

Poverty in the Midst of Plenty

A report card on child
and family poverty in Ontario

Randy Robinson, Ricardo Tranjan, and Tania Oliveira





CCPA

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POVERTY**

ABOUT THE AUTHORS

Poverty in the Midst of Plenty is a production of the Ontario office of the Canadian Centre for Policy Alternatives in cooperation with Campaign 2000, a national coalition of 120 organizations devoted to ending child and family poverty. Randy Robinson is CCPA Ontario director; Ricardo Tranjan is a political economist and senior researcher with the office; and Tania Oliveira is an Assistant Economist (on contract) with the office.

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Executive Summary

ONTARIO IS A wealthy province in a wealthy country, yet child poverty remains a pressing social concern in every community.

In 2019, the most recent year for which data are available, one in six children across the province lived with the day-to-day reality of never having enough. Despite recent progress—the child poverty rate fell from 23.4% in 2013 to 17.6% in 2019—half a million children still lived in poverty in 2019.

The number of families living in poverty is less than the number of children living in poverty, as some families have more than one child. The number of families living in poverty in Ontario dropped from 409,900 (18.1% of all families) in 2013 to 323,980 (13.8%) in 2019. The rate of decline in the poverty rate was greater for couple families (down from 11.6% to 7.8%) than for lone-parent families (down from 37.7% to 31.6%).

At a basic level, everyone living in poverty has one thing in common: they don't have enough money. Higher income is the main ingredient in any recipe for ending poverty in Ontario.

Improvements in child and family poverty rates from 2013 to 2019 mostly arose from two income sources: higher family income from employment, and increases in government transfers to families.

Over those six years, Ontario's unemployment rate for workers 15 years and over dropped by two full percentage points. In addition, a major change took place in Ontario on January 1, 2018, when the province raised the minimum wage from \$11.60 an hour to \$14 an hour, boosting the pay of full-time full-year minimum-wage workers by more than \$4,000 a year.

The most notable change to income transfers came with the introduction of the federal government's Canada Child Benefit (CCB) in 2016. By mid-2019, maximum CCB payments had risen to \$6,639 for younger children and \$5,602 for older ones. In response to strong pressure from poverty reduction advocates, provincial governments did not consider the CCB to be income under the rules governing social assistance. Hence, Ontario does not claw back CCB payments made to social assistance recipients.

Taken together, federal and provincial transfers played a significant role in reducing child and family poverty in Ontario. In 2019, the child poverty rate would have been 33.8% without government transfers; thanks to those transfers, it was 17.6%.

In 2018, the Ontario government cancelled a planned increase in the minimum wage; in 2019, Queen's Park introduced a new child care tax credit and cut income taxes for low-income earners via a new tax credit called LIFT. In terms of poverty reduction, these changes missed the mark. According to the Financial Accountability Office (FAO) of Ontario, only 3% of the child care credit went to families in the lowest income quartile. The LIFT credit injected an additional \$400 million annually into low-income households, the FAO estimated, but the minimum wage increase would have added \$1.1 billion in extra income.

While Ontario's child poverty rate improved from 2013 to 2019, there is no guarantee that this trend will continue. Solving the problem of child and family poverty will require ongoing policy interventions from governments. As the COVID-19 pandemic winds down, this paper makes 17 policy recommendations to keep up the momentum of the years prior to 2019.

These recommendations include:

- Strategies to improve employment income through job creation, improvements to the minimum wage and employment standards, and moves to enhance gender and racial equity in the workplace;
- An increase in social assistance rates to inflation-adjusted 1994 levels and an end to the clawback of employment income of social assistance recipients so they can rise out of poverty;
- A renewed commitment to reconciliation with Indigenous peoples, including compensation or reparation in the form of land redistribution;
- Construction of more non-market housing and stronger rent controls;

- Signing a new federal-provincial agreement on more affordable child care;
- Enhanced investments in public schools and free tuition for post-secondary education; and
- Use of the tax system to redistribute income.

Above all, this report calls on governments to treat poverty reduction as an urgent priority.

When the COVID-19 pandemic ends—and it is not over yet—it will hold many lessons for all Canadians. Chief among these lessons will be this: that if governments dare to use the tools at their disposal, they can do big things.

There should be no poverty in the midst of plenty.

Ontario child and family poverty before COVID-19

Introduction

Today, more than 20 months since COVID-19 first shut down Ontario, 2019 seems like a very long time ago. Since that time, the province has undergone dramatic changes. Close to 10,000 Ontarians have died from the virus. Unemployment soared, then dipped, yet employment still hasn't returned to pre-COVID levels in some sectors. Millions of Ontarians have been vaccinated. And governments have poured hundreds of billions of dollars into support for people and the economy.

One year from now, we will have a much clearer understanding of how those programs have impacted poverty in general and child and family poverty in particular. There will be much to learn. In the meantime, there is much to learn from 2019, the year of the most recent poverty data.¹ The data presented in this report paint a picture of child and family poverty, but they also reveal a province of incredible wealth—one whose institutions and power structures do more to keep people in poverty than lift them out of it.

Poverty in the midst of plenty was the old normal. With smart policy and a real commitment to change, the new normal can be different.

Across Ontario, children and families are struggling

If there's a single street corner in Canada that symbolizes the incredible wealth of this country, it is the corner of King and Bay Streets in downtown Toronto. Canada's biggest banks have headquarters there, or a stone's throw away, and their office towers loom large over the city, just as the banks loom large over the economic and political life of the country.

For the 10th year in a row, Canada's Big Six banks made record profits in 2019, raking in \$46.6 billion in net income.² Their six CEOs' total compensation averaged over \$11 million each, assuring their place among the highest-paid CEOs in the country.³

Make no mistake: there is money in this country, and the lion's share of it is right here in Ontario. But not everyone is getting a fair share.

Toronto's bank towers cast long shadows, both figuratively and literally. On afternoons when the sun is out, those shadows fall directly on the federal and provincial electoral district of Toronto Centre.

Roughly wedged between Bay Street and the Don River, Toronto Centre is intensely urban, packing more than 100,000 residents onto less land (six square kilometres) than any other federal riding in Canada. It is a fast-growing, diverse part of Toronto, with a population that is younger than the Ontario average and households that are smaller. Toronto Centre residents are more likely to be in the labour force and more likely to be employed compared to average labour-force participation and employment rates for the province. Nonetheless, median family income is lower than the average, even though 70% of the working-age population has some type of post-secondary diploma or degree, compared to 55% for the Ontario population as a whole. Fifty per cent of residents are racialized and 40% are immigrants. Just 29% of households are homeowners, in stark contrast to the City of Toronto average home ownership rate of 53% and the Ontario average of 70%.⁴

Toronto Centre holds another distinction, as well: just steps from the gleaming towers of Bay Street, it has the highest child poverty rate in Ontario.

Child poverty rates are high in many urban centres, both in the Greater Toronto Area and beyond, but the problem is far from an urban phenomenon.

Thirteen hundred kilometres away, the federal riding of Kenora stretches from the Manitoba border to the shores of Hudson Bay, with more land and fewer people than any riding in the province. Forty-seven per cent of the population is Indigenous; close to 5,000 people speak an Indigenous language at home, with Oji-Cree and Ojibway⁵ being the most common. As in Toronto Centre, the population is fast-growing and younger than the Ontario average.

Participation in the labour force is slightly below the provincial average; the unemployment rate is much higher; average income is lower.⁶

In many ways, northwestern Ontario has little in common with downtown Toronto, except for one thing: the Kenora district has a sky-high child poverty rate, too.

The contrast between these two places—the hyper-urban and the vast northern—demonstrates how pervasive child poverty is in this province. Every community in Ontario needs to do more to fight poverty, including child and family poverty. In 2019, 17.6% of children across the province lived with the day-to-day reality of never having enough. Some of those children live in cities, others in suburbs, others in small towns and rural areas. Some are racialized, some are Indigenous, some are white, but one thing is true for all of them: at a very basic level, Ontario is failing them.

Ontario *can* afford to care

The persistence of poverty in Ontario, including child and family poverty, partly results from the idea—more of a feeling, really—that Ontario and its various levels of government simply can't afford to do much about it. This is simply not true.

Perhaps the most common measure of the prosperity of any geographic area is Gross Domestic Product (GDP) per capita (per person). GDP per capita is the sum total of all goods and services sold, or all income earned, divided by the number of people in the geographic area.

Ask 10 random people what year Ontario was at its richest and you might get 10 different answers. But using GDP per capita as the measure, Ontario's richest year on record was...2019. Just prior to the COVID-19 pandemic, our GDP per capita had reached a record level.⁷

This means that all the things Ontarians and their governments have built or done in the past—from medicare to highways to the community college system—were accomplished at a time when we had less income, as a province, than we did in 2019. If child poverty persists in this province, it's not because we lack the resources to tackle it: it's because we lack the will.

In 1989, Canada's politicians made a commitment to eradicate child poverty by the year 2000. That deadline has come and gone, and despite some progress in recent years, child and family poverty is still with us. Canadians, and Ontarians, need to do more. It's time to finish the job. It's time to commit, once again, to eliminating child and family poverty.

This paper examines the current state of child poverty in Ontario and sets out policy prescriptions to tackle it head on.

Child poverty in Ontario in 2019

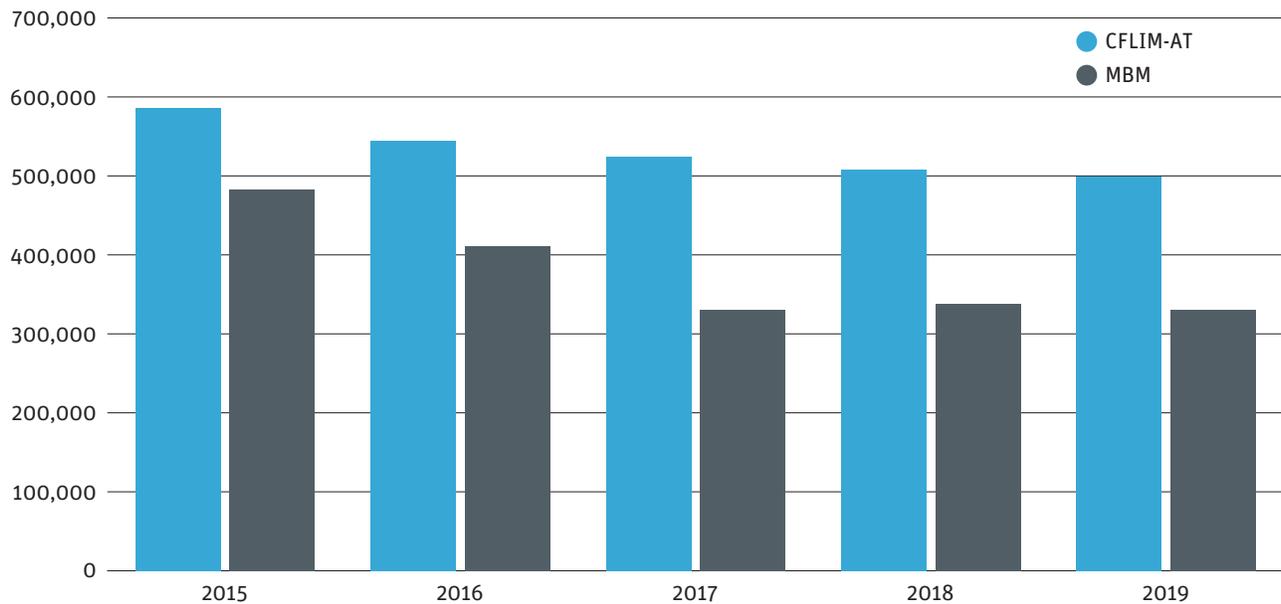
How do we measure poverty?

