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## Greater Trouble in Greater Toronto: Child Powerty in the GTA

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# Introduction

his report examines low income (poverty) <sup>1</sup> trends among children (age 0 to 17 years) and their families living in the Greater Toronto Area (GTA) and its constituent regional and local municipalities, including the pre-amalgamation municipalities of the City of Toronto. The local levels of geography are described in section 1.1 of this report.

There are number of measures of low income in Canada. This report draws on data from three commonly used Statistics Canada measures. Data from the after-tax Low Income Measure (LIM-AT) and after-tax Low Income Cut-Off (LICO-AT) are the main two used. The third measure -- the before-tax Low Income Cut-Off (LICO-BT) – is used in several key GTA studies cited in this report.

Different measures of low income do yield different results. But each measure is also a lens through which poverty trends and zones can be seen and understood. The low income data, measures, poverty zones, and poverty gaps are discussed in sections 1.2 to 1.4 of this report.

These various measures of low income show that both child and family poverty has grown considerably in recent years, despite a long period of strong economic growth throughout the GTA. Poverty is entrenched in the GTA and is not sustainable. The prospect of difficult economic times ahead makes matters worse, and will rob more children of their potential to become their best.

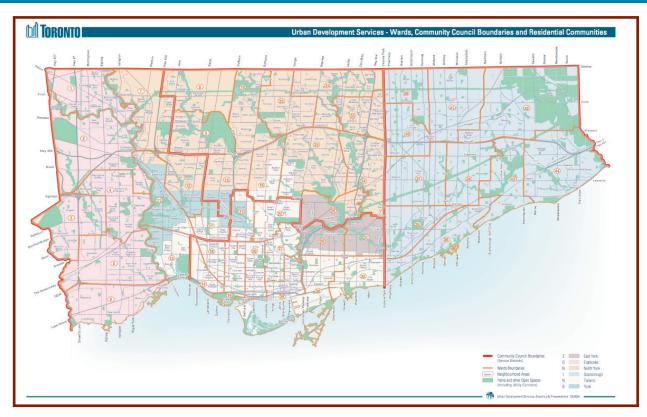
This is a unique moment. Ontarians are saying that now is the time for governments to step up and reduce poverty. Indeed, 81% of Ontarians say that a possible economic recession makes poverty reduction more important than ever; 88% support having their provincial government reduce poverty by 25% in five years; and, 89% would be proud if their Premier took the lead in poverty reduction. Ontarians are also clear on what should be done: from raising minimum wages and improving income supports, to creating affordable child care and housing, and investing in skills training.<sup>2</sup>

The provincial government is expected to release a Poverty Reduction Strategy in December of 2008. There have been months of consultations and study, and there is considerable support and interest within GTA communities to work together in reducing poverty. The province has an opportunity to do the right thing and become a leader on poverty reduction.

# Summary of Trends

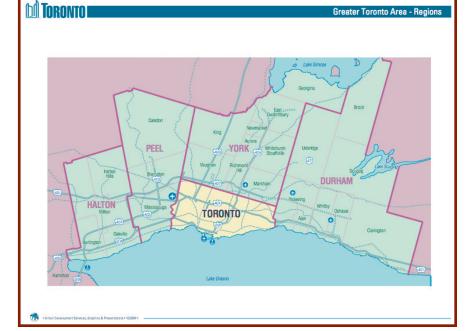
- The GTA is now the child poverty capital of Ontario: 50% of Ontario's children in poverty now live in the GTA, up from 44% in 1997.
- The City of Toronto is a bellweather on poverty trends: its child poverty rates are the highest in the GTA and are growing.
- In the City of Toronto all growth in the number of children living in poverty since 1997 occurred in the inner suburbs, where abysmally high rates of child poverty now surpass those of downtown.
- In the GTA's suburban Regions the number of children living in poverty is growing at an alarming pace. Peel Region has had a 51% increase in the number of children in poverty since 1997. York Region has had a 44% increase in the number of children in poverty.
- The share of GTA children living in poverty is up from 1997 in Peel (now 22%) and York Region (12%).
- Over the long term, there is a 30-year upward trend in after tax child poverty rates in the Toronto CMA. The CMA's child poverty rates are higher than the rates for Ontario.
- After-tax rates of child poverty have doubled in the Toronto CMA in the past twenty years: to 16% in 2006, from 8% in 1988.
- Before-tax rates of child poverty also increased substantially in towns and cities of the GTA. These rates went to 21% in 2005 from 12% in 1990 in Mississauga; to 18% from 10% in Brampton; to 20% from 8% in Markham; to 18% from 9% in Richmond Hill; to 11% from 6% in Oakville; to 13% from 8% in Pickering; and, to 32% from 24% in Toronto.
- Child poverty is urbanized. After-tax rates rise from one child in 20 in poverty in smaller towns, to: one child in ten in Pickering and Ajax; one in seven in Oshawa and Richmond Hill; one in six in Markham and Mississauga; one in five in Hamilton; and, one in four in Toronto.
- Families in poverty often live far below the poverty line. The average poverty gap for families in low income was \$8,300 in the Toronto CMA in 2005.
- Lone parent families are inordinately burdened by poverty. Durham Region leads the GTA: 61% of its children in poverty in 2005 lived in lone parent families.
- Child poverty is racialized. Today the GTA has about 80% of Ontario's immigrants and visible minorities. Children of non-European heritage have made up about one half of the area's children, and seven out of ten of the area's children in poverty (2000).
- While urbanized, the prevalence of lone parents and ethno-racial diversity varies among municipalities so different service needs may exist. Lack of child care and affordable housing, however, remain constants that can condemn families to poverty. One half of female lone parent families (46%) and recent immigrant families (44%) cannot afford their housing.

