

# **Connecting the Pieces: An Evaluation of the Niagara Prosperity Initiative and Call for a Broader Poverty Reduction Strategy for Niagara**

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For the full list of Brock University research contributors to this report, and a detailed description of the research plan, see the NPI Evaluation Research website: [Brock University NPI Evaluation Research](#)

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## **EXECUTIVE SUMMARY**

## Introduction

Poverty in contemporary Canada is a complex problem that remains an important policy challenge at all levels of government. While upper- and lower-tier municipalities see the effects of poverty every day and have effectively become a default safety net for many residents, their capacity to remedy such problems is curtailed to some extent by their relatively small tax base, economic uncertainties, limited jurisdiction, overburdened responsibilities and the precariousness of federal and provincial investments and commitments. That said, local governments continue to have a critical leadership role to play in the fight against poverty, whose wide-reaching and corrosive effects are only likely to be exacerbated by the prolonged COVID-19 crisis. As calls for reduced public spending are likely to follow in the wake of health, employment and fiscal crises, this report seeks to focus attention on the need to strengthen poverty-reduction efforts.

While Niagara itself has not as yet developed a comprehensive region-wide poverty reduction strategy, as former Niagara Poverty Reduction Network (NPRN) chair Elisabeth Zimmerman argues,<sup>1</sup> the Region's ongoing funding of the Niagara Prosperity Initiative (NPI) has been one means through which it has embraced its crucial "social role," cultivating a sense of collective responsibility and promoting collaborative action against poverty. In 2018, Niagara Region, in partnership with a transdisciplinary team of researchers at Brock University, was awarded funding from the province's Local Poverty Reduction Fund (LPRF) for a three-year research project aiming to examine the state of poverty in Niagara, conduct an evaluation of the impacts, outcomes, and efficacy of the NPI to date, and offer recommendations on best practices moving forward. This Executive Summary offers a condensed account of the key findings and recommendations of this research project, whose full rationale, empirical basis and procedural implications are discussed in much greater detail in the final report.

## The NPI's Evolution to Date

Enabled initially by a window of opportunity to reinvest savings associated with the implementation of the Ontario Child Benefit (OCB), the Niagara Prosperity Initiative

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<sup>11</sup> Zimmermann, Elisabeth. "Creating Shared Prosperity and Leading by Example: Roles Local Government Can Play to Contribute to Poverty Reduction." *Community Blog, Niagara Knowledge Exchange* (2014, October 1) Niagara Connects. Accessed at: [Creating Shared Prosperity and Leading by Example: Roles Local Government Can Play to Contribute to Poverty Reduction](#)

(NPI) has since 2008 invested approximately \$1.5 million annually toward a range of collaborative, place-based, community-led poverty prevention and reduction projects.

Organizationally, NPI was constituted as an arm's-length program funded by the Region but managed and administered by third party organizations, with service delivery also contracted out to agencies through a competitive request for proposals (RFP). From the outset, NPI was to involve two broad bundles of tasks, which came to be organized through the Secretariat and the Convener roles. United Way Niagara and the Niagara Community Foundation are currently fulfilling their respective roles as Secretariat and Convener under five-year contracts that expire at the end of 2021. While there have been slight changes over the division of tasks, in general the Secretariat is responsible for administering funding for NPI projects, whereas the Convener aims to bring together various actors to develop longer-term strategies and coalitions for reducing poverty. At present, this latter role is fulfilled largely through the efforts of the NPRN, a voluntary network of public, private and non-profit organizations concerned with poverty reduction in Niagara.

The NPI has established a long record of grant funding that supports innovative neighbourhood-based poverty alleviation projects across the region. Working with nearly 90 organizations from 2008 to 2019, the NPI has funded 374 projects during this period. The NPI has sought to allocate project funding to the individuals, families, communities and neighbourhoods in greatest need in order to buffer and prevent the hardships associated with poverty. The NPI's annual Request for Proposals (RFP) sets funding priorities for meeting poverty-related needs, and the priority funding streams for the program have narrowed considerably over time. Since 2019, the NPI's three priority-funding streams have been Housing, Health and Employment.

Within the varying priority categories, the (mostly) two-year projects have been diverse. Over the years, projects have targeted children and youth, adults, seniors, and families. Projects have also varied in terms of their scope. The majority of projects to date have aimed at providing an enduring benefit to individuals and families through education, training and skill development. A second range of projects has sought to provide immediate material benefits to low-income individuals or families. The third type of project has focused on creating neighbourhood infrastructure that people will continue to use after the project has wrapped up. The fourth type of project has worked on the level of the collective, aiming to increase the capacity of communities to support their own members and enhance their quality of life. These four broad categories of projects are summarized in the table below.

