
Subject: Local Considerations to Inform the Development of the next Ontario Poverty Reduction Strategy

Report to: Public Health and Social Services Committee

Report date: Tuesday, March 10, 2020

Recommendations

That this report **BE APPROVED** as a written submission to the Ministry of Children, Community and Social Services further to their request for local recommendations to inform the next provincial Poverty Reduction Strategy.

Key Facts

- Every five years (as mandated by the Poverty Reduction Act, 2009) the provincial government is required to consult on and develop a new Poverty Reduction Strategy.
- The Ministry of Children, Community and Social Services (MCCSS), in collaboration with other provincial ministries, is seeking input from municipal partners, Ontario residents, employers and service providers to identify opportunities for action to reduce poverty.
- Niagara Region's Community Services department, with input from Public Health and Economic Development, Niagara Regional Housing, and the Niagara Poverty Reduction Network, has developed a proposed submission, which includes recommendations based on local needs and experiences of poverty reduction efforts.
- This proposed submission seeks to respond to the MCCSS call for feedback to inform the next provincial Poverty Reduction Strategy, with a focus on key service areas (housing and homelessness prevention, seniors supports and long-term care, child care and support for families, and social assistance and employment), and seeks to align with the following priorities outlined by the Province:
 - Encouraging job creation and providing employment opportunities
 - Providing people with the right supports and services
 - Lowering the cost of living and making life more affordable
- Poverty reduction strategies and investment in their associated initiatives must remain focused on improving outcomes for low-income individuals and families, and account for the current cost of poverty.

- In many cases, maintaining investments in critical social services is a cost-effective approach to improving health and social outcomes, and produces positive multiplying economic effects that should be considered in the next provincial Poverty Reduction Strategy.

Financial Considerations

There are no financial implications associated with this report.

Analysis

Background

Niagara Region's Community Services department, with input from Public Health and Economic Development, Niagara Regional Housing and the Niagara Poverty Reduction Network, sought to review the current provincial Poverty Reduction Strategy to assess existing initiatives and identify opportunities for improvement, in order to better the economic and social conditions of those living in poverty in Niagara.

The current provincial Poverty Reduction Strategy, "Realizing Our Potential" (2014-2019) emphasizes commitments to: break the cycle of poverty for children and youth, move towards employment and income security, establish a long-term goal to end homelessness, and use evidence-based policy to measure success. At that time, indicators identified to cover key aspects of health, education, income security, material deprivation and housing security included: birth weights, school readiness (Early Development Instrument), educational progress (combined grade 3 and grade 6), high school graduation rates, low income measure, depth of poverty, Ontario housing measure, youth and young adults not in education, employment or training (NEET), long-term unemployment, poverty rates of vulnerable populations.

Tracking Niagara's Progress to Reduce Poverty

Data identified at the launch of the first provincial Poverty Reduction Strategy in 2008-2009 continues to be used as a baseline to measure against for subsequent provincial poverty reduction strategies. A number of these initial and additional indicators are not available at a regional or local level, or have since been replaced with different measures of need.

The summary below provides a high-level overview of comparable data specific to Niagara region to understand the local context of poverty.

Economic indicators for the St. Catharines-Niagara Census Metropolitan Area demonstrates a relatively strong economy, with indicators such as a low unemployment rate (5.8%), growing levels of international trade and an increasing number of businesses operating in the Niagara region. However, household income per capita is substantially lower than the provincial average (Niagara: \$42,511 vs. Ontario: \$48,473), and has not kept up with inflation.

When inflation outpaces income growth, individuals and families with low-incomes may be even further challenged to keep up with the growing cost of living in Niagara. In fact, those living in Niagara who work, but continue to live in poverty¹ are a growing number (2006: 6.5% of employed population vs. 2016: 8.13% of employed population). This may indicate that low-income individuals and families are not necessarily benefitting from a growing local economy.

In examining other indicators used to understand the local context of poverty, it is important to consider the growing level of core housing need² both in Niagara and across Ontario. Between 2006 and 2016, the rate of this growth in Niagara has been higher than the provincial average (Niagara: +1.5% vs. Ontario: +0.8%). Households in core housing need may also be identified as at risk of experiencing homelessness.