# Background: The Geography, Low Income Data, Poverty Zones and Poverty Gap



# **1.1** Local Levels of Geography: Trends in low income (poverty) in the Greater Toronto Area (GTA) among children age 0 to 17 years of age are examined at the following levels:

- Toronto and its former pre-amalgamation municipalities, (Toronto, East York, Scarborough, City of York, North York, and Etobicoke): 3
- The GTA, made up of the City of Toronto and regional municipalities of Peel, York, Durham and Halton:
- The Toronto Census Metropolitan Area (CMA) – an



- area Statistics Canada deems integrated to the urban core that includes most of the GTA (but excludes Burlington and much of Durham); and,
- The townships, towns and cities that make up the GTA. The City of Hamilton is also included because of its size and immediate proximity to the GTA.

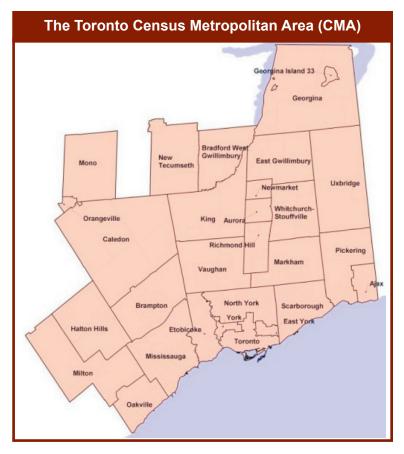
**Maps**: The City of Toronto; the Greater Toronto Area (GTA); and, the Toronto Census Metropolitan Area (CMA). Sources: City of Toronto (used with permission) and Statistics Canada.

#### 1.2 Low Income/ Poverty Lines:

Low income or poverty is defined in this report mainly using two of Statistics Canada's <u>after-tax</u> measures: the Low Income Measure (LIM-AT), and, the Low Income Cut-Off (LICO-AT).

LIM-AT data is available annually at the local level from tax files (Small Area Administrative Data Division [SAADD] from 1997 forward). LICO-AT data is available for 2005 at the local level from the 2006 Census. The Census occurs every five years. LICO-AT data is available annually but only at the Census Metropolitan Area (see map) level and above.

The LIM-AT data is used to describe trends in child poverty in the City of Toronto (and its former municipalities) and the Regions of Peel, York, Durham and Halton. LICO-AT data is used to describe trends in child poverty in the GTA, townships, towns and cities that make up the GTA, and in the Toronto CMA.



Before-tax LICO data (LICO-BT) is cited from two earlier GTA studies of urbanization and of ethnoracial groups. LICO-BT data has been historically available longer than the LICO-AT.

The LIM-AT, LICO-AT and LICO-BT differ in methods and concepts. After tax income can show the effect of taxation, for example, and is a different concept than before-tax income. Different methods yield a different result. The following describes some of the features of the LIM and LICO.

The SAADD Low Income Measures are set for all of Canada from the tax file data at 50% of the median income of an equivalent family. LIMs are strictly relative measures of low income. Because LIMs are tied to median incomes which rise during periods of economic growth and fall during recessions they tend not to be as sensitive to changes in the business cycle as the Low Income Cutoffs. SAADD LIMs also use the Census Family concept, which is similar to the "nuclear family".

The Low Income Cut-Offs are set at the income below which a family is likely to spend 20 percentage points more of its income on food, shelter and clothing than the average family. There are separate cut-offs for five community sizes from rural to urban. The LICOs also use an Economic Family concept, which is similar to the larger "extended family".<sup>5</sup>

**Map**: The City of Toronto; the Greater Toronto Area (GTA); and, the Toronto Census Metropolitan Area (CMA). Sources: City of Toronto (used with permission) and Statistics Canada.

#### 1.3 Poverty Zones:

The LIM-AT, LICO-AT and LICO-BT measures result in different estimates of low income. Table 1 shows 2005 child poverty rates within the GTA from each measure.

These poverty rates aren't directly comparable but do illustrate poverty trends and zones. In Peel Region, for example, the poverty zone is one in every five to seven children, depending on the poverty measure. This report cites which measure is used with the low income statistics (i.e. LIM-AT, LICO-AT or LICO-BT).