The question of how to measure poverty, including child and family poverty, has been discussed by academics and policy makers for centuries. Today in Canada, three methods of measuring poverty are in common use.

The Market Basket Measure (MBM) attempts to calculate the cost of a “modest, basic standard of living” based on the cost of a specific basket of goods and services such as food, clothing, shelter, transportation, and other necessities for a reference family of two adults and two children. The MBM is adjusted according to family size and the cost of living in 53 specific geographic regions across Canada.⁸

In 2019, the Market Basket Measure became Canada’s first-ever official poverty line with the passage of the federal *Poverty Reduction Act*. Even so, the MBM has been criticized for under-estimating the true nature of poverty in Canada. For example, it fails to take into account the debt obligations of individuals and families, which may eat up much of their income.⁹ In addition, the MBM is based on data from the Canadian Income Survey (CIS), which excludes some populations known to have a higher rate of poverty (most notably First Nations reserves and the territories—there are currently no market baskets for these groups).¹⁰ The CIS also surveys fewer people than the number available through tax data and is subject to sampling errors.

FIGURE 1 Number of persons in low income under 18 years of age, Ontario

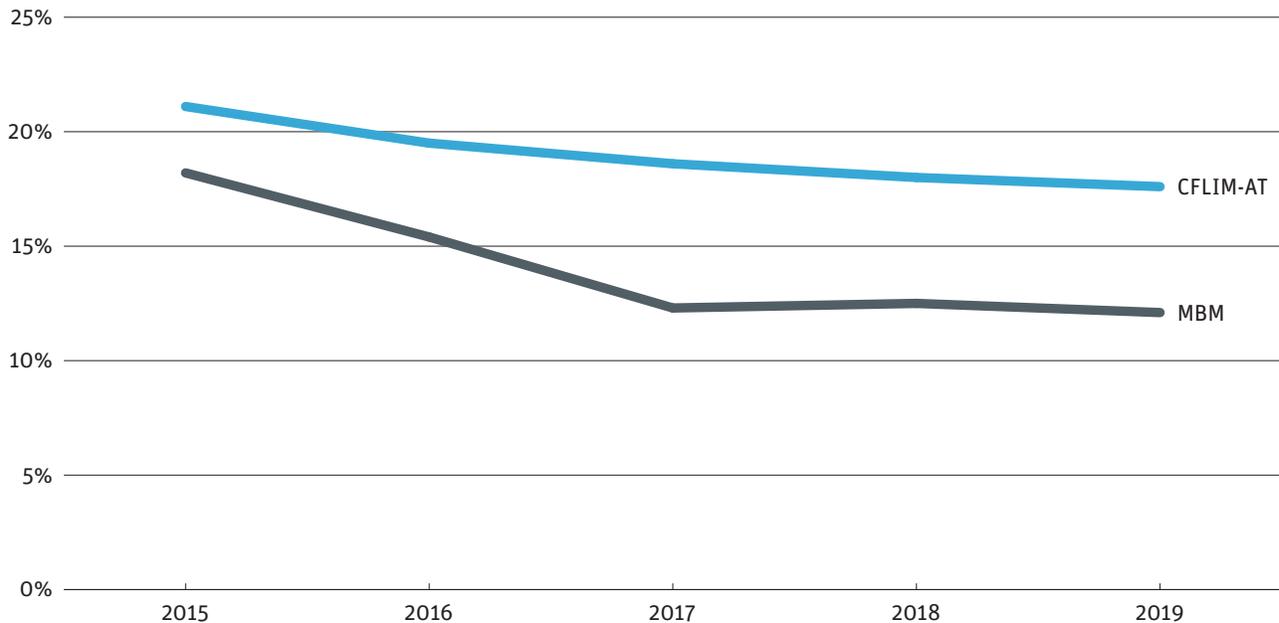


Source Statistics Canada Table 11-10-0135-01, Low income statistics by age, sex and economic family type, and Table 11-10-0018-01, After-tax low income status of tax filers and dependants based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition.

A second measure of poverty, the Low-Income Cut-Off (LICO), has been in use in Canada since 1959. Like the MBM, the LICO is based on the ability of a household to pay for basic items, but with a different calculation: the LICO captures whether a household spends more than 20 percentage points more of its income on food, clothing, and shelter compared to the average family. The most recent LICO threshold was set in 1992 and has been adjusted for inflation each year since then. This has led to criticism that the LICO is based on a household expense profile that is out of date. For example, few people had heard of the internet in 1992 and no one considered it essential to their daily lives. That's not the case today.

An alternative measure to both the MBM and the LICO is the Low-Income Measure (LIM). The LIM is a relative measure that equals 50% of the median income of a given jurisdiction. The Low-Income Measure (After-Tax) (LIM-AT) includes all income earned through the market (e.g., employment) as well as any income from government transfers (e.g., federal Employment Insurance, provincial social assistance, or tax credits) minus federal and provincial taxes paid. The LIM-AT is based on tax data. More than 27 million people living in Canada filed tax returns in 2019. Tax data is a broad,

FIGURE 2 Percentage of persons in low income under 18 years of age, Ontario



Source: Statistics Canada Table 11-10-0135-01, Low income statistics by age, sex and economic family type.

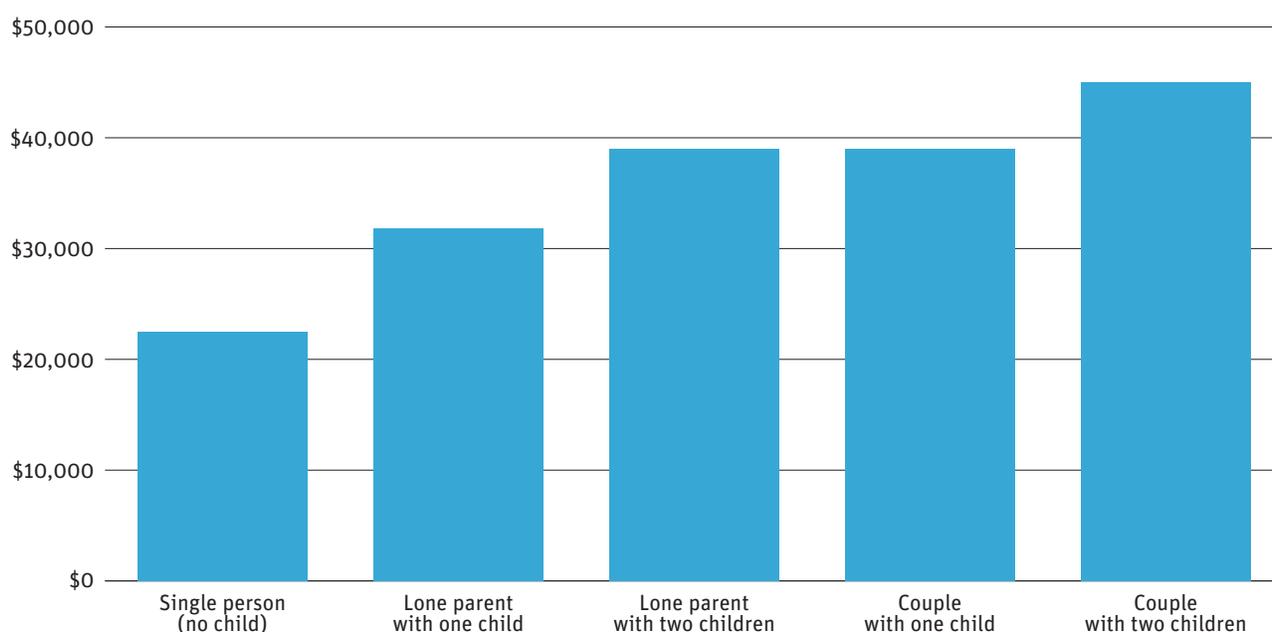
comprehensive source of information about the incomes of people living in every community in the country.¹¹

As a relative measure, the LIM-AT is “a measure of inequality, not between the bottom and the top but between the bottom and the middle. With LIM, the concept of poverty is having substantially less than what is typical in society.”¹²

Because of its design, the MBM calculates a lower poverty rate for Ontario than the LIM-AT. In 2019, the number of children living in poverty was 50% higher using the LIM-AT calculation (for census families) compared to the MBM calculation. The choice of poverty measures has major implications for policy makers as they try to calculate what it will take to eliminate child poverty—and when they will have succeeded.

Being able to escape poverty means more than merely obtaining the basic necessities of food, clothing, and shelter. “Being poor is about not being able to partake in society on equal terms with others, and therefore in the long run being excluded by fellow citizens or withdrawing from social and civic life because of a lack of economic resources,” Carina Mood and Jan O. Jonsson wrote in 2015.¹³ Thus, any attempt to calculate a poverty line for individuals and households must take into account the costs associated with being able

FIGURE 3 CFLIM-AT thresholds (\$) by family type, Ontario, 2019



Source Statistics Canada Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors, T1 Family File, Final Estimates, 2019.

to really participate in the life of their society. For this reason, the LIM (AT) is the main measure of poverty used in this report. Specifically, this report uses the Census Family Low Income Measure (After Tax), or CFLIM-AT, to measure child and family poverty. Statistics Canada defines “census families” as “married couples or couples living common law with or without children, or lone parents with at least one child living in the same dwelling.”¹⁴

There are, of course, limitations to using household income as a measure of poverty. Poverty is multi-dimensional; it may be reduced or increased by factors outside of cash income. What supports does the household receive from family and social networks? Do children have access to free recreational activities? How is the health, including mental health, of people in the household, and how is it affected by long-term and inter-generational poverty? Do people in the household face discrimination when looking for a job or an apartment? Do they face additional barriers to participating in society due to disability? Also, is there equal access to the income of the household within the family, given wage disparities and gender-based violence that may include financial abuse?

All of these questions, and many more, factor into the real-life calculations of families experiencing poverty—and trying to escape it—but at a

basic level, everyone living in poverty has one thing in common: they don't have enough money. Higher income is the main ingredient in any recipe for ending poverty in Ontario.

