



Promoting Economic Recovery, Advancing Poverty Reduction

Pre-Budget Submission to
Standing Committee on Finance and Economic Affairs
Submitted by: Social Planning Toronto
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Agency Profile

Social Planning Toronto (SPT; formerly the Community Social Planning Council of Toronto) is a nonprofit community organization engaged in research, policy analysis, community development and civic engagement aimed at improving the quality of life of Toronto residents. SPT's work focuses on poverty reduction with an emphasis on income security, good jobs, affordable housing and strong public education.

We conduct research on a broad range of community and public policy issues, and social and demographic trends in Toronto. Our recent work has focused on the impact of the recession on nonprofit community social services in Ontario, immigrant and settlement services in Toronto, after-school programs for middle years children in Toronto, the health of social assistance recipients and the working poor in Ontario and the Employment Insurance system. Our community development work focuses on building capacity in low income and marginalized communities in Toronto's inner suburbs.

SPT Budget Recommendation Highlights

- **Increase Province's revenue base through progressive tax system**
- **Develop a nonprofit job-creation strategy that creates jobs and at the same time expands much-needed community services and support programs**
- **Improve benefits and increase access to social assistance programs**
- **Introduce a \$100 food supplement for all adults receiving social assistance as a first step to improving social assistance rates**
- **Make a significant down-payment on the provincial long-term affordable housing strategy by investing in 10,000 new units of affordable housing, and funding culturally-appropriate supportive housing and support programs**
- **Reverse the cuts to the Ministry of Municipal Affairs and Housing's affordable housing program, and make good on funding commitments**
- **Introduce a housing benefit or improve and expand existing housing allowance programs to bridge the gap between tenant incomes and unaffordable rents**
- **Invest an additional \$5.5 million annually to hire more employment standards officers to proactively conduct workplace investigations and inspections**
- **Follow Pascal report recommendations regarding continuous care for 6-12 year olds**
- **Increase child care investments to ensure that no subsidized spaces are lost**
- **Invest an additional \$11 million annually to expand the Community Use of Schools program and "sweater" funds to ensure accountability**
- **Increase funding to school boards to cover basic operation costs and meet the needs of marginalized and low income students**

Promoting Economic Recovery, Advancing Poverty Reduction

In this submission, we focus on initiatives that will promote economic recovery and advance the provincial government's commitment on poverty reduction. Despite recent 'green shoot' sightings of economic recovery, 217,000 more Ontarians are unemployed today compared to the pre-recession period in the summer of 2008. Still more are underemployed holding part-time jobs where no full-time work is available. Others have become discouraged and are no longer looking for work and therefore, not counted among the unemployed. The current number of single individuals and families receiving social assistance in Ontario is almost 40,000 more than it was prior to the economic downturn, with single individuals largely driving the increase. This situation is amplified in Toronto where unemployment entered into the double digits.

Ontario's nonprofit community social services have been hit hard by the recession, facing a one-two punch of increased demand for services and a loss of funding to provide those services. SPT joined with our sister social planning councils from across Ontario under our umbrella organization, the Social Planning Network of Ontario, to track the impact in *Hard Hit: Impact of the Economic Downturn on Nonprofit Community Social Services in Ontario*.

Research results based on over 400 nonprofit community social service providers in Ontario demonstrate the struggles communities are experiencing and the lack of capacity in the sector to respond to increased need for programs and services brought on by the recession. Almost three-quarters of agencies reported increases in service demands, either overall or in particular program areas, and half reported being unable to respond to the increased need for services.

Agencies reported dramatic increases in food bank and meal program use, more demand on employment services and job training programs, increased use of bankruptcy and credit counselling services and impacts on the health services, mental health counselling and suicide and crisis intervention programs. Service providers are dealing with increased numbers of people looking for help, more crisis situations and people with more complex situations requiring support.

At the same time, funding cuts have been prevalent and more are anticipated throughout 2010. Half of all agencies experienced a funding cut from at least one revenue source, and 65% anticipate cuts in 2010. Funding cuts were most common from private donors, self-generated revenue such as fees and United Way/foundation funding, making government investment all the more critical.