In examining Early Development Instrument data between 2008 and 2018, children in Niagara and across Ontario have become more vulnerable in their overall developmental health and well-being. Again, in Niagara the rate of increase in vulnerability has been higher than the provincial average (Niagara: +5.2% vs. Ontario: +1.1%)³.

In Niagara, 19.4% of newborns are below or above normal birth weight, which can be associated with risk factors of poverty later in life. Babies born in low-income families are more likely to be below or above normal weight. For instance, in Niagara, there are

¹ An individual is counted among the working poor if they meet the following conditions: (i) has an after-tax income below the Low Income Measure, (ii) has earnings of at least \$3000 a year (income threshold for receiving the Working Income Tax Benefit), (iii) is not a student, (iv) lives independently (non-institutional population).

² Core housing need is an indicator used to identify households living in housing considered unsuitable, inadequate or unaffordable, and whose income levels are such that they could not afford alternative suitable and adequate housing in their community.

³ The three areas where children in Niagara are particularly vulnerable includes physical readiness for the school day (e.g. coming to school with appropriate clothing, shoes and food), overall social competence with peers, and aggressive behaviour.

three times more babies born with a low birth weight in the most materially deprived 20% of the population compared to the least deprived 20% of the population. ⁴

Investments in Social Services: A Cost-Effective Approach to Improving Outcomes with Associated Positive Economic Effects

Poverty reduction strategies and investment in their associated initiatives must remain focused on improving outcomes for low-income individuals and families, and account for the current cost of poverty. According to the Public Health Agency of Canada (2016), Canadians in the lowest income group (20% of the population) account for 60% of the total direct economic burden of health including costs for acute care inpatient hospitalizations, prescription medication, and physician consultations.

As the provincial government considers its future spending, investments in social services are viewed as one of the most cost-effective means to improve health and social outcomes. For example, a recent study⁵ published in the Canadian Medical Association Journal indicates that:

- Every \$10 spent on housing and supports for those experiencing chronic homelessness, saves \$21.72 in the areas of health, justice and social service systems.
- Every one cent spent on social services per dollar spent on health, would increase life expectancy by an additional 5% and decrease potentially avoidable mortality by an additional 3% in one year.

Furthermore, research analyzing investments in critical social services not only demonstrates a cost-effective approach to achieving better population health and social outcomes, but also produces positive economic effects. As examples, public investment in early years and child care has been viewed to have a multiplying effect – every dollar invested in child care results in an economic output of \$2.27⁶. Through the construction of new housing units, and repair and retrofitting of existing stock, investments in community housing have also demonstrated to result specifically in local job creation. In fact, the Ontario Non-Profit Housing Association and the Co-operative Housing

⁴ The Ontario Marginalization Index is a data tool that combines a wide range of demographic indicators into four distinct dimensions of marginalization: residential instability, material deprivation, dependency and ethnic concentration. Material deprivation includes factors such as: education, unemployment, lone-parent families, and households needing major repairs.

⁵ Dutton, D. J. et al. (2018). Effect of provincial spending on social services and health care on health outcomes in Canada: an observational longitudinal study. *CMAJ Journal*, 190(3), 66-71.

⁶ Fairholm, R. (2011). Economic Impacts of Early Learning and Care, Early Education Economic Forum, University of Toronto.

Federation of Canada (Ontario Region) reports that the development of one affordable housing unit is estimated to generate between 2 to 2.5 new local jobs⁷.

Housing & Homelessness Prevention

Ending homelessness and ensuring access to safe, adequate and affordable housing reduces poverty and supports employment.