What is the Census Family Low-Income Measure (After Tax) for 2019?

The level at which a family is considered “low income” varies depending on family size. The formula for calculating the Census Family LIM-AT recognizes that, while a household's cost of living rises with each new person added, there are also cost savings available when those costs are shared.¹⁵

How has the overall rate of child and family poverty changed in Ontario?

There is good news and bad news when it comes to the rate of child poverty in Ontario. The good news is that, as of 2019, the number of children living in poverty had been falling, down from its 21st century peak, for six years. The bad news is that half a million children were still living in poverty.

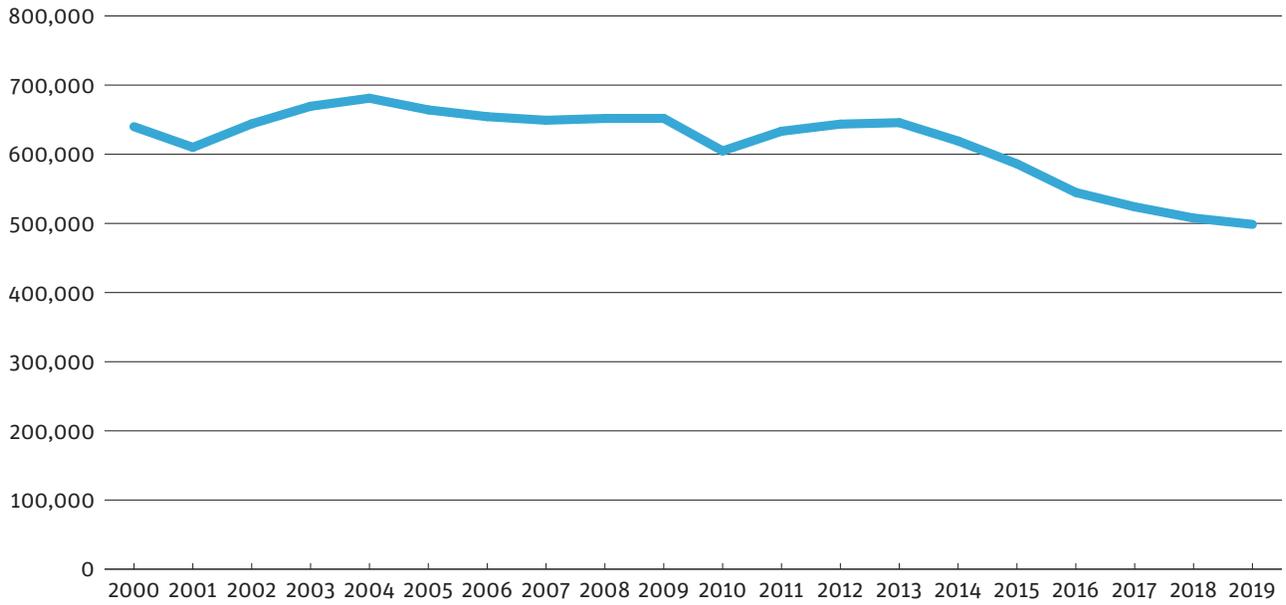
In 2013, more than 645,710 children lived in families whose income was below the CFLIM-AT. In percentage terms, child poverty fell from 23.4% in 2013 to 17.6% in 2019. That change moved nearly 150,000 children under 18 from below the poverty line to above the poverty line.

Of course, children are poor because their families are poor. Not surprisingly, the poverty rate for families with children has declined as well.

The number of families living in poverty is less than the number of children living in poverty, for the simple reason that some families have more than one child. The number of families living in poverty in Ontario dropped from 409,900 (18.1% of all families) in 2013 to 323,980 (13.8%) in 2019. The rate of decline in the poverty rate was greater for couple families (the rate fell from 11.6% to 7.8%) than for lone-parent families (the rate fell from 37.7% to 31.6%).

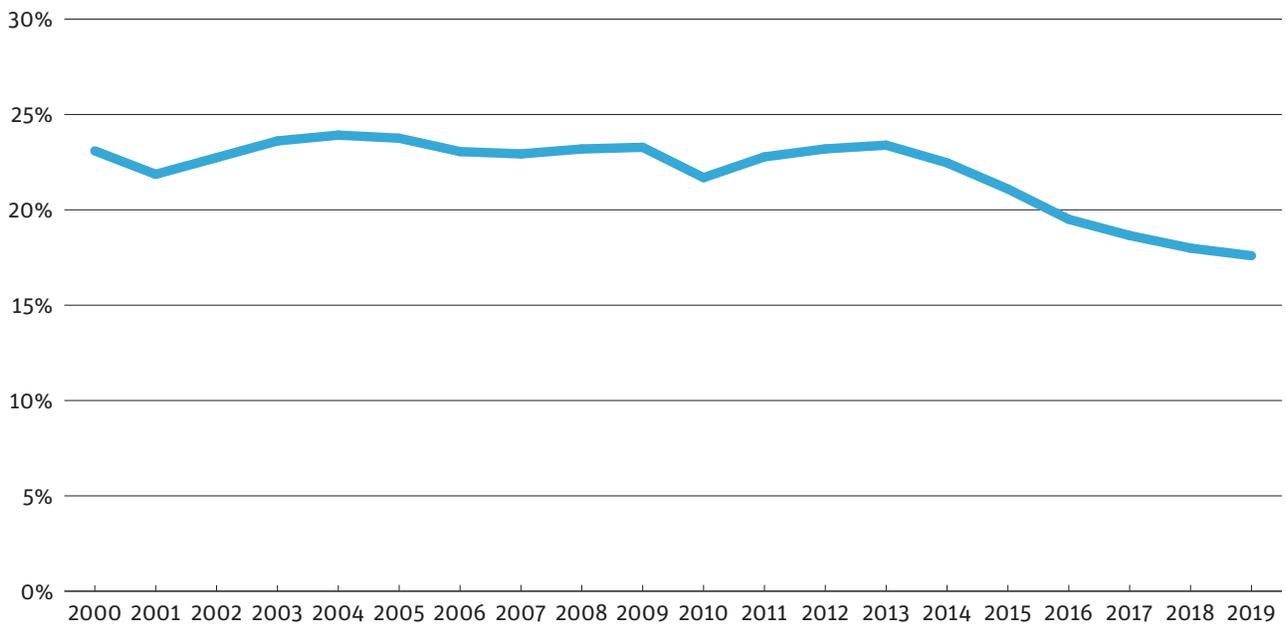
The poverty rate declined for all family sizes between 2013 and 2019, regardless of whether they were led by couples or lone parents. Despite the improvement, however, the poverty rate for lone-parent families with three or more children remained above 40%, even in 2019.

FIGURE 4 Number of children in low income, Ontario



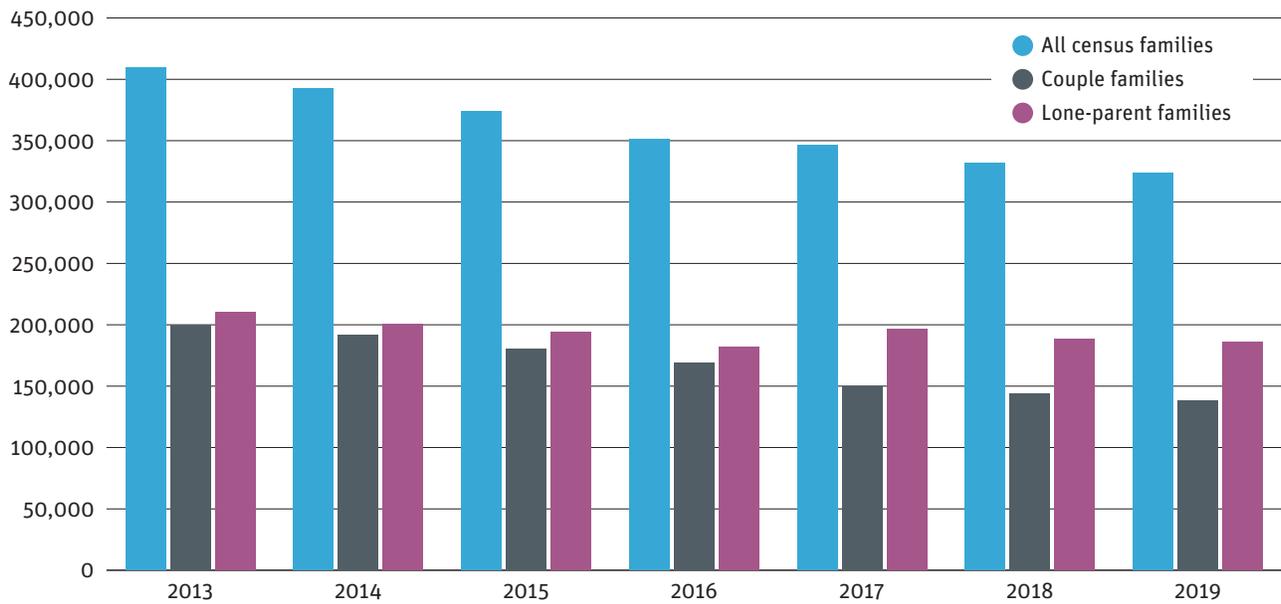
Source Statistics Canada Table 11-10-0018-01, After-tax low income status of tax filers and dependants based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition.

FIGURE 5 Percentage of children in low income, Ontario



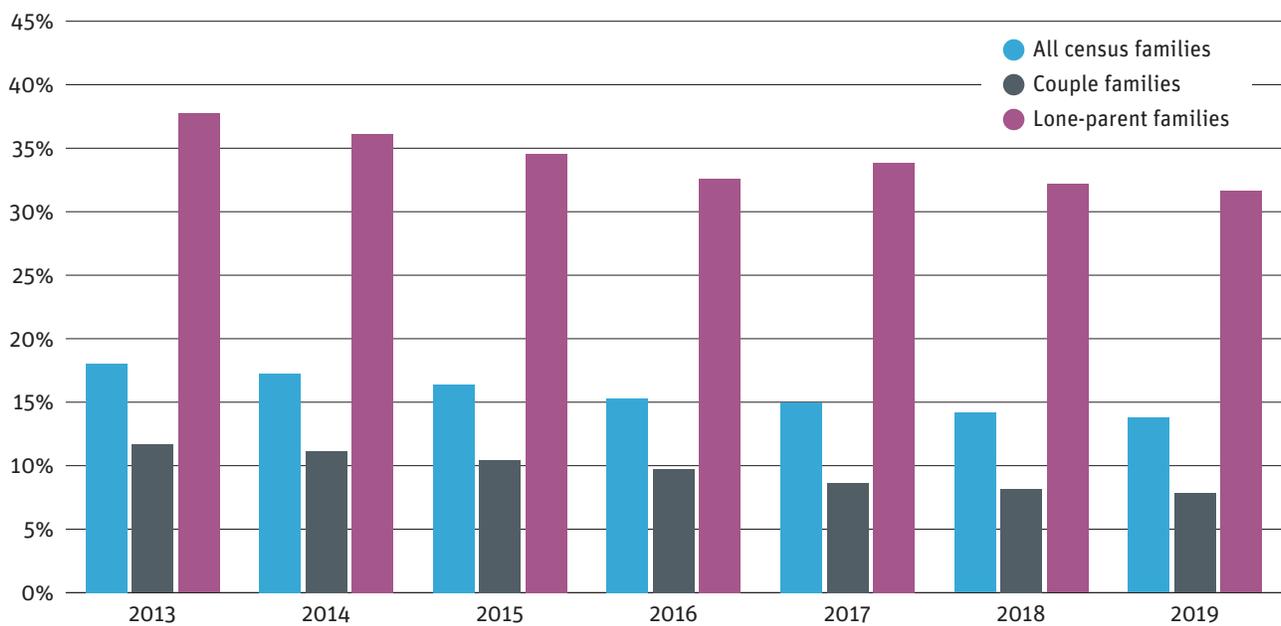
Source Statistics Canada Table 11-10-0018-01, After-tax low income status of tax filers and dependants based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition.