As the provincial government contemplates a difficult budget year, we must stress that government cuts will exacerbate an already bad situation, throwing more people out of work and into poverty, increasing the demand for scarce community services while reducing funding to provide these much-needed services.

It is time for bold government action. First, we recommend that the provincial government take steps to increase its revenue base. The federal GST cuts have left tax room that should be taken up by the provincial government. Using our progressive taxation system, the Ontario government can increase its revenue base through small increases to the province's highest income earners – those who benefited most during boom times.

There is a broad consensus about the need for investments in physical and social infrastructure. Through the first stimulus program, governments made important investments in physical infrastructure. A second round of stimulus is needed now to expand investment to social infrastructure and programs.

Creating Jobs Where They are Needed Most

In *Hard Hit*, the Social Planning Network of Ontario put forward three recommendations directed at all levels of government to address the hardship that many Ontarians are facing and to improve the capacity of the nonprofit community social service sector to respond to the needs of struggling communities. We recommend that the provincial government:

- **Initiate discussions with key community service agency stakeholders to identify reforms and investments that will effectively shore up the capacity of the sector to sustain and strengthen their communities.**
- **Introduce dedicated social infrastructure funds, similar to the built infrastructure fund, as a means to deliver community program dollars over the next few years that can help fuel social and economic development and much-needed recovery. These funds would be used to support a nonprofit job-creation strategy that creates jobs and at the same time expands social support programs for affected communities including youth, seniors, women, racialized communities, people with disabilities and new immigrants. Job creation would be concentrated in key areas including child care, affordable and supportive housing and food security initiatives. This investment would support economic recovery, promote greater equity and foster community prosperity.**
- **Work to improve benefits and increase access to social assistance programs to reduce the financial crisis faced by unemployed workers during these tough economic times. These actions, in turn, will support the nonprofit community social service sector by reducing the crisis management required to assist community members in these difficult situations.**

Putting Food in the Budget

The Ontario government's announcement of the social assistance review is long-awaited and much-needed. The review must address the central issue of benefit levels and their adequacy to cover basic needs including safe and appropriate housing and a good, nutritious diet. The complete inadequacy of current rates to cover even the barest of essentials remains a chief concern – a problem that ensures ongoing crisis for individuals and their families and the organizations that serve them.

- **As a first step in the process of setting rates at levels that reflect the actual cost of living, we recommend that the provincial government adopt the 25 in 5 Poverty Reduction Network and Association of Local Public Health Agencies' 'Put Food in the Budget' initiative by introducing a \$100 food supplement for all adults receiving social assistance.**

Making a Down Payment on Ontario's Long-Term Affordable Housing Strategy

The provincial government has taken important steps in advancing the goal of safe, stable and affordable housing for all Ontarians through its investment of stimulus funding in housing initiatives and its commitment to develop a long-term affordable housing strategy.

Unfortunately we have a long way to go to make this goal a reality. In Toronto, over 60,000 households are on the active waiting list for social housing, representing just the tip of the iceberg in terms of individuals and families lacking safe, adequate and affordable housing. Housing, homeless and Violence Against Women shelter workers tell the tale of increased housing need as a result of the economic crisis. For women fleeing intimate partner violence, and individuals and families left homeless, the recovery is nowhere in sight.

Now more than ever, action is needed to address the housing affordability crisis in Toronto and throughout Ontario. An investment in housing is an investment in economic recovery, human rights and community well-being. We join with the Wellesley Institute and the Housing Network of Ontario in recommending that the provincial government:

- **Make a significant down-payment on a 10-year affordable housing strategy by providing funding for 10,000 new units of affordable housing.**
- **Reverse the operating spending cuts in the Ministry of Municipal Affairs and Housing's affordable housing program.ⁱ**
- **Ensure that provincial funding promises already made are kept.**
- **Introduce a housing benefit or better fund and expand existing housing allowance programs to address the gap between tenant incomes and unaffordable rents.**

- **Fund culturally-appropriate supportive housing and support programs for marginalized Ontarians.**

Protecting Workers in Insecure Times

Under Ontario's poverty reduction strategy (PRS), the provincial government committed to "invest an additional \$10 million annually to hire new employment standards officers, improve Employment Standards Act (ESA) compliance and reduce the backlog of claims." The 2009 Ontario budget allocated close to half of this amount - \$4.5 million annually in the hiring of employment standards officers. Very few of these officers have been assigned to proactively inspect workplaces or conduct investigations. During tough economic times, workers face particular barriers to exercising their rights in the workplace. Enforcement of the ESA is critical to protecting workers.