Building on existing progress, it is recommended that provincial levels of government continue to:

- Enhance Community Homelessness Prevention Initiative funding to continue to build on the work to reduce homelessness and poverty, and ensure Niagara Region receives an equitable allocation informed by indicators of need
- Invest in capital and operating funding for supportive housing as a means of ending homelessness (e.g. Home for Good program), and to support those with mental health and/or addictions issues, seniors and those with developmental disabilities
- Maintain Ontario Priorities Housing Initiative (OPHI) housing allowances at current levels
- Hire more landlord adjudicators to address backlogs at the Landlord Tenant Board

To further improve poverty reduction efforts, it is recommended that provincial levels of government:

- Increase funding to build and maintain community housing – most stock is between 20-50 years old and requires significant capital repairs
- Invest in initiatives aimed to increase the supply of rental and community housing
- Ensure that government policy does not inadvertently increase consumer debt burdens and inflate housing prices further
 - E.g., Align annual allowable rent increases with increases to minimum wage and social assistance rates so as to not further disadvantage those who are precariously housed and living in poverty
- Consider funding the new Canada-Ontario Housing Benefit at 100% of average market rent, as opposed to 80% to encourage households to come off the waitlist
- Develop new measures to understand homelessness which leverage community-based data through the implementation of coordinated access systems

⁷ Canada Mortgage and Housing Corporation. (2000). Economic Impacts of Residential Construction. Research Highlight, "Socio-Economic Series, Issue 69." (Ottawa: Canada Mortgage and Housing Corporation); Dunning, W. (2012). *Economic and Fiscal Impacts of Residential Construction – 2012* (Ottawa: Canadian Home Builders' Association); National National Association of Home Builders. (2009.) *The Local Impact of Home Building in a Typical Metro Area: Income, Jobs, and Taxes Generated* (Washington DC: NAHB).

Seniors Supports and Long-Term Care

Supporting seniors both in the community and within long-term care homes can reduce poverty and ensure seniors are connected with the right supports and services to ensure a high quality of life.

Building on existing progress, it is recommended that provincial levels of government continue to:

- Invest in the Ontario Seniors Dental Program, and expand eligibility to include those with marginally higher incomes than current threshold requirements
- Provide financial assistance to individuals accessing the Assistive Devices Program, and expand coverage for low-income individuals from 75% to 100% of the cost of equipment such as wheelchairs and mobility aids

To further improve poverty reduction efforts, it is recommended that provincial levels of government:

- Develop an integrated human resources strategy for health care to address staffing shortages, focused on education and training, recruitment, retention and technology.
For example:
 - Provide tuition relief for students in health-care related programs
 - Support organizations in providing paid placements and on-the-job training through apprenticeship programs
 - Support the creation of more living classrooms⁸ for PSWs in training
 - Focus on targeted solutions for rural and remote communities, such as incentives and assistance for people to work in regions where they are most needed
 - Provide incentives to organizations to provide growth and development opportunities, including career laddering for PSWs and RPNs
- Enhance funding to the community support sector (e.g. support with homemaking, meals and personal care) to ensure seniors are not forced into long-term care prematurely
- Coordinate programs between the Ministry of Health, the Ministry of Long-Term Care and the Ministry of Municipal Affairs and Housing, and provide additional funding to expand supportive housing for seniors
- Expand assessments for health benefits (e.g. Ontario Seniors Dental Program, Assistive Devices Program, etc.) beyond solely income and marital status which can

⁸ Living classrooms are interprofessional education programs delivered in a long-term care home, where post-secondary educators, students and those **living** and working in the long-term care home engage in a culture of interactive learning.

skew the potential impacts on discretionary income such as: housing, housing modifications, transportation, dental, vision, medical supplies, and additional services with user fees

- Consider expansion of tax deductible health care services for caregivers accessing additional supports (e.g. Adult Day Program is not a nursing model of service and does not qualify as a tax deductible expense)
- Consider more measures to address financial abuse (i.e. calls/scams)
- Consider tax incentives to home modification and adaptive aids to support seniors aging-in-place

Child Care and Support for Families

Quality, affordable child care and support for families breaks the cycle of child poverty and allows parents to secure meaningful employment.

Building on existing progress, it is recommended that provincial levels of government continue to:

- Increase investments in licensed child care spaces and ensure proportionate investments in operational funding
- Offer the CARE tax credit while recognizing that it may disproportionately benefit households who can afford to pay upfront child care costs until they receive a tax rebate
- Invest in the Wage Enhancement Grant to ensure that Early Childhood Educators (ECE) within the licensed child care system earn an adequate wage, and continue to address the critical ECE shortage (largely recognized to be a function of poor wages)
- Invest in the Nurse-Family Partnership (NFP) program⁹ as an evidence-based home-visiting program that improves the health, well-being and economic self-sufficiency of first-time parents and their children
- Maintain funding for Healthy Smiles Ontario and expand eligibility requirements for higher income levels
- Maintain full-day kindergarten to support high quality early learning
- Invest in the Healthy Babies, Healthy Children Program

⁹ NFP pairs expecting mothers with a Public Health Nurse to receive ongoing home visitation throughout pregnancy, infancy and into toddlerhood (until age two).