FIGURE 6 Number of families with children living in low income, Ontario



Source Statistics Canada Table 11-10-0020-01, After-tax low income status of census families based on Census Family Low Income Measure (CFLIM-AT), by family type and family composition.

FIGURE 7 Percentage of families with children in low income, Ontario



Source Statistics Canada Table 11-10-0020-01, After-tax low income status of census families based on Census Family Low Income Measure (CFLIM-AT), by family type and family composition.

Unpacking poverty trends from 2013 to 2019

From 2013 to 2019, the unemployment rate in Canada's three largest provinces (Ontario, Quebec, and British Columbia) fell steadily, and all three experienced significant declines in the child poverty rate. In Ontario, the unemployment rate for workers 15 and over dropped by two full percentage points over that time. In addition to high employment rates, a major change took place in Ontario on January 1, 2018, when the province raised the minimum wage from \$11.60 an hour to \$14 an hour, boosting the pay of full-time full-year minimum-wage workers by more than \$4,000 a year.

Other changes to the *Employment Standards Act*, such as “equal pay for equal work” rules for part-time and temporary employees, or new rules making it harder for employers to misclassify employees as independent contractors, were enacted into law but never implemented in workplaces due to the change in government in June 2018. Had these rules been implemented, they would likely have had a positive impact on poverty reduction.

There were a number of changes to federal and provincial income supports and tax credits that likely contributed, at least to some extent, to the downward trend in child and family poverty between 2013 and 2019.

On the federal policy front, the federal Employment Insurance (EI) program evolved over that period. The program increased the number of weeks during which an individual could collect EI benefits to provide end-of-life care to a family member (from six weeks to 26 weeks). The waiting period to receive EI benefits was reduced from two weeks to one. Most importantly, the elimination of the higher eligibility requirement for new entrants and re-entrants to the labour market increased access to benefits, especially for youth, newcomers and people with weaker labour force attachment. Despite these changes, low-wage workers continue to have less access to benefits than their higher-wage counterparts.¹⁶

In 2016, the federal government introduced the Canada Child Benefit (CCB), eliminating previous child benefit programs and adding an additional \$4.5 billion to create a \$17.4 billion benefit for children across the country. The income-tested CCB provided a maximum of \$6,400 for children under age 6 and a maximum of \$5,400 for children aged 6 to 17 in 2016. Once it became indexed to inflation, the CCB had risen to \$6,639 for younger children and \$5,602 for older ones by mid-2019. In the 2019 budget, the government of Canada estimated that the CCB had already lifted 278,000 children out of poverty across Canada between 2015 and 2017.¹⁷ Using the CFLIM-AT, not the

MBM, the number of families lifted out of poverty by the CCB was 444,000 for Canada and 159,000 for Ontario.

The 2018 federal budget introduced the Canada Workers Benefit (CWB), a refundable tax credit aimed at low-income workers. The CWB replaced the previous Working Income Tax Benefit (WITB) and increased the maximum credit available to \$1,355 for that budget year.

At the provincial level, the Ontario Child Benefit was implemented in 2008 and provided low-income families with a payment of up to \$600 per child per year. By 2014, the payment had more than doubled to \$1,310 per child, rising with the rate of inflation from then on to \$1,434 in 2019.

In response to strong pressure from poverty reduction advocates, the Ontario government does not consider the Canada Child Benefit or the Ontario Child Benefit to be income under the rules governing social assistance. Hence, the province does not claw back CCB and OCB payments to social assistance recipients.

These and other transfers to families play a vital role in reducing child and family poverty in Ontario. In 2019, the child poverty rate would have been 33.8% without government transfers; thanks to those transfers, it was 17.6%. Without transfers (from all levels of government), Ontario's child poverty rate would be almost double what it is today.

Other policy changes not directly related to income supports may have played a role in reducing family poverty as well. For example, full-day kindergarten, which was fully implemented by the 2014 school year, may have allowed more parents of four- and five-year-olds to find paid employment or self-employment.

Unfortunately, not all programs are equally successful at reducing poverty.

Only minor changes have been made to the province's highly inadequate and punitive social assistance programs. The 2013 Ontario budget introduced a \$200-a-month earning exemption, allowing recipients to keep more of what they earn from employment; in 2016, the province announced that Ontario Works (OW) and Ontario Disability Support Program (ODSP) recipients would no longer have child support payments clawed back, starting in early 2017. In the 2017–18 budget, the province also announced increases to asset limits¹⁸ and allowed recipients to keep cash gifts of up to \$10,000 (\$15,000 for couples) without losing their benefits. While doing away with punitive program rules is important, these changes are unlikely to have directly contributed to the observed drop in the poverty rate.

In 2019, the province adopted a new approach, introducing two new programs that are ostensibly aimed at helping low-income Ontarians. Unfortunately, these initiatives miss the mark.

The first program was the Ontario Child Access and Relief from Expenses (CARE) tax credit, a new personal income tax credit introduced in the 2019 Ontario budget to help families with child care expenses. While the average benefit to Ontario families was estimated by the government at \$1,250, low-income parents could receive up to \$6,000 per child under the age of 7, up to \$3,750 per child between 7 and 16, and up to \$8,250 per child with a severe disability. However, an analysis by the Financial Accountability Office of Ontario (FAO) estimated that fewer than 300 families would receive the maximum CARE tax credit and that families below the 25th percentile of income in Ontario (i.e., the Low-Income Measure) would receive only 3% of the total amount disbursed through the credit. Two-thirds of the money for the credit would go to families in the upper half of the income distribution, the FAO said.¹⁹ It appears unlikely that the CARE tax credit had much of an impact on the reduction in child poverty in 2019.

The same can be said of the Low-Income Individuals and Families Tax Credit (LIFT). When introduced in 2019, the credit was worth up to \$850 a year for individuals earning a maximum of \$38,500. A 2019 analysis by the FAO estimated that one million individuals would receive an average “lift” of \$409 from the LIFT. This is a significant financial boost to low-income workers, but it came at a price: the LIFT was brought in as a replacement for a cancelled \$1-an-hour increase in the minimum wage that was scheduled to occur on January 1, 2019. That increase, the FAO said, would have earned an average of \$810 for 1.3 million workers.²⁰

The LIFT credit would inject an additional \$400 million annually into low-income households with employment income, the FAO estimated. In contrast, the minimum wage increase would have added \$1.1 billion in additional income.

On the social assistance front, a 2019 provincial plan to eliminate the Transition Child Benefit (TCB) was cancelled after public outcry. The TCB pays up to \$230 per child to parents receiving OW or ODSP payments, in certain circumstances.

The steady decrease in Ontario’s child poverty rate from 2013 to 2019 shows that change is possible. Improvements in market income for low-income families, matched with stronger income-support programs, are key to eliminating child and family poverty in Ontario.

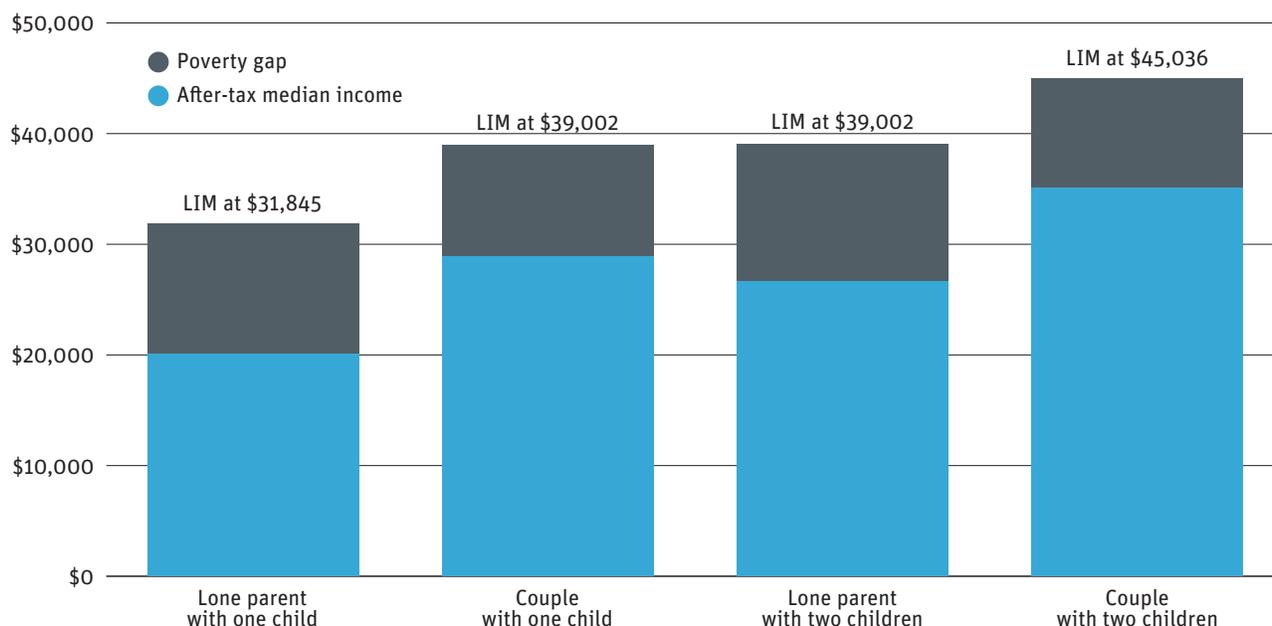
Poverty solutions

WHILE THE CHILD poverty rate improved from 2013 to 2019, there is no guarantee that this trend will continue: low-income families still face a number of obstacles when it comes to raising their income. One obstacle is simply the depth of poverty: the typical low-income family is not a few hundred dollars away from reaching the CFLIM-AT, it is thousands of dollars away. As Figure 8 shows, couple families with two children need an average of nearly \$10,000 more in annual income to climb out of poverty. The “poverty gap” is even greater for lone-parent families.