Table 1: GTA Po	verty Zones: LICO-AT, LIM-AT and	
LICO-BT Rates of Child Poverty, 2005		

	Child Poverty Rates*		
	LICO-AT	LIM-AT	LICO-BT
City of Toronto	25%	31%	32%
Peel Region	15%	20%	19%
York Region	12%	16%	15%
Durham Region	9%	15%	12%
Halton Region	8%	11%	10%

<sup>\*</sup> Low Income Cut-Off-After-Tax, Low Income Measure-After-Tax, Low Income Cut-Off-Before Tax (2005). Children under age 18. **Source:** Prepared from Statistics Canada 2006 Census and, 2007 SAADD, Family Data Table 18.

Table 2A: 2005 Lo (After-Tax)	ow Income	Measures
LIM-AT	One Child*	Two Children
Lone Parent	\$19.250	\$23,380

\$23,380

\$27,500

# Table 2B: 2005 Low Income Cut-Offs (After-Tax)

Couple

LICO-AT Large Urban	One Child	Two Children
Lone Parent	\$20,956	\$26,095
Couple	\$26,095	\$32,556

<sup>\*</sup> LIMs for families with children under age 16 years. LICOs for a large urban area of 500,000 plus. **Source:** Statistics Canada, SAADD 2007; Statistics Canada Cat. # 75F002MIE-No. 004, 2007.

#### **1.4** Low Income Lines and the Poverty Gap:

The LIM-AT and LICO-AT low income lines for 2005 are set out in Tables 2A and 2B.6 Families with total incomes below these lines are in low income (poverty). Typically families in poverty live thousands of dollars below the low income lines.

Median (middle) incomes for selected LIM-AT low income families are shown in Table 3. The median income of a lone parent with a child in LIM-AT poverty in Toronto, for example, was \$9,600. Her poverty gap – that is, the additional amount of money she needs to reach the LIM-AT poverty line of \$19,250 in Table 2B – is \$9,650.

To reach LICO-AT poverty lines in 2005 (see Table 2B), low income economic families of two persons or more needed an additional \$8,300 of income on average in the Toronto Census Metropolitan Area.<sup>7</sup>

Table 3: Median Incomes of Families With Incomes Below the LIM-AT Lines			
2005	Toronto	Ontario	
Lone Parent, 1 Child	\$9,600	\$10,600	
Couple, 2 Children	\$19,200	\$19,400	
Children under age 16. <b>Source:</b> Statistics Canada,SAADD 2007			

The Greater Toronto Area (GTA) is considered the economic engine of a wealthy province and nation. It is an integrated area economically and socially. It attracted 43% of Canada's immigrants from 1991 to 2006.8 It is Canada's largest urban area. One half of the ten largest cities in Ontario are in the GTA. At its core is the City of Toronto, Canada's largest city. Mississauga, in the Region of Peel, is Canada's 6th largest city. Immediately neighbouring the GTA is the City of Hamilton, Canada's 9th largest city. This report documents the continued growth of child poverty and its concentration within the urban centers of the Greater Toronto Area.

**2.1** Suburbs Lead Increases to Child Poverty in the City of Toronto: The bellweather of child poverty in the GTA is Toronto. Child poverty rates are up across the City of Toronto since 1997. (Table 4) The percentage of Toronto children living in LIM-AT poverty increased to 31.3% by 2005, up from 28.1% in 1997.

The child poverty rate increased in "Old" Toronto, but the largest rate increases were in the City's inner suburbs.

Figure 1 shows the percentage growth in the numbers of children and children in LIM-AT poverty between 1997 and 2005.

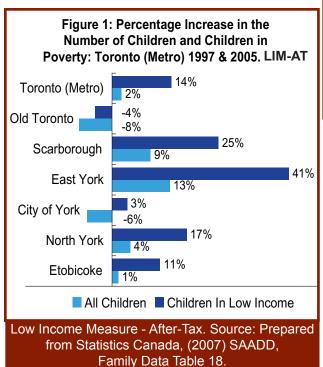


Table 4: Children and Child Poverty Rates in Toronto and its Pre-Amalgamation Cities. 1997 & 2005. LIM-AT			
	Number of Children	Children in Poverty	Poverty Rate
Toronto (Metro) 1997	505,420	141,930	28.1%
2005	516,330	161,410	31.3%
"Old" Toronto 1997	113,660	32,150	28.3%
2005	105,020	30,890	29.4%
Scarborough 1997	135,070	38,130	28.2%
2005	147,080	47,530	32.3%
East York 1997	21,460	5,940	27.7%
2005	24,320	8,370	34.4%
City of York 1997	32,110	9,200	28.7%
2005	30,250	9,520	31.5%
North York 1997	129,940	37,350	28.7%
2005	135,410	43,800	32.3%
Etobicoke 1997	73,190	19,170	26.2%
2005	74,260	21,300	28.7%
Low Income Measure-After-Tax. Children 0 to 17 yrs. Source: Prepared from			

All recent growth in the numbers of children and children in low income was in the City's suburbs. The rates of growth of children in poverty were quite steep in East York, Scarborough and North York.