To further improve poverty reduction efforts, it is recommended that provincial levels of government:

- Prioritize, maintain or increase investments in child care fee subsidies, special needs resourcing, EarlyON centres and before and after-school programs
- Increase eligible household income levels for child care fee subsidy to better support low-income families, proportionate to further investment in fee subsidy:
 - Current:
 - \$0 to \$20,000 is fully-subsidized with no cost to parents
 - \$20,001 to \$60,000 is subsidized on a sliding scale
 - Proposed:
 - \$0 to \$40,000 is fully subsidized with no cost to parents
 - \$40,001 to \$80,000 is subsidized on a sliding scale

Social Assistance and Employment Considerations

Building on existing progress, it is recommended that provincial levels of government continue to:

- Target further investment in mental health and addictions services to those receiving social assistance and experiencing multiple barriers to life stabilization and employment
- Remove barriers and invest in incentives that encourage people receiving social assistance to find meaningful employment, without losing vital benefits such as dental and drug coverage

To further improve poverty reduction efforts, it is recommended that provincial levels of government:

- Review social assistance rates, and rent and utility scales to address inflation and rising costs of living
- Consider possible unintended consequences (e.g. a potential increase of OW caseloads by up to 30%) prior to changing the definition of disability or the requirements related to ODSP
- Review Temporary Care Assistance to align with strategies to break the cycle of poverty for children and youth (i.e. eligibility for youth in transition programs)
- Review health benefits for clients accessing Ontario Works to align with ODSP benefits (e.g. dental coverage)
- Index minimum wage to inflation to ensure low-income individuals and families can afford rising costs of living

- Invest in literacy, training and skills development to produce desired employment outcomes, help reduce caseloads and ensure job retention

Additional Considerations

- Investments in mental health and addictions supportive housing using a Housing First approach, may provide individuals with the stability necessary in order to pursue employment opportunities
- Recognized as an efficient tool of poverty reduction, affordable local transportation connects people to services and jobs in their communities, and should be considered in tandem with encouraging job creation
- Investments in broadband services (i.e. Wi-Fi internet) similarly plays a critical role in connecting people to the right services and supports
- Poverty reduction efforts require flexible approaches that take into account variation across local economies. For example, the top two employment sectors in Niagara (retail trade, and accommodation and food services) may be indicative of the seasonal and/or precarious nature of work.

Conclusion

Poverty reduction strategies and investment in their associated initiatives must remain focused on improving outcomes for low-income individuals and families, and account for the current cost of poverty. In many cases, maintaining investments in critical social services is a cost-effective approach to improving health and social outcomes, and produces positive multiplying economic effects that should be considered in the next provincial Poverty Reduction Strategy.

Niagara Region's Community Services commits to continuing collaboration with other Regional departments, post-secondary institutions, and non-profit service providers in the community – through tables such as the Niagara Poverty Reduction Network – to evaluate the effectiveness of poverty reduction initiatives in Niagara. In particular, it is important to note that Brock University is currently evaluating the Niagara Prosperity Initiative (a place-based grant program intended to address poverty) and anticipates bringing forward a final report with associated recommendations to Council in 2021 (see COM 2-2020 for further details).

Community Services staff also appreciates the opportunity provided by MCCSS to offer feedback on the provincial Poverty Reduction Strategy, and looks forward to continued dialogue with Ministry counterparts to ensure that the strategies and initiatives designed to reduce poverty meet the needs of those living in Niagara.

Alternatives Reviewed

Not applicable.

Relationship to Council Strategic Priorities

Healthy and Vibrant Community.

Other Pertinent Reports

- COM 2-2020: Niagara Prosperity Initiative Update

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