Child poverty exists in every city and town in Ontario, but not all families face the same barriers to raising their income. A number of factors can affect both the prevalence and depth of poverty for families, including: whether families are led by couples or lone parents; the gender of the parent in lone-parent families; whether family members are racialized or Indigenous; whether family members have a disability; the availability of child care; and the cost of housing, food, medication, tuition fees, and other essentials.

This section proposes policies to tackle different aspects and experiences related to low income and poverty. While each policy would lead to improved outcomes for the targeted populations, a bold and effective poverty reduction plan would tackle all of these areas simultaneously.

FIGURE 8 Depth of poverty in Ontario (\$), 2019



Source Statistics Canada Table 11-10-0020-01, After-tax low income status of census families based on Census Family Low Income Measure (CFLIM-AT), by family type and family composition.

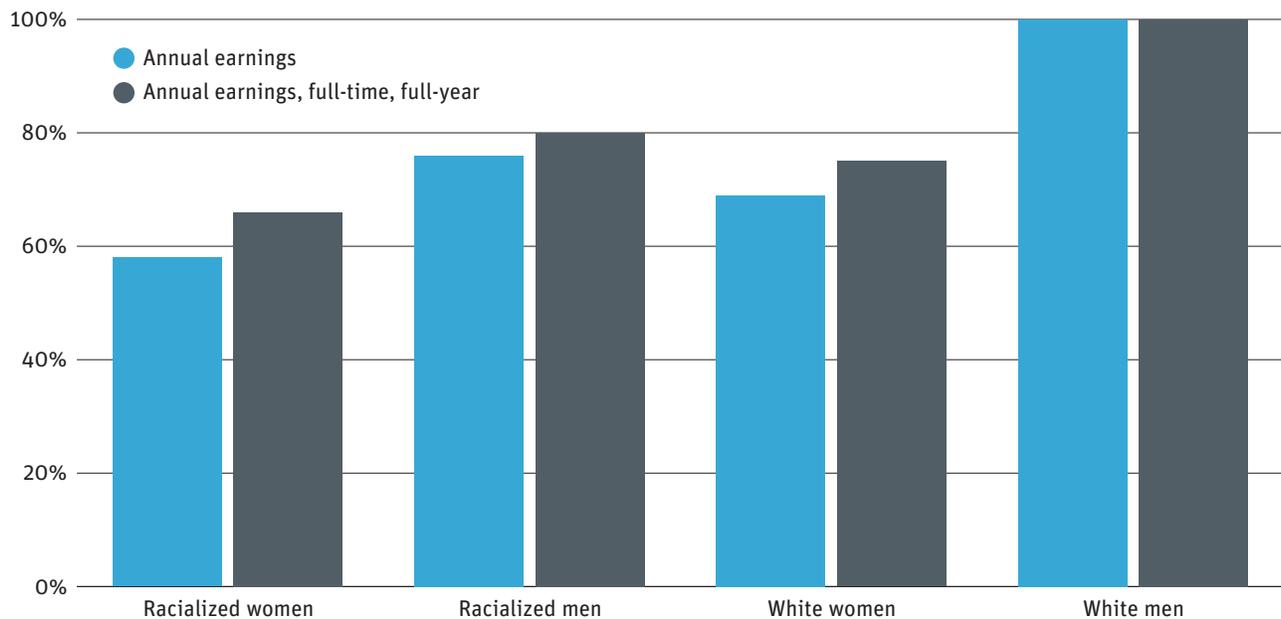
Decent work and equity in the workplace

For too many Ontarians, Ontario's job market is not working. Low wages, unequal pay for equal work, outright discrimination, irregular shifts, lack of basic benefits like paid sick leave, and efforts to thwart unionization are keeping a large share of employed workers in poverty. Creating decent work is, therefore, one of the priorities of any poverty-reduction strategy.

It is impossible to understand labour markets or poverty without understanding the role played by gender and gender discrimination. As of 2019, average annual employment income of women was 73% of men's.²¹ Because women are more likely to work part-time, the annual income gap for women in full-time, full-year employment was slightly better, with women earning 77% of men's average income.²² On an hourly wage basis, women earned 89% of men's wages.²³

These gaps are even greater for racialized women. Based on the last census, annual earnings in 2015 for racialized women in Ontario were just 58% of annual earnings for white men. For full-time, full-year workers, racialized women earned 66 cents for every dollar a white man earned.²⁴

FIGURE 9 Average annual earnings as a percentage of white men’s earnings, Ontario, 2015



Source Block, Sheila and Galabuzi, Grace-Edward (2018). *Persistent inequality: Ontario's colour-coded labour market*.

The reasons behind the gender pay gap have been much studied: women’s over-representation in lower-paid industries and occupations is one reason for the gap, as is the fact that women are more likely to work part-time. According to a 2018 Statistics Canada study, however, these factors explain just over half the pay gap. Increased educational attainment by women and reduced union coverage (and lower wages) for men have narrowed the gap, but only slightly.²⁵ Additional policies to close the gender pay gap are in order.

The labour market is also failing racialized workers. In the 2016 census, close to 3.9 million Ontarians identified as racialized, representing 29% of the total Ontario population.²⁶ Ontario’s racialized population is concentrated in the Greater Toronto Area, where fully half the population is racialized.

Ontario has more racialized people than all other provinces and territories combined. Outside of Ontario, racialized people represent 17% of Canada’s population.

While labour force participation rates among racialized people in Ontario are slightly higher than participation rates for white people, the unemployment rate is higher. Racialized men and women are more likely to have jobs in the lower half of the income distribution. In terms of annual income, the 2016 census showed racialized men earning 76 cents for every dollar earned

by white men. Racialized women earned 58 cents for every dollar earned by white men and 85 cents for every dollar earned by white women. Racialized workers born in Canada have higher incomes than immigrants, but even third-generation racialized Canadians earn only 89% of white Canadians whose grandparents were immigrants.²⁷

Given these facts, it is not surprising that racialized children experience a higher poverty rate than white children. In the 2016 census, 26% of racialized Ontarians lived in households with income below the LIM-AT, compared to 14.5% of white children.²⁸

The following workforce recommendations would be steps in the right direction for any plan to reduce poverty in Ontario.

Recommendation #1: Increase the minimum wage and end sub-minimum wage rates for students, farm workers and others. The COVID-19 pandemic has revealed just how many low-paid workers are, in fact, essential to the functioning of our economy and society as a whole. Ontario's Justice For Workers has called for a \$20-an-hour minimum wage.²⁹ The difference between \$20 an hour and the current general minimum wage of \$14.35 (\$15 on January 1, 2022) would lift hundreds of thousands out of poverty.

Recommendation #2: Close the gender pay gap. Ontario's *Pay Equity Act* covers all workplaces with more than 10 employees, but you'd never know it: it's virtually impossible for workers to secure the pay they are owed without a union to represent them in years-long struggles. It's time to create a well-funded pay equity enforcement mechanism in Ontario. Enacting a pay transparency law, which would require employers to disclose how they pay their employees, would also be a huge step forward.³⁰

Recommendation #3: Implement employment equity in Ontario. Bringing back equal-pay-for-equal-work provisions in the *Employment Standards Act*, enforcing pay equity, and implementing pay transparency rules would expose racial discrimination in the workplace and, to some degree, reduce it, but more is needed. Legislated employment equity is needed to improve access to opportunities at all income levels.³¹

Recommendation #4: Improve basic employment standards and labour rights. Ontario's *Employment Standards Act* sets the basic standards for 94% of workers across Ontario. Updating it to bring in paid sick days for all workers and banning employers from classifying employees as "independent contractors" would make a significant difference for individuals and families. Bringing in an "equal pay for equal work" provision would stop employers from discriminating against employees based on their status as temporary, part-time, or temp agency workers. Improving the *Ontario Labour Relations*

Act to make it easier for workers to unionize is a sure way to improve wages and working conditions in more workplaces.

Recommendation #5: Create a forward-looking good jobs strategy.

Poverty and the climate emergency are the twin crises of our time. Reducing our use of fossil fuels will transform every aspect of life, and that transformation will require labour: labour to electrify the economy, labour to retrofit existing buildings, labour to build everything from transit to housing to electric cars. Just as importantly, switching to non-polluting jobs means switching to jobs in the care economy: no work is more carbon-neutral than the work of caring for each other when we are young, or old, or sick. Shifts in employment since the pandemic began show that Canadians are ready, willing, and able to switch between sectors of the economy when opportunities present themselves.³²

Income supports

Ontario's social assistance rates are very low. As of 2019, the province's two main social assistance programs, OW and ODSP, provided individuals and families with income that was far less than the LIM (AT) rate. In real (inflation-adjusted) dollars, rates peaked in 1994, when, for a brief time, the ODSP rate was actually above the LIM-AT. That changed suddenly in 1995, when a new government at Queen's Park reduced rates by 21.6% and then froze them for the next eight years. During that time, inflation eroded the buying power of social assistance cheques by a further 20%. Despite nominal increases in social assistance rates since then, rates have never returned to the level they were at a quarter-century ago.³³ The province's low social assistance rates are keeping people in deep poverty.³⁴

People living with disabilities are particularly affected by this neglectful approach to social assistance in Ontario and elsewhere in the country. "In Canada, poverty and disability are largely synonymous," says the Council of Canadians with Disabilities.

Approximately one in five Canadians lives with one or more disabilities, ranging from mild to severe. According to a 2017 study from Statistics Canada,³⁵ 76% of individuals aged 25 to 64 with mild disabilities were employed but only 31% of those with very severe disabilities were employed.

Those with severe disabilities were also twice as likely to be living in low income compared to those with mild disabilities. "Among those with disabilities aged 15 to 64 years, lone parents and those living alone were

the most likely to be living in poverty among any type of household living arrangements,” the study reported. “Since eight in ten lone parents were women, the high risk of living in poverty in this group disproportionately affected women.”

Statistics on child poverty in Ontario for families where one or more members has a disability are not readily available. What we do know is that parents with disabilities who are unable to work are virtually guaranteed to be low income, and so are their children. Depending on geography, monthly ODSP payments to families are hundreds of dollars below the poverty line, even using the relatively low benchmark of the MBM.

When income is low and the rent is too high, something has to give. For many families living in low-income, including social assistance recipients, that something is food. Roughly one in eight households in Ontario was “food insecure” in 2017–18,³⁶ meaning that sometimes they worry about running out of food, sometimes they buy less food, or food that is not as nutritious, and sometimes they miss meals or go without eating for a day or more.

The statistical profile of food insecure families is similar to that of families in low income overall: female lone-parent families are the hungriest, with 33% being food insecure. Male lone-parent families are somewhat better off, with 25% being food insecure. Twelve per cent of couple families with children are food insecure. Seven per cent of couples with no children are food insecure. Racialized families were more insecure than white families; Black and Indigenous families had the highest rates of food insecurity.

