



The Social Planning Council of Cambridge and North Dumfries is a non-profit organization that actively participates in building and strengthening our community through research, analysis, facilitation and education, fostering innovation and positive social change.

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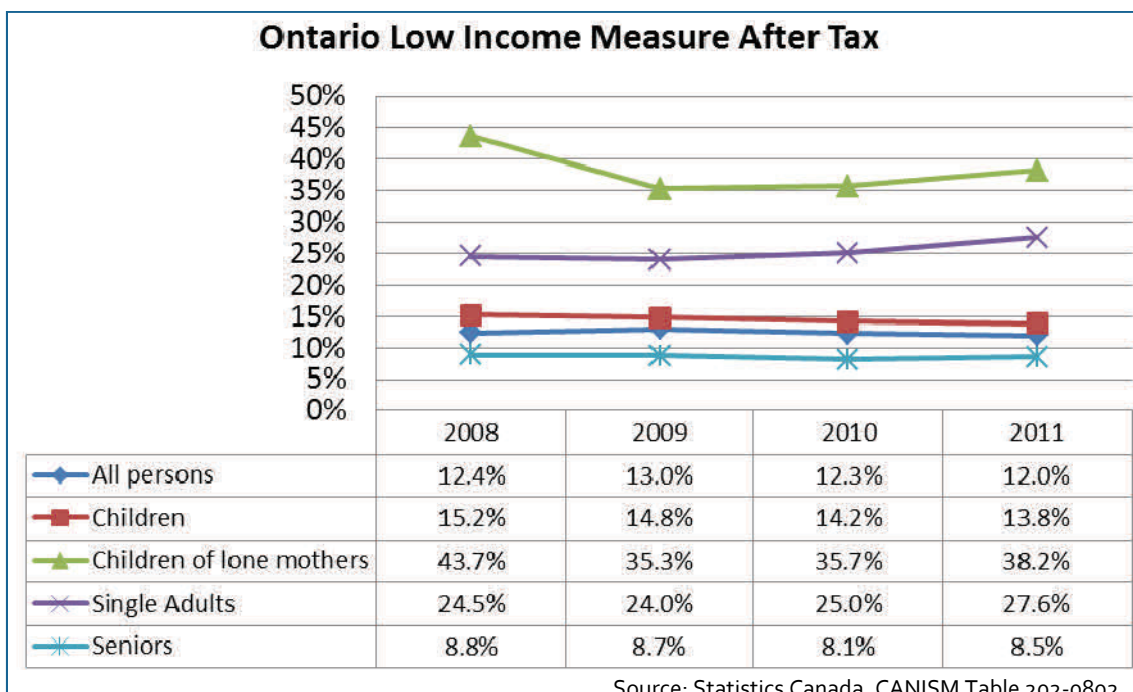
## Poverty Reduction Strategy

In December 2008, the Ontario Government announced a comprehensive poverty reduction strategy titled, "Breaking the Cycle." The strategy was unanimously supported by the legislature and enshrined into law under the *Poverty Reduction Act* in May 2009. The Act outlined a process for renewing the strategy every five years<sup>[2]</sup>.

As the consultations to renew the poverty reduction strategy have recently been announced, this communiqué reviews the successes and shortcomings of the current poverty reduction strategy and offers policy recommendations for the next phase of the strategy.

### Impact of the Strategy on Poverty in Ontario

Breaking the Cycle was released just as the economic recession broke out across the world. Early on the Government held to its commitments by introducing the Ontario Child Benefit (OCB), increasing the minimum wage, and introducing full day early learning. However, by 2012 the Government's enthusiasm for poverty reduction had waned as it began to walk down the road to austerity. Minimum wage was frozen, the OCB was stalled, and the Community Start-Up and Maintenance Benefit (CSUMB) was cancelled<sup>[1]</sup>. As the chart below demonstrates, from 2008 to 2011, overall poverty reduction has been minimal and child poverty reduction has fallen well short of the 25% target<sup>[4]</sup>. As measures in both the 2012 and 2013 provincial budgets to reduce poverty were minimal, it is unlikely that there will be any significant changes to poverty rates in those years.



## A Look Back

Beginning in May 2008, consultations throughout Ontario were hosted by Cabinet Ministers, MPPs, community groups, and online to solicit public input to develop a strategy to reduce poverty in Ontario. The strategy promised to address a range of issues from minimum wage to healthcare to education<sup>[2]</sup>.

After months of consultation, the Ontario Government announced its poverty reduction strategy on December 4, 2008. The strategy set a target to reduce the number of children living in poverty by 25% by 2013 and committed to a series of program and policy changes to reduce poverty in Ontario<sup>[2]</sup>. As the timeframe for this current strategy comes to an end, many of the commitments remain unmet or only partially fulfilled.