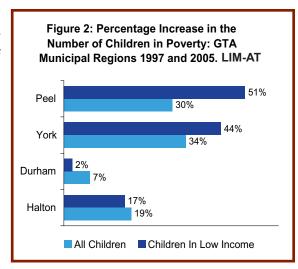
Statistics Canada, (2007) SAADD, Family Data Table 18.

It has been some time since poverty was thought of as largely a "downtown" problem. But with rapid growth in the number of children in low income, child poverty rates in Toronto's suburbs are now surpassing those of the downtown core (Table 4).

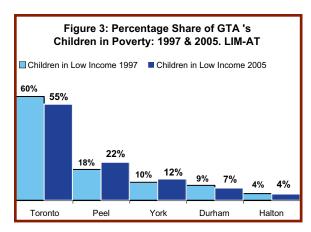
**2.2** Number of Children in Poverty in GTA Regions Growing at Alarming Rates: Rapid growth in the number of children in low income is not confined to the City of Toronto's suburban communities: the number in the Regions of the GTA is growing at an extraordinary rate.

In Peel the number of children in poverty (LIM-AT) increased by 51% and in York by 44% between 1997 and 2005. (Figure 2)

Halton's number of children in poverty increased by 17% -- less rapid than Peel or York's, but more than Toronto's 14% growth rate.



LIM-AT child poverty rates increased in Peel Region (to 20.3% of children in 2005 from 17.5% in 1997); and increased in York Region (to 16.2% in 2005 from 15.1% in 1997). Child poverty rates remained the same in 2005 in Durham (15%) and Halton (11%) as they were in 1997.

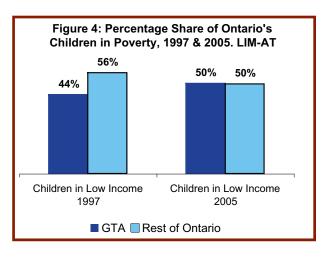


**2.3** Child Poverty Shifts to the Regions: The City of Toronto's share of GTA children in low income (55% in 2005) is quite disproportionate to its share of children (40%).

With rapidly growing populations in the Regions, a greater share of the GTA's children that live in poverty has shifted to the Regions of Peel and York. (Figure 3) In 2005, 45% of the GTA's children in poverty lived in the Regions, up from 40% in 1995.

Toronto's abysmally high poverty rates and the Regions' rapidly increasing numbers of children in low income have resulted in another child poverty shift.

The GTA is now the child poverty capital of Ontario: it is home to half (50%) of Ontario's children living in low income – up from 44% in 1997. (Figure 4) That is disproportionate to its share of Ontario's children (at 46% in 2005).



Figures 2, 3 & 4 Low Income Measure - After-Tax. Source: Prepared from Statistics Canada, (2007) SAADD, Family Data Table 18.

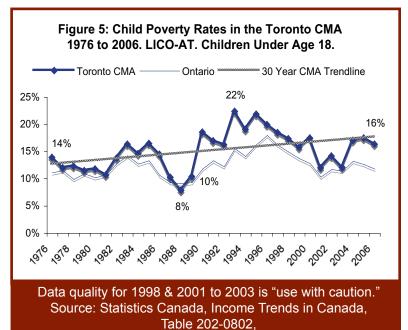
# 3.0 The GTA and Long Term Trends in Child Poverty: The Low Income Cut-Offs

**3.1 Beyond the Year 2000:** There has been a thirty-year upward trend in LICO-After-Tax measured child poverty rates in the Toronto CMA (Census Metropolitan Area, see maps), as is shown by the 30-year trend line in Figure 5. Child poverty rates have also tended to be higher in the Toronto area than Ontario. (Figure 5)

In 1989, when the federal government resolved to end child poverty, the LICO-AT child poverty rate was 10% in the Toronto CMA. It shot up to 22% in 1993 and 1995 during Ontario's last recession. Since the recession, strong economic growth brought the child poverty rate down, but it remains well above the 1989 rate. By 2006, the child poverty rate was 16%.

Campaign 2000 urges a 25% reduction in child poverty rates by 2012, and 50% reductions by 2017, in addition to steep reductions in the depth of poverty. The historical data on child poverty indicates that these poverty reduction targets are quite realistic.

Cutting the 2006 child poverty rate of 16% by one-quarter, for example, would bring the rate down to levels of the late 1970s



www.statcan.ca/english/freepub/13F0022XIE/ 13F0022XIE2006000.htm

Downloaded September 18, 2008.

and early 1980s (to about 12%) in the Toronto CMA. Cutting child poverty rates in half would bring the 2006 child poverty rate down to 8% -- the same rate as in 1988, the year before the unanimous federal resolution to end child poverty.