Food costs money, and good food costs more. Any plan to address food insecurity—and all the other forms of insecurity that poverty brings—must raise the income of low-income households.

Recommendation #6: Dramatically increase social assistance rates for individuals and families. Social assistance should allow people to live in dignity and build a life that works for them, but that is not the case in Ontario. OW and ODSP recipients, and their children, live in deep poverty. Social assistance rates should be raised immediately to 1994 levels, adjusted for inflation.

Recommendation #7: End all clawbacks of social assistance payments up to the Low-Income Measure (After Tax). If the goal of policy is to lift people out of poverty, one way to do that more quickly is to allow those who are working to keep all of the money that they make until they are actually out of poverty.

Reconciliation

Indigenous peoples across Canada live with the consequences of colonialism every day, and nowhere are those consequences more shameful than in relation to Indigenous children. From the legacy of Canada's residential schools and the discovery of hundreds of unmarked graves of children on their grounds, to the "Sixties Scoop" that tore children from their homes and families, to the crisis of missing and murdered Indigenous women, girls, and Two-Spirit people, Canada and its institutions have sought to strip Indigenous peoples of their cultures, their identities, and their families by acting through—and against—their children.

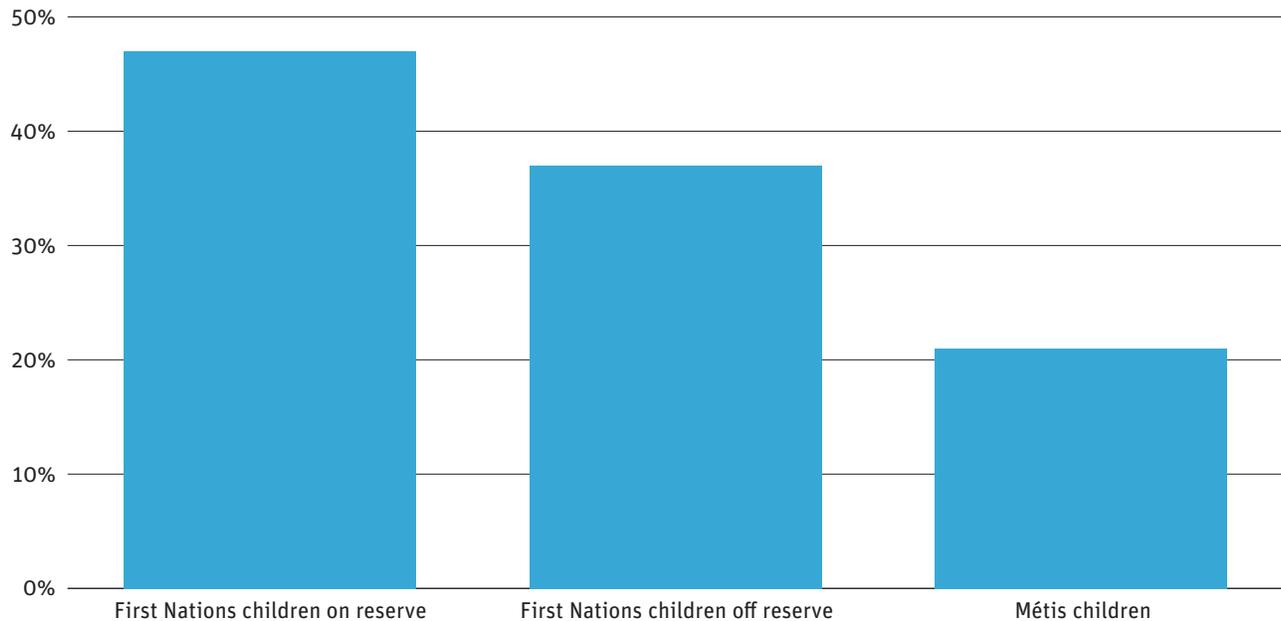
The struggle for the well-being of Indigenous children is ongoing. In 2007, parliament passed a unanimous motion in support of Jordan's Principle, confirming that Indigenous children have the right to access public services, without any discrimination, on the same basis as non-Indigenous children. Nonetheless, the federal government's move to limit the application of Jordan's Principle and avoid paying compensation to Indigenous children has resulted in a 14-year legal battle. The Canadian Human Rights Tribunal and the courts have sided with Indigenous children at every step.

Based on the 2016 census, Indigenous peoples represent about 2.8% of the total Ontario population. Of the 374,000 people with an Indigenous identity, 63% identified as First Nations, 32% identified as Métis, and 1% identified as Inuit.³⁷ Of the total group, some 170,000 people were listed as "Registered or Treaty Indian" status.

In 2019, *Towards Justice: Tackling Indigenous Child Poverty in Canada* authors David Macdonald, Natasha Beedie and Daniel Wilson explored the problem of Indigenous child poverty based on census data. Their findings paint a picture that is shocking but sadly not surprising: poverty rates for Indigenous children are far above those of the population as a whole.

Across Canada, according to 2016 census data, 53% of Status First Nations children living on reserve lived in poverty as did 41% of Status First Nations children living off reserve. The child poverty rate for Non-status First Nations children was 32%; for Inuit children it was 25%; and for Métis children it was 22%. Ontario's Indigenous child poverty rates are near the national average, below the very high levels in Manitoba and Saskatchewan but above those in Quebec. In Ontario, the 2016 census revealed a poverty rate for Status First Nations children living on reserve of 47%; for First Nations children living off reserve, the rate was 37%. The Métis child poverty rate was 21%.³⁸

FIGURE 10 Indigenous child poverty rates, Ontario, 2015



Source Beedie, Natasha, Macdonald, David, and Wilson, Daniel (2019). *Towards Justice: tackling Indigenous child poverty in Canada*.

Some of the lowest Indigenous child poverty rates in Canada are in Quebec. The on-reserve child poverty rate for the Eeyou Itschee (James Bay Cree) in the 2016 census was below the general child poverty rate across Canada. This is directly due to resource-revenue sharing between the government of Quebec and First Nations, which has helped make up for chronic federal underfunding.³⁹

Recommendation #8: Get on with the work of reconciliation. The Canadian economy has always been propelled by natural resource extraction, but Canada’s colonial claims have too often ignored the rights of Indigenous peoples. “Nearly every major study addressing abolition of the colonial relationship in Canada advocates for compensation or reparation in the form of land redistribution,” says the Yellowhead Institute. “That is because in order to more fully regain and exercise self-determination generally, Indigenous people require significant economic bases and sources of revenue to pull out of generations of systemic impoverishment.”⁴⁰ The many facets of Indigenous poverty—low income, substandard housing, unsafe drinking water, underfunded public services, to name a few—can only be addressed if Indigenous self-determination is the starting point for discussion.

Rental housing

Canada's housing is divided between haves and have-nots. For many of the haves, housing is no longer a place to live but a place to store wealth. As a result, housing-as-investment is driving up home prices beyond the reach of new buyers and, at the same time, pushing predatory landlords and real estate trusts to drive up rents and evict those who cannot pay.⁴¹

Governments have not stepped up to the plate to curb profiteering in housing. In recent years, the main focus of government initiatives has been on funding the construction of “affordable” rental housing that is not actually affordable for low- and moderate-income tenant families.⁴² Other programs have aimed to support prospective first-time homebuyers, which represent a very small share of tenant families.⁴³ In the meantime, housing insecurity continues to grow.

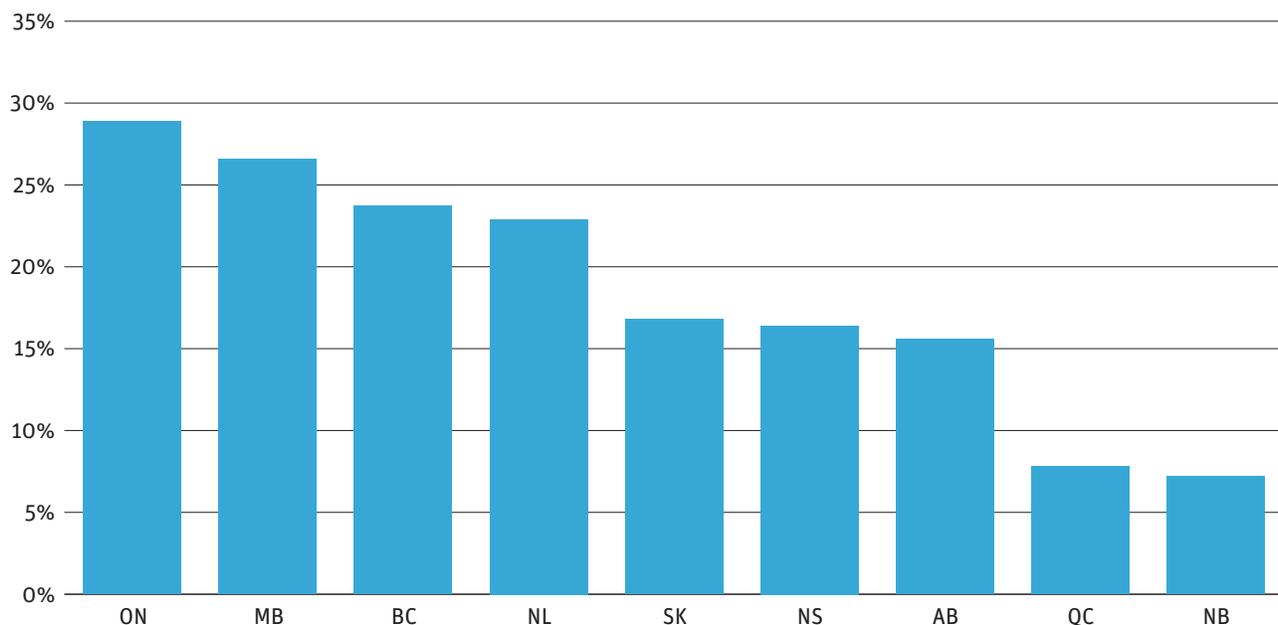
One of the ways to measure housing security is through the concept of “core housing need,” which asks three questions about the way individuals and families live: Is the house, suite, or apartment big enough for the number of people living in it? Is it in a state of good repair? Is it affordable? If the answer to any one of those questions is “no,” and the people in the household have no alternative but to stay where they are, then they are in core housing need.

In Ontario, 12% of all households with children 0 to 17 years of age are in core housing need. The share is higher (18.5%) for households with children and at least one family member who belongs to a racialized group. Among tenant families with children, 29% are in core housing need, compared to 7.5% of home-owning households.⁴⁴

Ontario has a higher share of tenant households with children in core housing need than any other province in Canada. Manitoba comes in a close second (26.5%). In British Columbia, where rents are notoriously high, the share of families in this situation (24%) is five percentage points lower than in Ontario. Other provinces, like Alberta (15.5%), Nova Scotia (16.5%), and Quebec (8%), are doing comparatively better.⁴⁵

Finally, 33% of Ontarian households in social and affordable housing are still experiencing core housing need—a clear testament to the neglect of the social housing stock and the inadequacy of existing rent allowance programs.⁴⁶ Unless strict rent controls are in place and non-market rental housing becomes a widely available option, increases in the income of families experiencing poverty will continue to be eaten up by rent.