- **We recommend that the provincial government invest the remaining \$5.5 million in order to meet its objectives outlined in the PRS and hire more employment standards officers who will proactively conduct workplace investigations and inspections to ensure that employers are not violating the ESA.**

Investing in Children

We applaud the provincial government's decision to follow the Pascal report's recommendation to implement full-day kindergarten for children 4-5 years of age. This is an important investment in Ontario's children. Careful planning is needed to ensure a smooth rollout of this program. The Province needs to consider overlapping issues that affect school space including school closures and Community Use of Schools programming. It will also be critical to examine the impact of full-day kindergarten on child care programs and ensure the stability of the system for children 0-3 years.

In addition to full-day kindergarten, the Pascal report also calls for investment in programming for children in the middle years, 6-12 years of age. With public funding focused primarily on children 0-6 years and the teens, the middle years are often regarded as the forgotten years. Yet this is a critical developmental period as recognized in the Pascal report. SPT and the Middle Childhood Matters Coalition have documented the small number of full-week after-school programs available to middle years children relative to the population of children 6-12 years in Toronto. Action on the middle years is critical to addressing the full continuum of childhood programming needs.

- **We recommend that the provincial government make investments in programming to ensure the continuous care of children 6-12 years of age as recommended in the Pascal report.**

Currently 7,600 subsidized child care spaces across Ontario are in jeopardy because of the expiration of funding. The City of Toronto reports that 2,000 subsidies will be lost in 2011 and 3,000 in 2012 without provincial funding, resulting in a loss of an astounding 21% of all child care subsidies in Toronto. Currently, 16,000 families are on the waiting list for child care subsidies. In addition to job losses, lost subsidies will clearly put thousands of working parents in impossible straits. Action is imperative on the child care front.

- **We recommend that the provincial government make the necessary investments to ensure that the current level of child care subsidies in Ontario is maintained.**

The provincial government has made important strides in facilitating the opening of school space for children, youth and the broader community through the Community Use of Schools program.

- **In order to meet its goal of investing \$66 million annually by 2012 from the current base of \$32 million, we recommend an increase of \$11 million annually to the Community Use of Schools program and that funds be “sweatered” to ensure accountability. In 2010 this investment will open an additional 150 Priority Schools across the province, provide schools boards with funds to cover inflationary increases, bring down fees for non-profit local community groups using schools, and allow for the expansion of the Focus On Youth program into new cities such as Windsor and Sudbury. This is particularly critical in light of the rapid rise in youth unemployment brought on by the recession over the past year and a half.**

We commend the provincial government for its commitment to conduct a review of the education funding formula. Well-documented problems of underfunded and crumbling schools underscore the importance of this review. We need an inclusive public review that takes a broad look at the question of public school funding to ensure that our schools can deliver for all of our children while providing important after-hours community space.

- **As a first step toward a more workable funding formula, we recommend that the Province make a down-payment to begin to address pressing issues such as programs for low income and marginalized students and facility maintenance.**

Investments in the social infrastructure are critical to Ontario’s recovery. This government is being called upon to show real leadership in tough times. The Province needs to rebuild its revenue base and make the necessary investments in vital programs and services that will put Ontario back on its feet.

ⁱ From the Wellesley Institute’s Ontario Housing Facts and Figures: 2010 backgrounder: The Ministry of Municipal Affairs and Housing’s affordable housing program has been cut by almost 3% in the past six years and an additional \$38.9 million cut is planned for this year. In a 2009 report, the Ontario Auditor-General commented on inadequate staffing levels in the ministry leading to poorly designed housing programs and a lack of public accountability.