<b>Project Category</b>	<b>Scale of Intervention</b>	<b>Examples</b>
Education, training, skills development	Individuals and Families	<ul style="list-style-type: none"> <li>- summer day camps for children in priority neighbourhoods</li> <li>- life-skills programs for pregnant women and young parents who are homeless or at risk of homelessness</li> <li>- summer literacy programs for low-income families with children needing foundational literacy skills</li> </ul>
Direct material benefits	Individuals and Families	<ul style="list-style-type: none"> <li>- the Good Food Box, offering affordable produce to households that lack access to fresh, healthy food</li> <li>- dental care and denture clinics for adults</li> <li>- a laundromat voucher program</li> <li>- ID clinics to assist people with replacing and safely storing identity documents needed for government services and financial benefits.</li> </ul>
Neighbourhood Infrastructure	Community / neighbourhood	<ul style="list-style-type: none"> <li>- Bike Me Up, a repair shop where people can get help with fixing their own bike or select an affordable refurbished bike</li> <li>- community gardens, community kitchens, and social enterprises that have some start-up costs but also the potential to develop an income stream</li> <li>- projects that provide Wi-Fi and internet technology to low-income seniors (NB: a 2020 project)</li> </ul>
Community Capacity	Community / neighbourhood	<ul style="list-style-type: none"> <li>- projects of drop-in centres that provide a range of supportive community-building activities</li> <li>- after-school educational and social programs for children and young people</li> <li>- volunteer programs that engage low-income members in community organizing or peer support.</li> </ul>

While the total number of annual NPI projects has trended downwards over time, average project size and scope have increased. Similarly, an increasing number of the

projects receiving funds target multiple municipalities within Niagara or have a regional focus. The reported number of persons served by NPI projects has exceeded the expected number of persons served in every year of the program's existence. Since 2008, the NPI has not exceeded its funding allocation, and amounts spent have always come in under amounts allocated. While the official amount allocated annually to NPI projects has (with isolated exceptions) remained steady at \$1.5 million, inflation has meant that the purchasing power of the fund has declined over time. From 2009 to 2019, the price index increased by 22 percent, so the purchasing power of the funds allocated in 2019 was more than one fifth less than it was in 2009.

### Evaluating the NPI's Impacts

Our purpose in this report is not to evaluate individual projects, whose targets and outcomes are already well documented by the NPI, but to describe and assess the cumulative impact of over a decade of grant funding for poverty alleviation. Reporting by NPI grant recipients has been consistent and has provided evidence of the effectiveness of individual projects in meeting their goals. The NPI has received detailed records of projects' *outputs*, defined as how much the funded projects accomplished in terms of the number of unique people served and the types and quantity of units of service that were provided (e.g., drop-in sessions held, meals served, etc.). Across all projects for the first decade of the NPI, the tally of people supported was over 115,000. Additionally, the NPI has collected vivid evidence of projects' *outcomes*, defined as the projects' immediate effects on the people or communities they served. Over the years, outcomes have been identified primarily through testimonials by service users and, to a lesser extent, photographs about what the projects do. Overall, individual participants have indicated high levels of satisfaction with NPI-funded projects.

The NPI has documented the outputs and outcomes of the hundreds of projects to date through quarterly and final reporting by recipient organizations. We also need to evaluate its *impact*, which refers to the long-term or systemic difference the program makes. When speaking of impact, we are asking about lasting changes that have come about as a result of the NPI's funding of many different organizations and projects. To show impact over time is not straightforward, as individual projects' reporting data are insufficient to this task and population-level statistics are not fine-grained enough to measure the NPI's effects. Even though the funded projects have been numerous and have touched thousands of people, they have been relatively small scale and short-lived interventions, which cannot be expected to "move the needle" on the key indicators of poverty that the NPI has mapped by neighbourhood at the population level such as household income and housing affordability.

Supplementing survey data and testimonials with in-depth interviews of former project leaders, we categorize and assess some key long-term impacts of NPI-funded projects. The evidence suggests that the NPI's strongest impact relates to interventions that improved the lives of individuals and families. According to these interviews, individual-level interventions have mainly supported people in the following ways: employment and self-employment, education and training, social integration, and compassionate responses to chronic poverty. A parallel quantitative study undertaken by the research team suggests that participation in NPI projects is also associated with a small increase in individuals' reported levels of life satisfaction.