FIGURE 11 Percentage of tenant families in core housing need, by province



Source: Statistics Canada 2018 Canada Housing Survey Public Use Microdata File and authors' calculations.⁷⁰

Recommendation #9: Build more non-market housing. If the housing market is the problem, the best solutions may be outside of the market. There is no reason not to build housing that tenants can actually afford to live in.

Recommendation #10: Fix housing. Governments should not hesitate to bring social housing up to a state of good repair. Landlords should be compelled to do the same.

Recommendation #11: Control rents. As housing becomes increasingly financialized, landlords are using every strategy available to make tenants pay more, including renovations and applications for Above Guideline Increases. Stricter rent control and vacancy control are the obvious response.

Child care

Child care is one area in which government policy can make a huge impact on family living standards.

Among Canada's provinces, Ontario has the third-lowest rate of labour force participation by mothers with children under 12. At 77%, Ontario's rate is a full seven percentage points behind Quebec's. "If Ontario women were

to participate in the labour force at the same rate as in Quebec, Ontario's economy would benefit from 150,000 more workers," the Financial Accountability Office calculated in 2019.⁴⁷

That number is almost exactly the number of lone-parent families led by women in Ontario.

Full-time fees for licensed child care centres are out of reach for any parent living in poverty in Ontario. Annual surveys by the Canadian Centre for Policy Alternatives show that while some Ontario cities, like Windsor and Brampton, saw fees decline between 2017 and 2019, others saw sharp increases: Toronto fees rose by 28% (in 2019 dollars), reaching a median \$1,457 a month for toddlers by 2019; Kitchener toddler fees rose by 18%, hitting a median \$1,149 in 2019.

In cities in Quebec, meanwhile, toddler fees inched up but were at \$179 a month, due entirely to that province's approach to public funding for child care.

"It has become evident that child care fees in Canada are lowest when services receive substantial public operational funding and the fees are set as a matter of public policy," David Macdonald and Martha Friendly wrote in their 2019 report.⁴⁸

Setting fees through policy helps affordability; operational funding from government allows operators to pay higher wages to staff in a notoriously low-paying industry, reducing staff turnover and improving quality. Both are key to helping all working parents, but especially low-income parents, to stay in or join the paid workforce.

Recommendation #12: Make affordable child care happen now. In the wake of the 2021 federal budget and the recent federal election, the Ontario government must sign an agreement to bring \$10-a-day child care to families across the province and start creating the new child care spaces and family-supporting child care jobs Ontario needs. Affordable quality child care will bring more mothers into the workforce, including many single parents currently living in low income.

Education

Access to quality elementary and secondary education plays a key role in childhood development, as does access to recreation programs and extra-curricular activities. The ongoing COVID-19 pandemic has had a profound impact on both.

From the beginning of the pandemic, children in low-income households have faced more barriers to keeping up with their school work, from poorer access to technology to not having a quiet place to study. As public playgrounds and facilities closed down, many families went without the recreational opportunities that are a big part of childhood development and maintaining mental health. Higher-income families have had other options, such as hiring private tutors to help with school work, paying for online music lessons, and so on.

Given the central role that education plays in the lives of children—not to mention their future employment prospects—cutting school funding, or merely maintaining the old status quo, can only serve to lock in place the increased inequality COVID-19 caused.

Recommendation #13: Fully fund education and recreation programs for children and teenagers. The negative developmental impacts of child poverty cannot be overstated. Children and teens need opportunities to thrive and if those opportunities are not available at home they must be provided through a public system: “It takes a village to raise a child.”

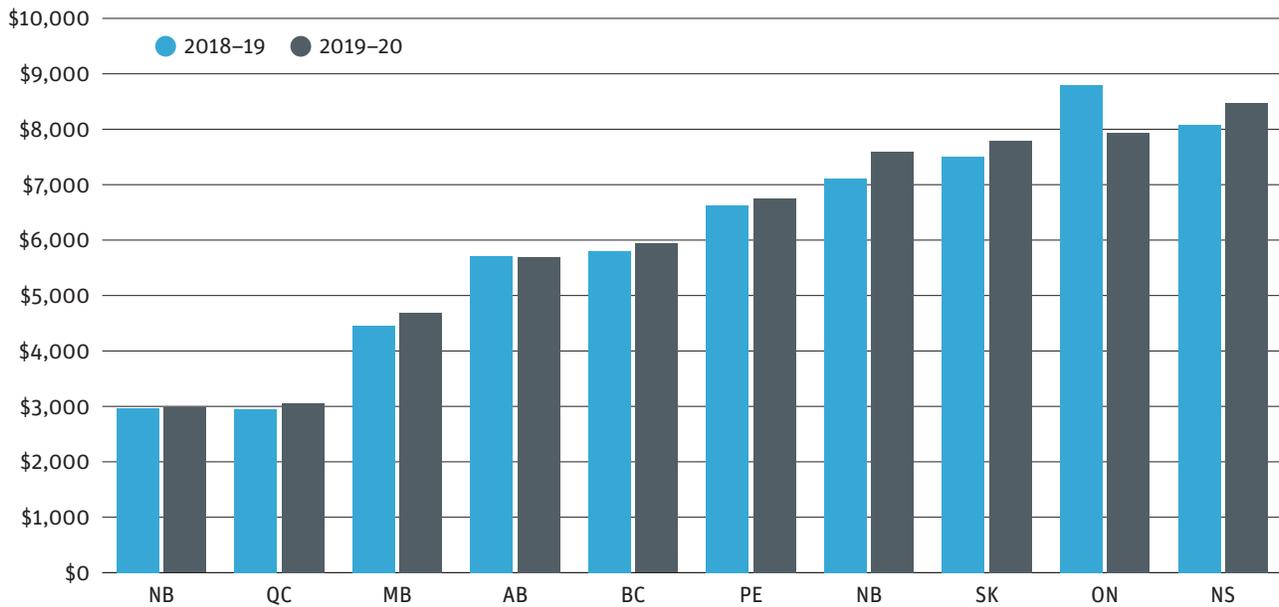
Higher education

From 2013 to 2019, the unemployment rate for youth aged 15–24 fell in sync with the unemployment rate for those 25 and older. Regardless of age, those with a trades apprenticeship or certification, a college diploma, or a university degree had the lowest unemployment rate and the highest income.⁴⁹ Access to higher education is, clearly, key to success in the job market—and staying out of poverty.

Higher education is expensive in Ontario: in 2019, Ontario had the second-highest average post-secondary tuition fees of all the provinces, behind only Nova Scotia. This was a change from the previous year, when Ontario’s fees were the highest in the country. In 2019, the Ontario government eliminated grants for low-income students that essentially covered tuition and, instead, implemented an across-the-board 10% tuition fee cut.⁵⁰

Despite the reduction, typical Ontario tuition fees in 2019 were roughly \$8,000 a year, compared to approximately \$3,000 in Quebec and Newfoundland and Labrador that year. The tuition fee cut was not accompanied by additional funding for colleges and universities: their budgets were reduced by \$440 million over two years as a result of the fee cut.⁵¹

FIGURE 12 Canadian undergraduate tuition fees (\$), by province



Source: Statistics Canada Table 37-10-0003-01, Canadian undergraduate tuition fees by field of study.

Post-secondary education underfunding has been an issue in Ontario since at least the 1990s⁵² and continues to this day, to the point where Ontario's public colleges receive more of their funding from international student fees than from the provincial government.⁵³ Short-changing post-secondary education today has long-term effects—none of them good.

Recommendation #14: Make post-secondary education and training free. Education has its own intrinsic value, but it is also a powerful tool to escape poverty. We cannot allow lack of money or fear of debt to block people from acquiring the skills they need to ensure a better life for themselves and their families.

Health

The link between poverty and poor health has been known and documented for centuries.

Low income can mean not enough food and not enough nutritious food; it can mean black mould in the walls and being cold all winter; it can mean respiratory illness and psychological distress from overcrowding; it can mean living with bedbugs, cockroaches, and rodents; it can mean unsafe

drinking water; it can mean not having enough money to fill prescriptions for medication. It always means never-ending stress and anxiety.

Living in poverty means an increased risk of respiratory infections, heart disease, diabetes, high blood pressure,⁵⁴ and cancer.⁵⁵

In children, the effects of poverty and “toxic stress”⁵⁶ caused by poverty can include impaired cognitive development,⁵⁷ limited access to recreational programs,⁵⁸ and lower academic achievement and educational achievement.⁵⁹

These effects are negative on their own. They are also expensive. A 2019 study published by Feed Ontario estimated the cost of poverty in the province at between \$27 and \$33 billion annually, stating that reducing poverty would cut health care and justice system costs, increase tax revenues to government, and boost employment income.⁶⁰

Recommendation #15: Recognize the profound individual and social benefits of reducing poverty. Viewing poverty reduction as a “cost” in a cost-benefit analysis is looking through the wrong end of the telescope. Poverty itself is a massive cost in terms of human well-being, Ontario’s economy, and government finances at every level. Public policy that keeps Ontarians and their families in poverty is a self-defeating failure. Nowhere is this more obvious than in the health care system. One of the hardest lessons learned from the COVID-19 pandemic has been that there is no economy without healthy citizens.

Income, wealth, and inequality

AS NOTED ABOVE, Ontario's GDP per capita—a basic measure of prosperity—hit a record level in 2019. But if child poverty persisted anyway, and it did, it's clear that the problem is one of income distribution, not a lack of income in the province over all.