**3.2** The Home Town Disadvantage: Figure 69 (page 10) shows the child poverty rates for 1990 and 2005 in selected municipalities of the GTA from a third poverty measure: the LICO-Before-Tax. The upward trend in child poverty rates for the Toronto CMA is quite evident in GTA municipalities.

LICO-Before-Tax child poverty rates increased in most municipalities, often substantially, and even doubled in some communities since 1990. By 2005 child poverty rates, for example, were:

- 21% -- up from 12% in 1990 in Mississauga;
- 18% -- up from 10% in Brampton;
- 20% -- up from 8% in Markham;
- 18% -- up from 9% in Richmond Hill;
- 7% -- up from 3% in Uxbridge and Whitchurch-Stouffville;
- 11% -- up from 6% in Oakville;
- 13% -- up from 8% in Pickering; and,
- 32% -- up from 24% in Toronto.

**3.3 Urbanization**: Since the 1970s there has been a long-term trend towards the urbanization of poverty and a concentration of low income households within cities. <sup>10</sup> Figure 6b (page 10) illustrates the urbanization of poverty within the GTA using the 2005 After-Tax LICO child poverty rates for townships, towns and cities. (Note: Figure 6 rates for 2005 differ because it is Before Tax LICO).

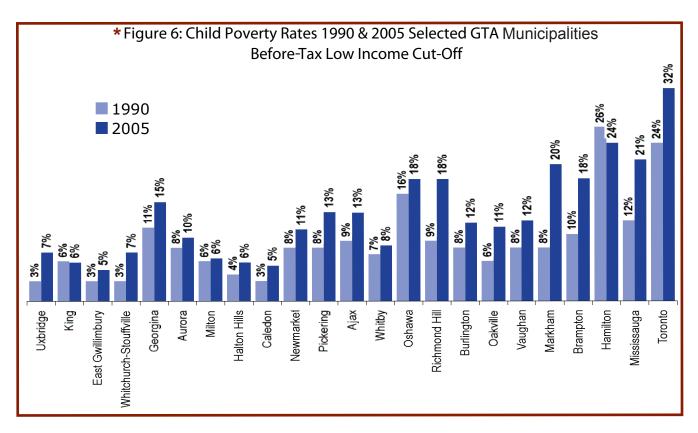
Total population from lowest to highest ranks each municipality in Figure 6b. As can be seen from the trend line, child poverty rates (LICO-AT) tend to rise as municipal populations increase – from rates that are about a third of the Ontario child poverty rate of 13.7%, to large city child poverty rates that are significantly higher.

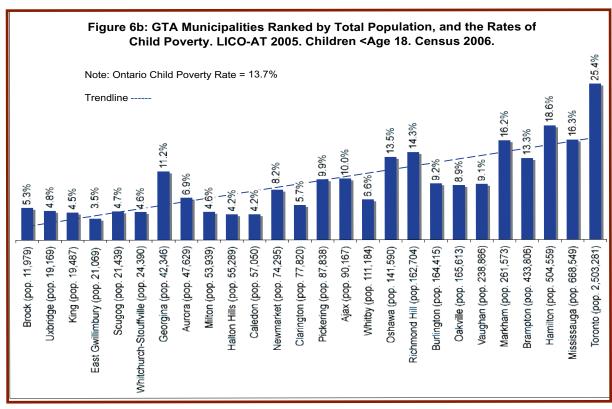
About one child in 20 or more is in LICO-AT poverty in the smaller towns and townships, rising to: one child in ten in Pickering and Ajax; one in seven in Oshawa and Richmond Hill; one in six in Markham and Mississauga; one in five in Hamilton; and, one child in four in Toronto.

The urbanization of poverty is also evident in Halton, which has the lowest Regional child poverty rates in the GTA. Child poverty rates for Burlington and Oakville are 9% -- double the rate of the towns of Milton and Halton Hills that make up most of the less populated area of the Region.

Cities are where proportionately more of the hardship poverty creates for children, families and communities occur. They must urge and be partners with senior governments in solutions.







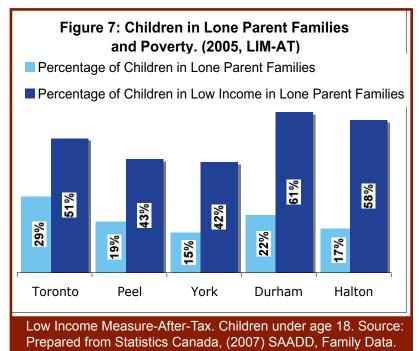
<sup>\*</sup>Children under age 18. Sources: Canadian Council on Social Development, 1991 Census. Statistics Canada, 2006 Census.

# 4. Vulnerable Groups Within the GTA

# **4.1** Mothers & Children Last - Lone Parents: Most lone parent families are mother led. They are inordinately burdened with poverty.

