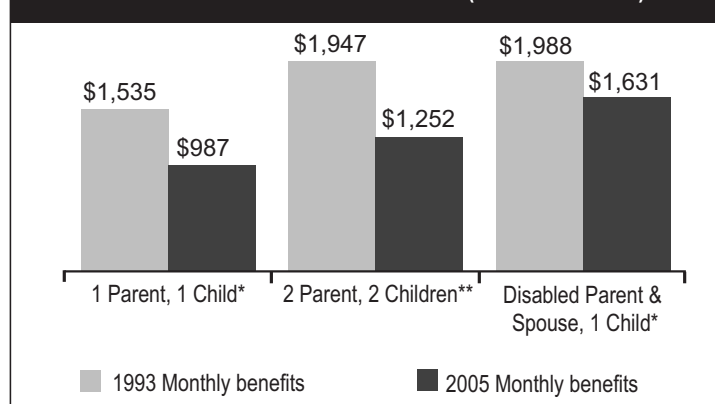
“Welfare has long been the neglected stepchild of the governments in Canada...there are two fundamental changes that have to be made to give welfare recipients a fair shake. One is brand new financial arrangements for welfare, complete with a commitment by all governments to adequate levels of income support. The other is a change in the current system of child benefits, notably an immediate end to the all provincial and territories ‘clawbacks’ of federal child benefits”

National Council of Welfare (2005) Welfare Incomes 2004, p.87

In 1995 social assistance rates were cut by 21.5%. In 2004 the newly elected Ontario government increased rates by 3%, but there has been no further increase. As indicated in **Figure 7**, rate cuts and inflation between 1993 and 2005 mean that the purchasing power of social assistance incomes has been reduced by almost 40%. For example, a lone parent with one child has experienced a reduction in purchasing power of \$548 over the past ten years. A family of four on Ontario Works would receive a monthly benefit of \$1,250 in 2005 – one-half of what a four person family needs to purchase the basic necessities of food, clothing, shelter and transportation³⁶.

What are the impacts of inadequate social assistance rates and the clawback? The challenge of finding stable housing, enough food, and raising children can exhaust parents’ energy with nothing left for training and job searches³⁷. Over 50% of single parents on assistance have used food banks, paid their rent or mortgage late, and cannot afford to take their children to a movie or sports and lessons outside school³⁸. Children represent 43% of the people using food banks across Ontario³⁹.

FIGURE 7: ONTARIO SOCIAL ASSISTANCE: MONTHLY BENEFITS IN 1993 & 2005 (constant 2005 \$)



Notes: * child under 12; ** 1 child under 12 and 1 child over 12. Change in Consumer Price Index Nov. 1993/Nov 2005 - 25.69%

Sources: Prepared from Ontario Ministry of Finance, 1995, 2004; Ministry of Community and Social Service 2005; Bank of Canada, 2006

Campaign 2000 echoes the call of the National Council of Welfare and many community organizations for an increase in social assistance rates to adequate levels. After significant cuts during the 1990s it is critical that the government rebuild the safety net to ensure social assistance benefits meet the basic needs of recipients. For example, the shelter allowance should be increased to reflect average local rents as defined by CMHC. All federal benefits are indexed to inflation; the provincial government should do likewise and index social assistance rates to inflation.

There is considerable public policy work underway in the community and in government to support the transition from welfare into the workforce⁴⁰. The Ontario Government has taken some important steps in commissioning and implementing a number of the recommendations of the “Review of Employment Assistance Programs in Ontario Works and Ontario Disability Support Program” (the ‘Deb Matthews Report’). For example, the decision to extend health benefits for up to 6 months for people leaving social assistance for the workforce addresses an important barrier for a parent moving into a job.

Campaign 2000 supports these efforts. In particular, we urge the Province to raise social assistance rates, index them to inflation, and end the clawback of the National Child Benefit Supplement.



Moving Forward: Key Investments in Children and Families in Ontario

- Increase minimum wage to \$10/hour, and index to inflation. Reduce barriers and improve access to labour market for low income families and newcomers.
- End the claw back of the National Child Benefit Supplement from social assistance recipients.
- Press new federal government to honour the 5 year child care agreement signed with Ontario. Start flowing \$300 million provincial funding committed during 2003 election.
- Increase provincial funding for affordable housing, and speed up process of building more affordable housing units. Press new federal government to continue federal housing and homelessness funding.
- Increase social assistance benefits to meet recipients’ shelter costs and basic needs, and index to inflation.

Notes

- 1 UNICEF "Child Poverty in Rich Countries 2005" *Innocenti Report Card No. 6* Florence: UNICEF Innocenti Research Centre.
- 2 Wilkinson, R. (2000) *Mind the Gap: Hierarchies, Health and Human Evolution*. London: Weidenfeld & Nicholson.
- 3 UNICEF "Child Poverty in Rich Countries 2005" *Ibid*.
- 4 Children are under age 18. This report uses the term "poverty" and "low income" interchangeably. Incomes refers to total pre-tax, post-transfer household income. Low income is defined by Statistics Canada's Low Income Cut-offs (LICO). Persons with income below the LICO are living in low income. LICO data is for 2003, the most recent year available, unless noted otherwise. LICOs vary by family size and community size. E.g. the 2003 pre-tax LICO for a lone parent with one child in a community with a population of 500,000 or more is \$24,745. In a community with a population sized 30,000 - 99,999 it is \$21,077.
- 5 Data from Statistics Canada *Census 2001* for persons under the age of 18. Child poverty figures for groups in this section are not available annually from Statistics Canada's *Income Trends in Canada*. Differences in child poverty figures in this section are due to different data collection methods for Statistics Canada's various surveys. Children with disabilities refers to children who have difficulties with daily activities & reduction in the amount or kind of activities due to physical or mental conditions or health problems. Children in visible minority or racialized groups are those who, under the Employment Equity Act, are not white in race or colour (excluding Aboriginal persons). Aboriginal identity excludes those on First Nations reserves.
- 6 Campaign 2000 (May 2004). *Pathways to Progress: Structural Solutions to Address Child Poverty*. Toronto: Campaign 2000.
- 7 Statistics Canada. *The People. The Family Budget*. 11-404-XIE.
- 8 See for example: Teelucksingh, Cheryl and Grace-Edward Galabuzi. (May, 2005) *Working Precariously: The impact of race and immigrants status on employment opportunities and outcomes in Canada*. Toronto: Canadian Race Relations Foundation.
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