In addition to making a difference to individuals, NPI projects have had impacts on neighbourhoods and communities. In spite of their short life cycle, NPI-funded projects have occasionally generated amenities that people continued to make use of after funding had expired. More commonly, project leaders reported on the potentially lasting impact of bringing people together and cultivating supportive networks among service users and between project leaders and service users.

While the NPI's primary poverty-reduction focus is on service users and their neighbourhoods, a secondary area of impact is the non-profit organizations and their workers who have received grants, thereby gaining experience, developing new programs, and enhancing their reach and reputations. Almost all grant recipients were grateful for the funding, affirming that their projects helped them further their mission, catalyse new professional networks or working partnerships, and so on. However, former project leaders also spoke of some significant challenges (discussed in greater detail in the full report) arising from the uncertainties and administrative demands of short-term contract funding.

The NPI allocates funding through annual competitions for time-limited contracts, and its RFP is well known to local non-profit service providers. The majority of applying agencies in 2019 and 2020 participated in previous RFPs and almost all successful applicants had received NPI grants previously. Through the application process and reporting requirements for funded projects, the NPI largely assigns responsibility for evidence-based decision-making to non-profit agencies, many of which lack the resources and expertise to perform research functions. Even though successful applicants are allocated up to 10 percent for spending on overhead costs, this amount seldom compensates for the time given to grant and report writing tasks. The NPI can alleviate this burden on service providers and increase its own efficacy by taking greater direct responsibility for synthesizing literature, data, and community feedback, as well as project evaluation, thereby enhancing accountability and elevating conversations about poverty in Niagara. Several challenges and limitations associated with the NPI's

existing funding model (which is by no means unique to it alone) and operations are discussed in further detail in the full report.

As the NPI serves as a model for poverty reduction programs, its impact ultimately needs to be assessed in terms of the value it brings to the region overall. On a fundamental level, NPI-funded projects make a difference by reducing social and economic costs associated with poverty. In addition, the NPI creates impact by stimulating new thinking by non-profit organizations about how to deliver poverty alleviation and prevention projects and by testing these ideas in practice. While such innovation can sometimes help to identify the kinds of interventions that are needed and effective for long-term change, most NPI-funded projects have not continued beyond the end of the funding term. Due to the complex nature of poverty, significant changes to participants' material well-being are unlikely to occur during the timeframe of any given project. This caveat is not to say that the NPI's programmatic interventions are ineffective, but instead that the systemic forces producing poverty are considerable and the NPI is merely one part of a larger and more comprehensive poverty reduction strategy that is needed in Niagara.

### **The State of Poverty in Niagara**

Developing an accurate picture of poverty in any given population or geographical area can be a difficult task, in part because our understanding of the nature and extent of poverty can vary substantially according to the yardsticks we use and the values and assumptions from which we begin. One source of conceptual confusion is the debate over whether poverty should be defined in *absolute* or *relative* terms. Absolute poverty refers to a situation in which an individual or household lacks the means to access the basic goods and services needed to sustain a minimal standard of physical well-being. By contrast, individuals or households are poor in relative terms if they are deemed unacceptably distant from the life standards that prevail in the broader community, even if their "basic needs" are being met.

In Canada, poverty rates have traditionally been derived from three common low-income measures published by Statistics Canada: the *low income cut off* (LICO); the *low income measure* (LIM) and the *market basket measure* (MBM). Each of these measures varies in terms of where it falls on the continuum between absolute and relative definitions of poverty, and in terms of its relative concern with income, consumption and a range of other factors. The Market Basket Measure (MBM), which became Canada's official poverty line in 2018 with the launch of the federal poverty reduction strategy, sets out the cost of a specific basket of goods and services that are meant to represent a modest, basic standard of living. While the MBM is the most

“absolute” of Statistics Canada’s low-income measures, it establishes low-income thresholds at a much finer geographic level than the other measures and its underlying assumptions and parameters are updated at reasonable intervals.