Toronto has the greatest prevalence of children in lone parent families (29% of children); and a hugely disproportionate one-half (51%) of its children who are in LIM-AT poverty are in lone parent families. (Figure 7)

Percentages of children, and, children in LIM-AT poverty in lone parent families are even more out of proportion in the Regions. In Halton, only 17% of children are in lone parent families. Yet 58% of Halton's children in LIM-AT poverty are in lone parent families. Durham leads



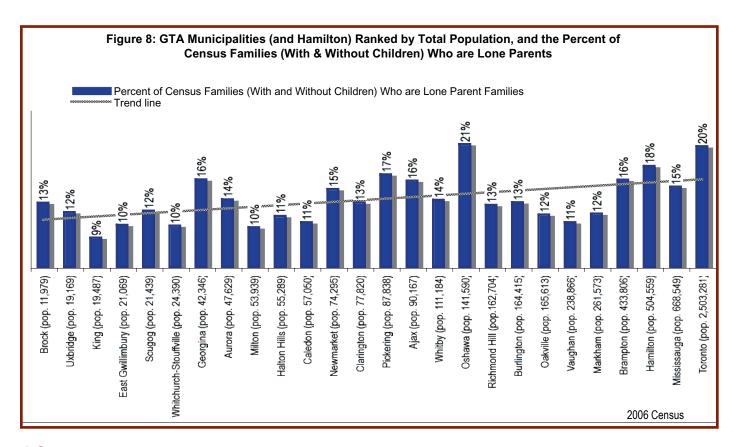
the GTA with the greatest proportion of children in low income (61%) from lone parent families.

Poverty affects proportionately more lone parent households, and these households also tend to be urbanized. In Figure 8 total population ranks each municipality. The percentage of families (with and without children) who are lone parents tends to rise as community size increases.

Addressing the needs of lone parent families is a critical component to poverty reduction. And variance in the prevalence of lone parents matters in municipalities for planning services and supports. Oshawa, for example, has the highest prevalence of lone parents within the GTA (at 21% of all families, Figure 8).

Child care, an area of considerable municipal involvement with senior governments, is among one of the more glaring examples of where that support is lacking. Good quality child care reduces poverty by promoting early learning and healthy child development and by enabling parents to work and study so that the standard of living available to their children improves. Yet, quality care is unavailable throughout the GTA: there are not enough licensed spaces for the numbers of children. It is also expensive: \$47 per day on average for a toddler, for example, in Toronto. And subsidies are difficult to get because only a small fraction of spaces are subsidized. <sup>11</sup>

Many families struggle with child care issues, but they plague lone parent families and condemn them to poverty. One in five food bank users in the GTA are single parents and for almost one-half of these parents the availability and cost of child care is a reason they can not work. For two-thirds of single parents on social assistance child care is an obstacle to employment. Conversely, 83% of the young children of employed or studying lone parents have some form of child care. <sup>12</sup>



**4.2** Poverty Racialized in the GTA: The population of the Toronto CMA that is made up of members of non-European ethno-racial groups grew from 5% of the CMA in 1971 to 40% of the 2001 population.<sup>13</sup> The Toronto area is defined by immigration and by its ethno-racial diversity. People in the GTA recognize the significant economic benefits of immigration, the skills and experience brought to communities, and the need to do more to support newcomers.<sup>14</sup>

Poverty is racialized, that is, disproportionate to people of colour who are Canadian-born and newcomers. Among broad ethno-racial groups in the Toronto CMA, the 2000 LICO Before-Tax rates of child poverty were about:

- one child in ten in low income among global European groups;
- one child in five for East Asian groups;
- one child in four for Aboriginal, South Asian, Caribbean, South and Central American groups;
- one child in three for children of Arab and West Asian groups; and,
- one child in two for children of African groups.

Rates of LICO-BT family poverty among two-parent families in 2000 range from between 5% for European groups to 29% for Arabic and West Asian groups. Rates of family poverty among female lone parent families range from between 26% for European groups and 65% for African groups.

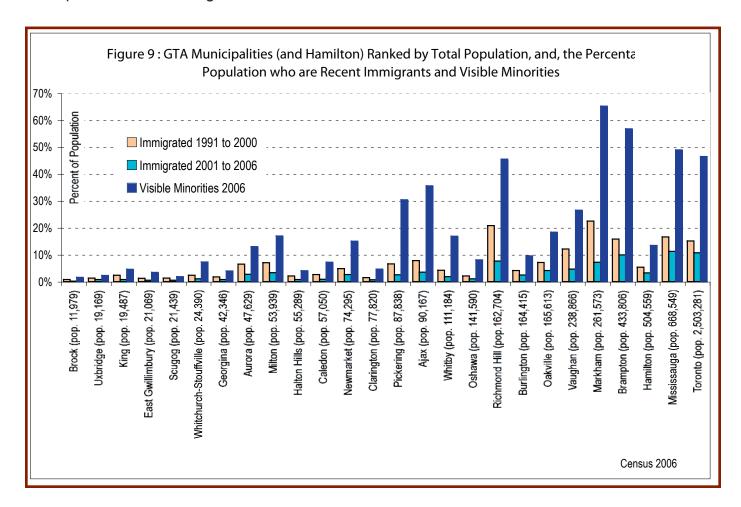
At the time of the 2001 Census, non-European ethno-racial groups made up 40% of the Toronto CMA's population, 48% of the CMA's children, and 71% of the CMA's children in low income. <sup>15</sup>

