

November 28, 2025

Hon. Michael Parsa, Minister Children, Community and Social Services 438 University Ave Toronto, Ontario M5G 2K8

By email: MinisterMCCSS@ontario.ca

CC: Ministry of Children, Community and Social Services, Strategic Policy Division

RE: Submission to comment on Ontario's new Poverty Reduction Strategy

Dear Minister Parsa,

We are writing to provide feedback on the development of the next Ontario Poverty Reduction Strategy.

As we look at our neighbourhoods, we can see how major changes taking place around the world are being felt here at home in Ontario. Ontarians are worried and struggling to meet their basic needs. The widening gap between <u>income supports and cost of living</u> is resulting in a domino effect of untenable demand for nonprofit programs and services, and Ontario's tertiary systems.

A poverty reduction strategy that addresses the root causes of poverty, coupled with a well funded social safety net, will be the most effective in the long-term.

Recommendations for Ontario's next poverty reduction strategy

The next Ontario Poverty Reduction Strategy presents a critical opportunity to turn past failures into valuable lessons. It's an opportunity to bolster Ontario's social safety net so it is sustainable and resilient to weather ongoing crises and support Ontarians when they need it the most.

ONN's recommendations echo those of our partners:

- 1. An acknowledgement of the systemic causes of poverty and poverty's disproportionate impacts on Ontario's diverse communities, and plans to address each systemic cause.
- 2. Inclusive governance structures that enable those with lived experience of poverty to have a meaningful say in the design and implementation of anti-poverty initiatives as well as nonprofits that deliver programs and services on the ground.
- 3. Set specific targets for poverty reduction. Include specific targets, timelines, indicators for measuring progress, and robust reporting mechanisms to ensure accountability and transparency.
- 4. Coordinated, dignified, adequate support for those living in poverty, primarily but not exclusively in the form of income security and access to affordable housing. This includes



- increasing Ontario Works (OW) and Ontario Disability Support Program (ODSP) and reducing claw backs on these programs.
- 5. Use <u>Community Benefits Agreements</u> (CBAs) as a lever to create better and local employment opportunities for people. CBAs ensure that impacted communities benefit from the creation of targeted employment, training, and apprenticeship opportunities, social procurement, and improvements to neighborhood amenities.
- 6. Ensure investment in social services delivered by nonprofits that support individuals and families experiencing poverty, reflect the true cost of delivering services and programs, keep pace with inflation, wages, demand, population shifts, and respond to emerging needs.

Despite Ontario's 2020 poverty reduction strategy, poverty in Ontario is on the rise

All poverty reduction indicators and measurements point to poverty increasing, including across all age groups in Ontario. In 2023, an alarming 11.1 per cent of the Ontario population (1.7 million people) lived in poverty, an increase from the pre-pandemic rate of 10.9 per cent recorded in 2019. Child poverty in Ontario has more than doubled to 12 per cent in 2023 compared to the 2020 low of 5.6 per cent. According to a 2024 study by the National Institute on Ageing, one in five Canadians aged 50 and older experienced a poverty-level standard of living. In Ontario, this number is 23%, higher than the national average. Additionally, a minimum wage worker in Ontario would need to work 106 hours per week to afford just rent.

These data points paint a grim picture of the 2020 strategy. They serve as evidence for the failures of the strategy's narrow focus on employment as the single pathway to poverty reduction. Several recent <u>Ontario-based studies</u> have shown that employment alone is not going to solve poverty.

Rather, effective poverty reduction requires addressing its root causes, as underscored in ONN's recommendations. Proven examples include:

- The Ontario <u>Homelessness Prevention Program</u> prevents homelessness by supporting municipalities to provide affordable housing and support services for people at risk of or experiencing homelessness, including <u>covering rental and moving costs</u> for recipients of Ontario Works and Ontario Disability Support Program.
- The City of Toronto's <u>Fair Pass Transit Discount Program</u> helps address the rising cost of living by providing discounted TTC fares to low income individuals living in the city.
- Community mental health and addictions programs across Ontario provide
 comprehensive services such as supportive housing, social and community connections,
 treatment programs and harm reduction services to people experiencing addiction or
 mental health challenges. In 2024 alone, the Canadian Mental Health Association
 branches served more than 120,000 Ontarians. The 4% base increase of provincial
 funding for mental health and addiction services in 2025 allows these organizations to
 strengthen their services at a time of increasing demands.



These are just a few examples of the tried and true programs and services that address the systemic causes of poverty and provide support for those living in poverty.

The domino effect of increasing poverty on Ontario's nonprofit sector

When our poverty reduction strategies fail more Ontarians fall through the social safety net, creating untenable pressure on nonprofits. Poverty begins to show up in our tertiary systems such as schools, hospitals, and justice systems, and in unlikely places such as libraries and small businesses.

In the same time period of Ontario's Poverty Reduction Strategy, <u>ONN's State of Ontario's Nonprofit Sector</u> 5-year analysis reveals:

- Year-over-year nonprofits have experienced an increase in demand for their programs and services. In 2025, 85 per cent of nonprofits experienced an increase in demand.
- Capacity to meet demand remains low. Over the past three years only 20 per cent of nonprofits can fully meet demand of Ontarians needing their critical services and supports.
- Resources are not keeping pace with demand. Since 2023, over half of nonprofits report their revenues are stagnant or declining.
- As a result and coupled with the sector's ongoing human resources and volunteer crisis, nonprofit programs and services are shrinking. In 2025, 62 per cent of nonprofits report scaling back programs and services, 47 per cent report increased waitlists, and 17 per cent report shutdowns.

If Ontario's poverty reduction strategy, as the first line of defense, fails to catch individuals and families falling into poverty, it sets off a domino effect of losses (lost housing, employment, and food). It also sets off increases in health concerns, gender-based violence incidents, and addictions. This ends up costing Ontario more in the long-run.

Poverty reduction requires an enabling public policy environment to be successful

Provincial legislation can either support Ontario's poverty reduction efforts or further weaken them. Thus far, this legislative session has leaned towards the latter Tabled and passed bills - Bill 6, Bill 10, Bill 16, Bill 60 - have inadvertently criminalized people who live in poverty, penalized the social services who try to help them, and created conditions for increasing poverty.

Legislative actions by the province to index ODSP and OW rates to inflation and not claw them back from the Canada Disability Benefit are examples of enabling public policy for poverty reduction. Signing onto the Canada-Wide Early Learning and Childcare program for an additional year is also a step in the right direction.



Conclusion

If Ontario's next poverty reduction strategy does not course correct, our communities will continue to fracture and the third or fourth line of defence like nonprofits and tertiary systems will not be able to put them back together.

We welcome the opportunity to meet with you and your team at your earliest convenience to discuss how ONN and our network can partner with your office in developing and implementing the next Ontario Poverty Reduction Strategy.

Sincerely,

Pamela Uppal-Sandhu

Director of Policy, Interim Co-Executive Director

Ontario Nonprofit Network

About ONN

ONN is the independent nonprofit network for the 58,000 nonprofits and charities in Ontario, focused on policy, advocacy, and services to strengthen the sector as a key pillar of our society and economy. We work to create a public policy environment that allows nonprofits to thrive. We engage our network of diverse nonprofit organizations across Ontario to work together on issues affecting the sector and channel the voices of our network to government, funders, and other stakeholders.