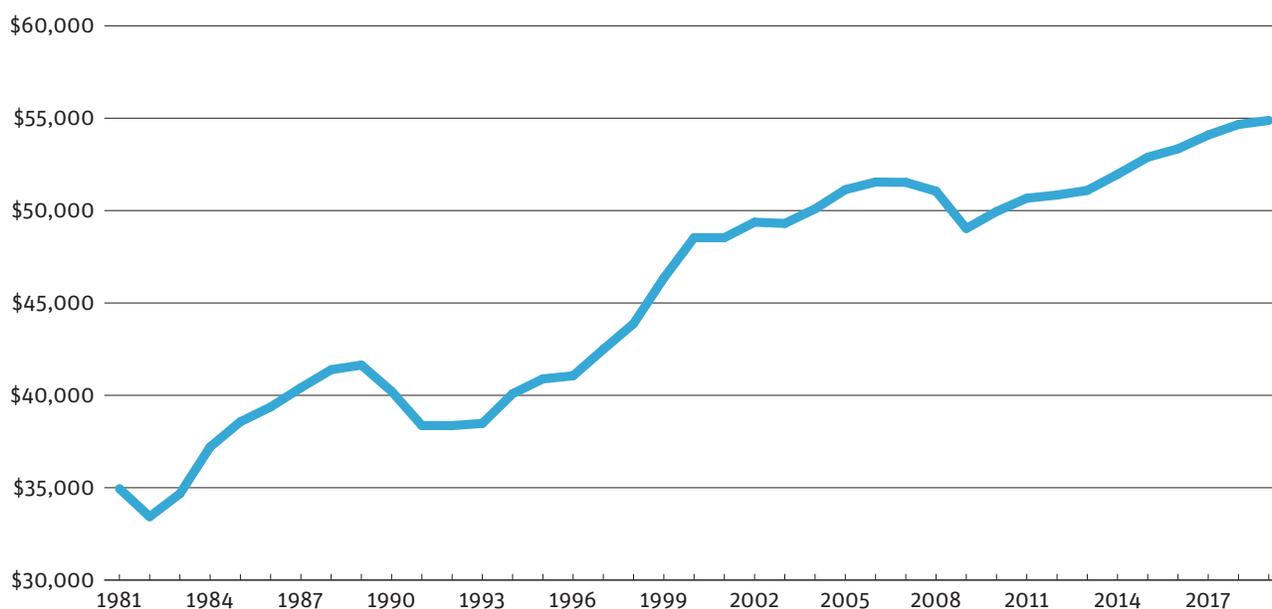
Much has been written in recent decades about economic inequality and the growing gap between people near the top of the income scale and those below them. High levels of inequality are associated with health and social problems, increased political influence of the rich, and a reduction in intergenerational mobility.⁶¹ Left untreated, high levels of inequality are also associated with persistent poverty.

In dollar terms, the income gap between those in the highest-income 10% of the population and the lowest-income 10% grew from \$151,000 in 1976 to \$220,500 (both in 2019 dollars), an increase of 46%.⁶² But that growing difference pales in comparison to what's happening to those in the top 1% of the income distribution.

In 2018, average income for the top 1% in Ontario had reached \$426,000. Average income for the top 0.1% was \$1,560,200. Average income for the top 0.01% was \$5,327,100.⁶³

That same year, the median income for a lone parent with two children living below the CFLIM-AT was \$26,170.⁶⁴

FIGURE 13 GDP per capita, Ontario, chained (2012) dollars (\$millions)



Source Statistics Canada Table 36-10-0222-01, Gross domestic product, expenditure-based, provincial and territorial, annual ($\times 1,000,000$), Table 17-10-0005-01, Population estimates on July 1st, by age and sex, and authors' calculations.

Disparities in income that persist over years and decades inevitably lead to even greater disparities in wealth over time. Those at the top end of the income distribution save and invest; those at the bottom have trouble saving for even the most basic purchases.

In a study released in June 2020,⁶⁵ the Parliamentary Budget Office estimated that at the end of 2019, the wealthiest 10% of Canadian families owned 56.7% of all wealth in Canada. In contrast, the bottom 40% owned just 1.1% of wealth. Even more dramatic was the distribution of wealth within the top 10%. The top 1% of Canadian families owned 25.7%—more than a quarter—of all the wealth in the country, nearly the same amount as the bottom 80% of the population. The top 0.01%—one per cent of the top one per cent—owned 5.6% of all wealth in the country, or roughly \$654 billion.

There is plenty of money in this country, and in this province. Meanwhile, half a million Ontario children and their parents are living in poverty.

Recommendation #16: Use the tax system to redistribute income.

In the 2016 federal budget, the Government of Canada not only brought in the Canada Child Benefit, it also eliminated tax loopholes and increased taxes on those most able to pay. If economic growth alone was going to fix the problem of poverty, it would have happened by now.

The amount of redistribution required to end child poverty will be life changing for those helped. It will hardly be noticed by those enlisted to help.

Act now

DESPITE STEADY IMPROVEMENTS in the child poverty rate over six years, half a million children in Ontario were still living in poverty in 2019. Hundreds of thousands of families are trying to make ends meet with income well below the poverty line as measured by the LIM (AT).

Clearly, there is work to be done. Unfortunately, both the federal and provincial governments are addressing poverty at a glacial pace.

In 2018, the Government of Canada released its first-ever Poverty Reduction Strategy.⁶⁶ The wide-ranging strategy, which uses the MBM of poverty, aimed to reduce the poverty rate for all Canadians (not just children) by 20% from 2015 levels by 2020 and by 50% from 2015 levels by 2030. A report released in 2021 showed that the first target had already been reached in 2017. The second target, however, suggests a distinct lack of urgency—a baby born this year will be nine years old in 2030. And achieving the federal goal will still leave 6% of the population in poverty, including more than 450,000 children across Canada.⁶⁷ That same baby may still be living in poverty in 2038.

The Ontario government released its third poverty reduction strategy in 2020. While in some ways this latest strategy resembles earlier versions, there are also notable changes. Some areas (e.g., child poverty) receive much less attention than in the past, and moving people off social assistance and into paid employment is now a principal objective of the strategy.⁶⁸ Sadly, the provincial strategy exhibits the same lack of urgency as the federal one.⁶⁹

Recommendation #17: Pick up the pace. While adults are talking, children are growing up in poverty. Targets that aim to cut child poverty in

half by 2030, or later, are in no way adequate. Ontario's children need short timelines and forceful action.

The persistence of child and family poverty in a province as rich as Ontario is both embarrassing and puzzling. It's not as if we don't know the recipe for reducing it: we must create decent jobs for parents through smart job creation strategies, improve employment standards, ensure accessible education and training, and create affordable child care; increase government transfers to bring income up; and control rents so families can keep a higher share of their income. The way to do all of this is to harness the incredible wealth of this prosperous province and reduce economic and social inequality at the same time.

When the COVID-19 pandemic ends—and it is not over yet—it will hold many lessons for all Canadians. Chief among these lessons will be this: that if governments dare to use the tools at their disposal, they can do big things.

There should be no poverty in the midst of plenty.

Notes

- 1** Once a year, Statistics Canada publishes a treasure trove of statistics about Canadian families. The T1 Family File includes tax data that shows where Canadians live, how old they are, who they live with, and how much money their household made during the tax year. This data allows researchers to calculate the poverty rate, and the depth of poverty, for children and families anywhere in Canada. The data is for the tax year two years earlier, so this year's data covers 2019.
- 2** Canadian Bankers Association (2021). "Focus: Bank revenues and Profits." Accessed at https://cba.ca/Assets/CBA/Documents/Files/Article%20Category/PDF/bkg_revenuesprofits_en.pdf.
- 3** See Macdonald, David (2021). *The Golden Cushion: CEO Compensation in Canada*. Ottawa: Canadian Centre for Policy Alternatives. Accessed at <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2021/01/Golden%20cushion.pdf>.
- 4** Statistics Canada (2016). Census Profile, 2016 Census, Toronto Centre, [Federal electoral district] (table).
- 5** Both languages are Anishinaabemowin languages, but local speakers use the names used by Statistics Canada as well.
- 6** Statistics Canada (2016). Census Profile, 2016 Census, Kenora, [Federal electoral district] (table).
- 7** Statistics Canada. Table 17-10-0005-01, Population estimates on July 1st, by age and sex; Table 36-10-0222-01, Gross domestic product, expenditure based, provincial and territorial, annual (×1,000,000); and authors' calculations.
- 8** 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.
- 9** Biss, Michèle (2018). "Why we need to fix Canada's new measure of poverty." Policy Options. Dec. 24. Accessed at <https://policyoptions.irpp.org/magazines/december-2018/need-fix-canadas-new-measure-poverty/>
- 10** See Gustajtis, Burton, Lam, Keith, and McDermott, Sarah (2021). "Proposals for a Northern Market Basket Measure and its disposable income." Statistics Canada, January 5. Accessed at <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2021001-eng.htm>.

- 11** Statistics Canada Table 11-10-0047-01, Summary characteristics of Canadian tax filers.
- 12** Aldridge, Hannah (2017). “How do we measure poverty?” Maytree. Accessed at https://maytree.com/wp-content/uploads/How_do_we_measure_poverty_May2017.pdf.
- 13** Mood, Carina and Jonsson, Jan O. (2016). “The social consequences of poverty: an empirical test on longitudinal data.” *Social Indicators Research*, 127, 633–652. Accessed at <https://link.springer.com/article/10.1007/s11205-015-0983-9>.
- 14** For information on how the Census Family LIM-AT is calculated, see Pinard, Dominique and Pagé, François (2018). “Low Income Measure: Comparison of Two Data Sources, T1 Family File and 2016 Census of Population.” Statistics Canada, April 5. Accessed at <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2018002-eng.htm>. See also Pinard, Dominique (2018). “Methodology Changes: Census Family Low Income Measure Based on the T1 Family File.” Statistics Canada, April 5. Accessed at <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2018001-eng.htm>.
- 15** The formula calculates the LIM-AT for a family as the LIM-AT for one person multiplied by the square root of the number of people in the household. For example, if the LIM-AT for a single person is equal to \$22,518, the LIM-AT for four people sharing a household is the square root of 4, which is 2, multiplied by \$22,518. This puts the LIM-AT for a four-person household at \$45,036 annually.
- 16** Tranjan, Ricardo (2018). *Towards an Inclusive Economy: Syncing EI to the Reality of Low-wage Work*. Canadian Center for Policy Alternatives. Accessed at <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2019/06/Towards%20an%20Inclusive%20Economy.pdf>
- 17** Department of Finance Canada (2019). *Investing in the Middle Class: Budget 2019*. Ottawa: Her Majesty the Queen in Right of Canada.
- 18** Individuals and families are barred from receiving social assistance if the value of the assets they own exceeds certain levels. Higher asset limits allows people to receive support without being forced to sell off property (a car, a computer, savings for tuition) that could help them escape poverty.
- 19** This is likely because only 40% of Ontario families use paid child care in a formal setting (i.e., not care by family members or nannies). Families must be paying for child care to benefit from the CARE tax credit, and the ability to pay for child care rises with income. See Financial Accountability Office of Ontario (2019). *Child Care In Ontario: A Review of Ontario’s New Child Care Tax Credit*. Financial Accountability Office of Ontario. Accessed at <https://www.fao-on.org/en/Blog/Publications/childcare-ontario-2019>.
- 20** Financial Accountability Office of Ontario (2019). *Comparing the LIFT credit to a minimum wage increase*. Toronto: Financial Accountability Office of Ontario. Accessed at <https://www.fao-on.org/en/Blog/Publications/LIFT-report-2019>.
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- 22** Statistics Canada Table 11-10-0240-01, Distribution of employment income of individuals by sex and work activity, Canada, provinces and selected census metropolitan areas.
- 23** Statistics Canada Table 14-10-0064-01, Employee wages by industry, annual.
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70 Data for Prince Edward Island not available (suppressed).



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