Today the GTA has 79% of Ontario's immigrants (arriving in 1991 to 2000, and in 2001 to 2006) and 81% of Ontario's visible minorities, and these households are urbanized. As is shown in Figure 9, as community size increases, so too does the percentage of the population that are immigrants and visible minorities in the municipalities of the GTA. Variances in the immigrant and ethno-racial composition of municipalities can also be considerable and matters in the development of services and supports.

Non-European groups tend to be of a younger age than European groups. They have proportionally more of the Toronto CMA's children so are in the parenting stage of the family life cycle. Policies that reduce poverty and promote the healthy development of children and the education and employment of young adults are therefore of critical and long lasting importance. <sup>16</sup>

In addition to standard poverty reduction measures, the Colour of Poverty Campaign<sup>17</sup> also urges:

- bringing back mandatory employment equity in Ontario;
- stronger employment standards legislation, particularly for those in precarious employment;
- ending the 3 month OHIP wait period for newcomers;
- removal of barriers to accreditation and employment of internationally trained workers;
- expanded ESL learning and translation services.



**4.3** Children on the Margins of Community: Housing: Housing that costs more than 30% of pretax income is accepted as a benchmark of being unaffordable and in "core housing need." The highest probability of being in core housing need is among those who: live alone, are female lone parents, are immigrants, rent, or live in the Vancouver or Toronto Census Metropolitan Areas.<sup>18</sup>

Median monthly rents in GTA municipalities, shown in Table 5, are well above those of Ontario (\$800) and Canada (\$670). The Toronto CMA has the highest average two bedroom rents of any CMA in Canada. One in five households are in core housing need. Among Toronto CMA renters,

36% were in core housing need in 2001, up from 24% in 1991. Half (46%) of female lone parent families in all CMAs and 44% of recent immigrants in the Toronto CMA are in unaffordable housing.<sup>19</sup>

Families are in core housing need because their incomes are too low and there are few affordable housing options.

Families have low incomes because of inadequate earnings, child benefits, social assistance and other supports. The median rent in the City of Toronto is \$914/month – which is at about the middle of GTA municipal rent rankings (Table 5). That rent would consume one-half of the after-tax income of a lone parent and child living at either the LIM-AT or LICO-AT poverty lines, and, most or all of her income if at the level of a typical poor household (see Tables 2 and 3).

Affordable housing is unavailable. With 78,000 households on social housing waiting lists in the GTA (including Hamilton), many who are eligible don't even apply. Waiting times are considerable – 2 to 5 years or more. Peel has the longest wait time for families in Ontario: up to 21 years. <sup>20</sup>

Children in low income live marginalized lives within their communities because families must pay rent with money needed for food, clothing, transportation and other necessities for their children. Among households who to turn to food banks to eat in the GTA, 77% of their income went to rent.

Some children experience the trauma of dislocation. Poverty and housing are known risk factors in admissions to the child welfare system. Children whose families fall into homelessness join the tens of thousands who pass through the GTA's shelters every year. Many experience severe stress and a disrupted education. Most change schools three times in the year they become homeless.<sup>21</sup>

Table 5: Median Monthly Rents by Municipality (Census 2006)		
Brock	\$656	
Hamilton	\$701	
Oshawa	\$816	
East Gwillimbury	\$819	
Georgina	\$836	
Clarington	\$861	
Scugog	\$866	
Halton Hills	\$872	
Uxbridge	\$881	
Newmarket	\$900	
Whitby	\$900	
Toronto	\$914	
Whitchurch-Stouffville	\$924	
Burlington	\$939	
Brampton	\$950	
King	\$951	
Aurora	\$951	
Ajax	\$959	
Milton	\$980	
Mississauga	\$981	
Markham	\$995	
Caledon	\$1,000	
Richmond Hill	\$1,001	
Oakville	\$1,045	
Pickering	\$1,070	
Vaughan	\$1,100	

## 5.0 Poverty Reduction in Ontario and Canada

Various measures of low income indicate that child and family poverty has grown considerably over both the short term and the long term throughout the GTA making it Ontario's new child poverty capital. It has shifted within the urban core of Toronto toward the suburbs and is increasingly concentrated in GTA cities. Child poverty has persisted through a recent and sustained economic boom in a region that is one of the wealthiest economic drivers of Canada. Economic growth alone has been insufficient to address child and family poverty and give all children a good start and opportunity to prosper in life. Governments must invest in children, families and communities.

