



**WELLESLEY INSTITUTE**  
advancing urban health

Speaking Notes

# A poverty-free Ontario needs effective poverty reduction legislation.

A submission to the Ontario Legislature's Standing Committee on Social Policy regarding Bill 152, An Act respecting a long-term strategy to reduce poverty in Ontario.

Thank you for the opportunity to make these submissions in support of Bill 152, Ontario's draft anti-poverty legislation.

The Wellesley Institute is a research, policy and social innovation think-tank dedicated to advancing urban health. We don't just document problems. We work with our partners to advance pragmatic and effective solutions.

We are proud to be a founding partner of the 25-in-5 Network for Poverty Reduction. We were pleased when the Ontario government announced in early December that it would build its anti-poverty plan on the solid foundation of legislation. We support Bill 152, and, along with our partners in 25-in-5, we believe that key amendments will ensure this legislation becomes the cornerstone for a poverty-free Ontario. You've already heard from 25-in-5. We urge the committee to adopt the 25-in-5 recommendations.

Poverty is making us sick – that's not just a provocative statement. It is the title of the first of a powerful new research series from the Wellesley Institute and our partners at the Community and Social Planning Council of Toronto and the Social Assistance in the New Economy initiative at the University of Toronto. "Poverty is making us sick" and its companion piece, "Sick and Tired", provides the most detailed and current snapshot of the health status of lower-income Ontarians and makes for grim reading.

Our research shows that the poorest Ontarians have significantly higher rates of poor health and chronic conditions than wealthier Ontarians – as much as seven times higher. Poor people suffer higher rates of diabetes, heart disease, chronic bronchitis, arthritis and rheumatism, mood disorders and anxiety disorders.

Our research shows that one in ten social assistance recipients in Ontario considered suicide in the previous year; and that suicide attempts by social assistance recipients were ten times higher than those for the rest of Ontarians. In our opinion, this amounts to an indictment of our provincial income support programs when such a high number of people are driven to poor health and absolute despair.

However, there is another powerful finding that offers some hope. Sophisticated, multi-variate analysis by University of Toronto Prof. Ernie Lightman shows that every \$1,000 increase in income leads to statistically significant, and in some cases, substantial improvements in health outcomes. The bad news that is poverty is making Ontarians sick. The good news is that increases in income have a powerful and positive impact on health.

We have several recommendations:

**First, we believe that Bill 152 needs to be rooted in the principles of equity and equality.**

Averages can mask deep and persistent inequalities. There is an “average” rate of incidence of diabetes for all Ontarians. The actual rate of diabetes for the poorest Ontarians is more than three and one-half times higher than the rate for the rest of Ontarians. Poverty elimination legislation should include a clear commitment to eliminate those gaps. Our suggested wording:

2.2.8 Equity and equality

That equity, equality and fairness are integral to a poverty reduction strategy; and the poverty reduction strategy must move beyond averages and aggregates to reduce and ultimately eliminate the gaps experienced by groups that are protected under Ontario’s Human Rights Code.

**Second, we believe that Bill 152 needs to recognize Ontario’s neglected third sector.**

Non-profit, charitable, voluntary and community-based programs and services are not only on the front lines in providing practical support to lower-income Ontarians, including the victims of the current recession, but it is the third sector that will provide the innovation and inspiration to build the Ontario of the 21<sup>st</sup> century. Our non-profit sector provides valuable services to people, strengthens communities and it contributes more than six times the dollar value to the province’s GDP than auto manufacturing. In fact, the third sector has a bigger impact on both GDP and jobs than many parts of the private sector. Yet research from the Wellesley Institute shows that non-profit organizations are suffering from years of unstable funding, along with a crippling regulatory burden and a lack of support for innovation and enterprise. The Ontario government explicitly recognized the critical role of the third sector in its poverty reduction plan last December, but the draft legislation is silent on the third sector. Our suggested wording:

2.2.9 Importance of the third sector

That the third sector – including non-profit, charitable and voluntary organizations – are integral to a poverty reduction strategy by delivering the programs and services that matter to people, strengthening communities and making a positive contribution to the economy, especially when those who are living in poverty are able to play a key role in managing third sector organizations and being

e

employed by them; and that the third sector should be supported in legislation, regulation, funding, policies and practices related to the poverty reduction strategy.

At the Wellesley Institute, we applauded the Ontario government last year when it announced plans for a modest, but important \$20 million social innovation fund. The provincial finance minister put those plans on hold in his fall economic update, then the government announced that the fund would be moving forward as part of its December poverty reduction framework, only to suspend the fund – once again – in the most recent provincial budget.

**Third, we want to emphasize that the project of ending poverty is even more important today – as the province slips deeper into economic recession – than when the government launched it more than a year ago.**

However, we also want to acknowledge that there are a great many requirements for government funding. Therefore, we believe that the government needs to consider initiatives that leverage its poverty investment dollars – putting the dollars to work as effectively as possible. We know that specific investment plans are not part of the draft legislation, but we know that this committee will continue to give its advice to the Legislative Assembly and to the Ontario government. Specifically, we would ask this committee to recommend that the government leverage those investments that have the most impact on reducing health disparities, including enhanced primary care, integrated cross-sectoral interventions, early childhood intervention and support, and integrated hub-type community centres providing a range of services customized to greater and more complex needs of poor. We would be pleased to provide more detailed suggestions.

**Fourth, we want to emphasize, based on our observations of poverty reduction initiatives in other jurisdictions, that it is critical to align the legislation and principles of the province’s poverty reduction plan with the provincial budget.**

This ensures that budget allocations are aligned with policy decisions and prioritized strategies.

**Fifth, we believe that Ontario’s poverty reduction plan will only succeed as all the line ministries are fully engaged and their work is effectively co-ordinated.**

The Ontario government has recognized this critical imperative in creating a Cabinet-level committee that includes key ministers. That’s a good first step – now the government needs to effectively engage the departments and people throughout the various ministries.

**Sixth, ongoing monitoring is essential to strengthening the understanding of how well public programs meet the real needs of lower-income Ontarians; and in assessing the poverty-reducing impact of public spending.**

The draft legislation sets out a monitoring and accountability framework that includes targets, an annual report, communications and consultation. The 25-in-5 network has some useful recommendations to strengthen the monitoring process.

**Seven, and finally, we want to note that the Ontario government has the opportunity to put its principles into practice this spring as it launches two very important rounds of consultations on creating a comprehensive affordable housing plan and reviewing social assistance.**

Housing and income assistance are critical pillars in any poverty reduction plan. The cost of housing is the single biggest expense for low, moderate and even middle-income households – and Ontario has the highest housing costs in Canada. Bill 152 doesn't reach down to the details of these critically important consultations, but we urge members of this committee to remain firmly engaged in specific components of the poverty elimination plan as they are brought forward.

Thank you for the opportunity to make these submissions.

Michael Shapcott, Director, Affordable Housing & Social Innovation  
Aerin Guy, Manager, Communications & the Virtual Wellesley

\*\*\*

The Wellesley Institute advances the social determinants of health through community-based research, community engagement, social innovation / social enterprise and the informing of public policy.

The Wellesley Institute  
45 Charles Street East, Suite 101  
Toronto, Ontario, Canada  
M4Y 1S2  
416-972-1010, x231  
[www.wellesleyinstitute.com](http://www.wellesleyinstitute.com)