Drawing largely on 2016 census data, this report describes the key socio-economic indicators of poverty in the Niagara context and presents additional, original data from a representative survey of low-income residents and other recent sources. While this short Executive Summary cannot provide a full overview of this data, certain broad takeaways bear mentioning. While the overall percentage of households in Niagara affected by low-income and unemployment has generally been near or below the provincial average over the past decade, poverty remains a significant problem that continues to impose wide-ranging costs upon the region and negatively impact the lives of local residents in a variety of ways. As such, the relatively low overall incidence of low-income in Niagara should not be a cause for political complacency. Rates of poverty vary markedly across the region and across various demographic groups and family types that require special care and attention. Niagara’s relatively large proportion of lower income jobs in sales and service is one key reason why the region has a growing number of residents who are “working poor” and an average household income sizably lower than the provincial average. Compounding this problem, Niagara’s population has a markedly lower level of university-level educational attainment compared to the provincial average, reinforcing barriers to secure and decently paid employment in today’s shifting job market. While conventional economic indicators prior to the COVID-19 crisis suggested that the region’s economy was relatively strong, low-income families and individuals are not necessarily benefitting. Indeed, rising inflation has created new challenges for them in terms of heightened cost of living. This is particularly the case with regard to Niagara’s housing market, which has driven up rates of “core housing need” and amplified the region’s pre-existing homelessness problem.

## **Recommendations**

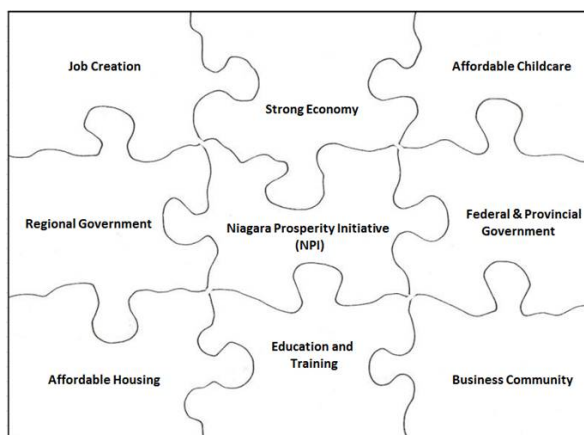
After evaluating the NPI’s internal processes and external impacts, the full report attempts to highlight some strategic opportunities to deepen and enhance the Niagara Region’s response to poverty. What follows is a condensed list of our key recommendations for the future.

### **i. Develop a comprehensive Niagara Region poverty reduction strategy.**

To realize the full potential of the NPI, as envisioned by those who contributed to its initial design, the Region must commit to resituating it as one component of a larger comprehensive poverty reduction strategy. The NPI itself has long used the following



diagram to acknowledge the limits of its own ability to impact larger systemic issues relating to poverty:



As this diagram suggests, NPI is merely one piece of the puzzle embedded in a wider range of actors, services and strategies required to affect meaningful and lasting change. While short-term programmatic interventions can help individuals with their immediate struggles and mitigate some of the worst effects of poverty, poverty reduction at a community level requires stable services, system change, conscious coordination and sustained collaboration with a wide variety of stakeholders. Under the broad umbrella of recently released federal (August 2018) and provincial (December 2020) poverty plans, the Region's own comprehensive anti-poverty strategy can be crafted to optimize multi-sectoral coordination and alignment, leverage resources and address gaps.

## ii. Increase investment in poverty reduction.

The NPI's budget for funding social services has remained flat, at \$1.5M annually, since its inception in 2008. The year 2020 was an exception, when \$250,000 of the poverty reduction fund was temporarily reallocated in response to budget pressures. For comparison, nearby Halton Region operates a social services funding program called the Halton Region Community Investment Fund, much like the NPI, which saw its budget grow from \$3M Regional tax base dollars per year to \$3.5M in 2021. While such direct comparisons often require more detailed explication, it is important to note that the low-income population in Niagara is actually 42.5% *higher* than that of Halton. Another way for Niagara to increase its investment, following the lead of poverty reduction administrators in other regions, would be for the NPI to research and leverage opportunities to bring more resources to Niagara. For these and other initiatives to succeed, the Region needs to ensure that its ongoing anti-poverty efforts are supported

by an appropriate level of staffing, comparable with those of ambitious and successful anti-poverty programs elsewhere.

**iii. Make deliberate investments and provide longer funding terms.**

While short-term funding allocated through competitions can foster community-led innovation in some cases, the NPI places service-providers on a treadmill of designing innovative short-term solutions to longstanding problems, requiring frequent cycles of grant writing and reporting, which tends to divert resources away from service provisioning. Fragmentation of services and lack of service continuity can also impede the progress of those trying to exit poverty. Deliberate investments and longer funding terms promise to allay these kinds of problems.