Campaign 2000 has called on the federal government and provinces to achieve minimum poverty reduction targets of 25% in child poverty rates in each province-territory by 2012, and minimum 50% reductions by 2017.<sup>22</sup>

#### Recommendations at the provincial level include:

- an indexed minimum wage of \$10/hour (2007 \$);
- invest provincial revenue in early learning & child care; affordable housing; and in extended drug & dental care;
- increased and indexed social assistance rates and receipt of full child benefits without welfare clawbacks/cuts;

#### Recommendations at the federal level include:

- a \$5,100 Child Benefit Supplement (2007 \$);
- work tax credits of \$2,400 per year;
- restoring broad eligibility to Employment Insurance;
- major investments in housing;
- major investment in early learning and child care;
- a basic income system for persons with disabilities.

It is the federal and provincial governments who have the tax, transfer and regulatory powers required for robust poverty reduction. Municipalities in the GTA have a huge stake in an urban agenda that includes poverty reduction and senior government action. Their knowledge of local conditions is also essential to translating broad policies into effective action.

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Because children depend on all of us



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# Endnotes

- <sup>1</sup> The terms "low income" and "poverty" are interchangeable in this report. Canada does not have an official poverty line and Statistics Canada does not describe their low income lines as poverty lines, but rather, as identifying "those who are substantially worse off than the average." Governments, academic institutions, and social development organizations, however, have used these as de facto poverty lines for many years.
- <sup>2</sup> Hennessy, T. (November, 2008) Ontarians Waiting For Leadership on Poverty Reduction, Toronto: Canadian Centre for Policy Alternatives.
- <sup>3</sup> The former City of Toronto is referred to as "Old" Toronto to distinguish from the post-amalgamation City of Toronto.
- <sup>4</sup> All 2006 census data downloaded from: Statistics Canada (March 2007) 2006 Community Profiles. 2006 Census. Cat. no. 92-591-XWE. Ottawa. http://www12.statcan.ca/english/census06/data/profiles/community/Index.cfm?Lang=E (accessed September 2008).
- The Census Family concept results in smaller families than the Economic Family concept. Census Families are married/common law couples, with or without single sons or daughters, or a lone parent with at least one single son/daughter living in the same dwelling. Economic families are related by blood, marriage, common-law or adoption. For a discussion of the SAADD methodology see: Canadian Council on Social Development (2001) A Community Growing Apart—Appendix VI Internet: www.ccsd.ca/pubs/2001/uwgt/appendix6.pdf. For a discussion of measures of low income see: Canadian Council on Social Development (2001) Defining and Re-Defining Poverty Internet: www.ccsd.ca/pubs/2001/povertypp.htm.
- Most of the data in the report is from the LIM and LICO after tax measures, so low income thresholds from the LICO before tax are not shown in Table 2. The 2005 LICO-BT for a lone parent with one child in a large city is \$25,867, and for a couple with 2 children is \$38,610.
- <sup>7</sup> Statistics Canada (May, 2008) Income Trends in Canada 1976 to 2006, Table 202-0805, Cat.No. 13F0022XIE. Internet: www.statcanca/english/freepub/13F0022XIE/2006600/nettabletitles-en.ca
- 8 Census 2006.
- ¹ 1990 data from 1991 Census Table C.3 in: Lochhead, C., Schillington, R. (1996) A Statistical Profile of Urban Poverty, Ottawa: Canadian Council on Social Development
- Canadian Council on Social Development, (2007) Urban Poverty in Canada, Internet: http://www.ccsd.ca/pubs/2007/upp/factsheets/factsheet3.pdf
- <sup>11</sup> Toronto has 268,570 children under age 10 years, only 55,000 licensed spaces, and only 24,000 of these are subsidized. 13,000 children are waiting for a subsidy. Peel has 156,845 children under age 10 years, 24,000 licensed spaces, 4,000 fee subsidies and 2,700 children waiting for a subsidy. Durham has 70,085 children under age 10 years and as many children waiting for a subsidy (1,950) as receiving a subsidy (2,280). Sources: Census 2006. Toronto Children's Services (April 2008). Peel Region (October 2007) Why We Need Fair Funding. Durham Children's Services (July 2008) personal communication.
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- <sup>15</sup> See Tables 5.1, 5.3 and 2.1 in: Ornstein, M. (2006) Op. Cit. 2001 Census.
- <sup>16</sup> Ornstein, M. (2006) Op. Cit. p.85.
- <sup>17</sup> Colour of Poverty Campaign http://cop.openconcept.ca/
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- <sup>21</sup> Toronto City Summit Alliance http://www.torontoalliance.ca/urban\_challenges/affordable\_housing/; Daily Bread Food Bank (2008) Op. Cit.; Community and Social Planning Council of Toronto and Aisling Discoveries Child and Family Centre (October 1, 2007) "Thousands of Homeless Children Losing Out on Education" News Release, Toronto.
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