## Child Poverty

Reducing child poverty was a main focus of the poverty reduction strategy. The strategy set a target to reduce the number of children living in poverty by 25% by 2013. This target has been undermined by the Government's austerity agenda that has stalled the full implementation of Ontario Child Benefit (OCB). The OCB, the cornerstone policy of the strategy, provides families in need with a monthly benefit that is based on their income and number of children. It was scheduled to total up to \$1,310 annually per child by 2013, but will be a full \$100 short of that commitment<sup>[3]</sup>.

## Wages

The province has frozen minimum wage at \$10.25 an hour for the past three years. At this rate, those working full-time, year-round on minimum wage are trapped below the poverty line. In the most recent provincial budget the Government announced an advisory panel to consult with business and labour groups, workers, anti-poverty advocates and academics to examine the province's current minimum wage policy in order to provide advice on how Ontario should determine the minimum wage in the future<sup>[3]</sup>.

## Social Assistance

The poverty reduction strategy committed to reviewing social assistance with the goal of removing barriers and increasing opportunities. The Commission on Social Assistance Reform was released last year to mixed reviews. For instance, it recommended an immediate increase of \$100 to the base rate of

assistance, as well an earnings exemption of up to \$200 per month. Unfortunately, the review also made recommendations related to the Special Diet Allowance and the Ontario Disability Supports Program that have the potential to be quite damaging to recipients.

In its recent budget, the Government announced a 1% increase to social assistance rates and a \$14 a month increase to the single individual rate of assistance, well short of the recommended \$100. It did however accept the recommendation on providing an earnings exemption<sup>[3]</sup>. At this time it is unknown what other recommendations from the report will be implemented.

***Freezing minimum wage, allowing social assistance rates to fall behind the real cost of living, and cutting back vital programs that protect people from homelessness all tend toward pulling Ontario apart—driving more people deep into hardship and allowing the inequality gap to grow.***

**-25 in 5 Network for Poverty Reduction**

## Next Steps

From August to October, 2013 the Ontario Government will be consulting Ontarians on the next phase of the poverty reduction strategy. Consultations will take place in a minimum of 15 communities and the public will also have an opportunity to provide input online. As many of the commitments from the current strategy remain grossly unfulfilled, these consultations lack credibility. Poverty-Free Ontario<sup>[5]</sup> has called upon community members and anti-poverty advocates to attend the consultations, but refuse to participate. Instead participants are encouraged to repeat a brief statement that outlines three priorities that require immediate action before a new poverty reduction strategy can be drafted:

### 1. Raise the rates

- Immediately increase the base rate of social assistance by \$100 a month without paying for it by cutting other benefits.
- Restore the Community Start-Up and Maintenance Benefit.

### 2. Protect the well-being of people with disabilities

- Discuss the Commission on Social Assistance Reform recommendations regarding ODSP with community advocacy groups representing people with disabilities.

### 3. Reduce poverty for everyone

- Raise the minimum wage now to 10% above the poverty line and index it to the cost of living.
- Set targets that reduce and eventually end poverty for everyone – children, families and communities.

The Ontario Government has an opportunity to restore its credibility on poverty reduction by taking action on these three priorities. Ontarians have had enough talk, it's now time for action.

## Sources

[1] 25 in 5 Network for Poverty Reduction (2012). *Meeting the Poverty Reduction Target - Strong Leadership and Good Policy Required*. Accessed on July 31, 2013 from <http://25in5.ca/wp-content/uploads/2012/12/Meeting-the-Poverty-Reduction-Target-Dec-4-2012.pdf>

[2] Government of Ontario (2008). *Breaking the Cycle, Ontario's Poverty Reduction Strategy*. Accessed on July 31, 2013 from [www.ontario.ca/breakingthecycle](http://www.ontario.ca/breakingthecycle)

[3] Social Planning Council of Cambridge and North Dumfries (2013). *2013 Provincial Budget: Austerity Light*. Accessed on July 31, 2014 from [www.spcnd.org/publications%20index/By%20category/communiques/com-13-provincialbudget.pdf](http://www.spcnd.org/publications%20index/By%20category/communiques/com-13-provincialbudget.pdf)

[4] Statistics Canada. Table202-0802 - Persons in low income families, annual, CANSIM (database)

[5] Poverty Free Ontario (2013). *Ontario Government proposes more Poverty Reduction consultations; community groups say it's time for Premier Wynne to act*. Accessed on July 31, 2013 from [www.povertyfreeontario.ca](http://www.povertyfreeontario.ca)

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