A deliberate investment model will afford the Niagara Region's Community Services department opportunities to coordinate its services with those purchased from third-party providers - even to select or design complementary services to fill gaps between or address the limitations of established programs. The Region may solidify existing relationships and cultivate new ones with service providers who do not engage with the NPI by enlisting their support to execute its broader strategic vision. Repositioning the NPI granting program as a component of the deliberate investment model also leaves the door open for local agencies to continue proposing pilots of novel services (i.e., new to Niagara) that may warrant incorporation into the deliberate strategy. Such a repositioning would call for changes to the NPI's structure, particularly its application procedure, and may involve innovative measures such as research development bursaries to applicants whose proposals show promise for augmenting the poverty reduction strategy.

A model based on deliberate investment and longer funding terms has the additional benefit of mitigating the unpredictability and fragmentary nature of services provided through time-limited contracts. As the full report emphasizes, short-term contract-based funding models, while widespread today, can inadvertently lead to service precarity, redundancy, lower-quality services, increased insecurity for service provider agencies, over-reliance on volunteers and unpaid staff labour, advocacy chill, and more. By contrast, regional poverty reduction programs that have adopted funding models that emphasize collaborative, reciprocal relationships with stakeholders, such as those inspired by Collective Impact and coalition building frameworks, avoid these consequences and reap many benefits. Such possibilities, as we detail further in the report, include coordinating with other government departments and local funders to create a shared pot of funding and single point of contact for third-party providers, increased inclusion of persons with lived experience in advocacy and policymaking, a

division of labour that reflects the distribution of expertise and resources within the field, and increased service provider well-being and service quality.

#### **iv. Guide investments with enhanced research.**

A deliberate approach to funding makes it possible to select and distribute services in the most efficient and rational manner. The identification of priorities, tactics, and points of service should be obviously guided by strong, up-to-date and finely grained research. Developing a comprehensive poverty reduction strategy will require enhancing the Region's capacity for ongoing, advanced research to guide and support its poverty reduction strategy. Of course, research requires technical skills and must be guided by subject matter expertise. To perform this kind of work, investing in staff training and (especially) recruitment will be necessary.

While insufficient for these ends, the NPI's Mapping Tool can continue to play a useful role as part of the Region's broader approach to poverty-related research. If a particular problem affects a neighbourhood, as opposed to a demographic segment, spatial analysis will inevitably be part of a valid process for allocating poverty reduction funds. Accordingly, place-based strategies should continue to be a part of the deliberate investment model, but not all needs are organized geographically. Deliberate investment should be guided by subject matter expertise, as well as transparent spatial and demographic analyses developed from the Canadian Income Survey and a variety of other timely and relevant data sources (as discussed in the full report).

To accommodate a deliberate approach to funding, investment is needed to collect, develop and share data and strategies with stakeholders and providers in a way that is transparent, responsive and receptive to community feedback. To cultivate shared understandings among local stakeholders, data and findings should be broadly shared (e.g., through community data sharing sessions and other means) to elevate conversations around poverty and ensure that service providers can use them to optimize their offerings and in grant applications that may bring more monies into Niagara. Service providers have their own expertise and front-line insights into local poverty that should be respected, synthesized, and contextualized within meso- and macro-level analyses. Service providers are also gatekeepers to research sites and participants, making them invaluable partners for refining strategies by testing alternative tactics and exploring what works best, for whom, and why.

**v. Design all services for social inclusion aligned with poverty reduction priorities.**

Niagara Region's various departments design and implement public services. Making such services optimally accessible and functional for vulnerable citizens is itself a form of poverty reduction. The City of Toronto demonstrates this, prioritizing building inclusivity for low-income residents into municipal services, even before contracting third parties to deliver services on its behalf. In order to achieve this, Toronto's Poverty Reduction Strategy Office convenes regular meetings of the leadership from all government departments to ensure inclusivity is a priority, not just for those staff tasked with poverty reduction, but also for the government as a whole. Further, at least one councillor acts as a 'poverty reduction champion', questioning representatives from all department on how the needs of socially and economically disadvantaged citizens are accounted for in new and existing programs. This approach has yielded systems change in areas like transit, social procurement, and more. As one of eight two-tier regional governments in Ontario, Niagara Region must approach such systems change with an openness to considering when lower-tier governments can and should play a greater role in the delivery of targeted poverty alleviation efforts.