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CANADA

BREAKING THE CYCLE: A STUDY ON POVERTY REDUCTION

**Report of the Standing Committee on
Human Resources, Skills and Social Development
and the Status of Persons with Disabilities**

**Bryan May
Chair**

MAY 2017

42nd PARLIAMENT, 1st SESSION

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**THE STANDING COMMITTEE ON
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DEVELOPMENT AND THE STATUS OF PERSONS
WITH DISABILITIES**

has the honour to present its

SEVENTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied poverty reduction strategies and has agreed to report the following:

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INTRODUCTION

On 13 June 2016, the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (hereafter referred to as “the Committee” or “HUMA”) adopted a motion to undertake a study of poverty reduction strategies in Canada. The motion stipulates that the study focus on four specific areas of intervention: federal income support and savings programs; the promotion of employment,¹ education and training; housing support; and broader community initiatives. The motion also requires that special attention be paid to vulnerable communities; gender differences; existing poverty reduction strategies in Canada; as well as innovative approaches to reducing poverty through collaboration between the various levels of government, social innovation, private sector and non-profit initiatives, and social financing.²

On 29 November 2016, the Committee adopted a motion to extend the scope of its study by including the theme of mental health, specifically in relation to the delivery of the federal government’s mental health programs and services as they pertain to poverty reduction. As indicated in this motion, the focus of this theme would be on innovative approaches as well as on vulnerable seniors and youth.³

The Committee was mindful that seven years had passed since it last studied the issue of poverty in Canada. The Committee’s 2010 report *Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada*, as some witnesses observed, was comprehensive and had significant portions that remain relevant today. However, the Committee’s objective in this study is to focus on current poverty reduction measures, to comment on what could be improved and to identify successful models and innovative practices that the government could consider for piloting, replication or expansion.⁴

The Committee held a total of 26 meetings on the topic of poverty reduction between 4 October 2016 and 10 March 2017, heard from 162 witnesses (listed in Appendix C), including 9 federal government departments and agencies, and received 74 written submissions (listed in Appendix D). In addition to public hearings in Ottawa, the Committee travelled across the country to hear from a variety of witnesses and conduct site visits in the cities of Saint John, New Brunswick; Toronto, Ontario; Winnipeg, Manitoba; Medicine Hat, Alberta; as well as Langley and Maple Ridge, British Columbia.

1 House of Commons, Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA), [Minutes of Proceedings](#), 6 October 2016.

2 HUMA, [Minutes of Proceedings](#), 13 June 2016.

3 HUMA, [Minutes of Proceedings](#), 29 November 2016.

4 HUMA, [Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada](#), Report, 3rd Session, 40th Parliament, November 2010.

The Committee is deeply appreciative of the expertise and time provided by all the witnesses who presented, testified and made written submissions. The Committee is also thankful of the insights and personal experiences shared by the many individuals who welcomed committee members into their projects, shelters, transition houses, food banks, social enterprise hubs, businesses as well as early learning and child care facilities. The Committee listened to and carefully read the testimony placed before it and now reports on its findings.

CHAPTER 1: BACKGROUND

This chapter provides background information on defining and measuring poverty in Canada as well as a statistical profile of poverty in our country. It also describes what the Committee heard about the importance of having a comprehensive poverty reduction strategy and the important role that the federal government can play in reducing poverty.

A. Defining Poverty

Poverty is complex. It has many dimensions that go far beyond inadequate income. The Committee heard that it was important to arrive at a common understanding of poverty that not only incorporates a lack of income but also lack of access to essential resources such as: nutritious foods, decent housing, cultural activities, comprehensive healthcare (prescription medications, vision and dental care) and recreational activities. It was noted that in addition to income and resources, a definition of poverty also needs to address access to opportunity. Several witnesses referenced the Nobel prize-winning economist Amartya Sen:

... the success of a society is to be evaluated primarily by the capability that members of a society enjoy, and that poverty is not just a lack of money, but not having the capability to realize one's full potential as a human being.⁵

Reference was also made to the Quebec government's definition:

Poverty is defined as: the condition of a human being who is deprived of the resources, means, choices and power necessary to acquire and maintain economic self-sufficiency or to facilitate integration and participation in society.⁶

B. Measuring Poverty

There is no official standard of measuring poverty. However, having a low income is an important dimension of poverty and Statistics Canada uses several indicators to measure low income: the low income cut-offs (LICO), the low income measure (LIM) and the market basket measure (MBM).⁷ As illustrated in Table 1 different measures generate different estimates of the number of Canadians living in low-income. While these estimates differ, they do, however, consistently identify certain vulnerable sub-populations in Canada that are more likely to be living in low income. These sub-populations are: female

5 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 4 October 2016, 0905 (The Hon. Jean-Yves Duclos, Minister of Families, Children and Social Development); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016, 0915 (Mr. Richard Shillington, As an Individual).

6 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 0815 (Michael Bach, Executive vice-president of the Canadian Association for Community Living).

7 All low income measures and all low income cut-offs are after tax.

lone-parent families, people with disabilities, unattached individuals,⁸ Indigenous people,⁹ and recent immigrants. Table 2 illustrates the different low-income measurements of vulnerable groups.

Table 1: Low-Income Measures Used in Canada

Measure	Definition	Estimate
Low income cut-offs (LICO)	Income thresholds below which a family will devote a larger share of its income on the necessities of food, shelter and clothing than the average family. A family is considered low income if it spends 20 percentage points more on these necessities than the average family. It is a relative measure of low income.	8.8% or 3 million Canadians were living in low income in 2014
Low-income measure (LIM)	Defines low income as being below a fixed percentage of income. A household is considered low income if its income is below 50% of median household incomes. It is a relative measure of low income.	13.0% or 4.5 million Canadians were living in low income in 2014
Market basket measure (MBM)	A family is considered low income if it does not have enough money to buy specific goods and services in its community. It is an absolute measure of low income.	11.3% or 3.9 million Canadians were living in low income in 2014

Source: Table prepared by the authors using data obtained from Government of Canada, Employment and Social Development Canada, [Towards a Poverty Reduction Strategy – A backgrounder on poverty in Canada](#), 2016.

8 Unattached individuals are always more likely to be living in low-income. Unattached individuals between the ages of 45 and 64 are most likely to be living in low-income, followed by unattached seniors. In 2014, the percentage of unattached individuals 45 – 64 and seniors living below the low-income cut-off were 30.2% and 11.3% respectively. For additional information, please refer to Statistics Canada, [Canadian Income Survey](#).

9 Low income among Indigenous people is a concern in Canada. The survey data used to measure low-income (The Canadian Income Survey, Survey of Labour and Income Dynamics) are not administered on reserve.

Table 2: Vulnerable Sub-Populations - Low Income Measures, 2014

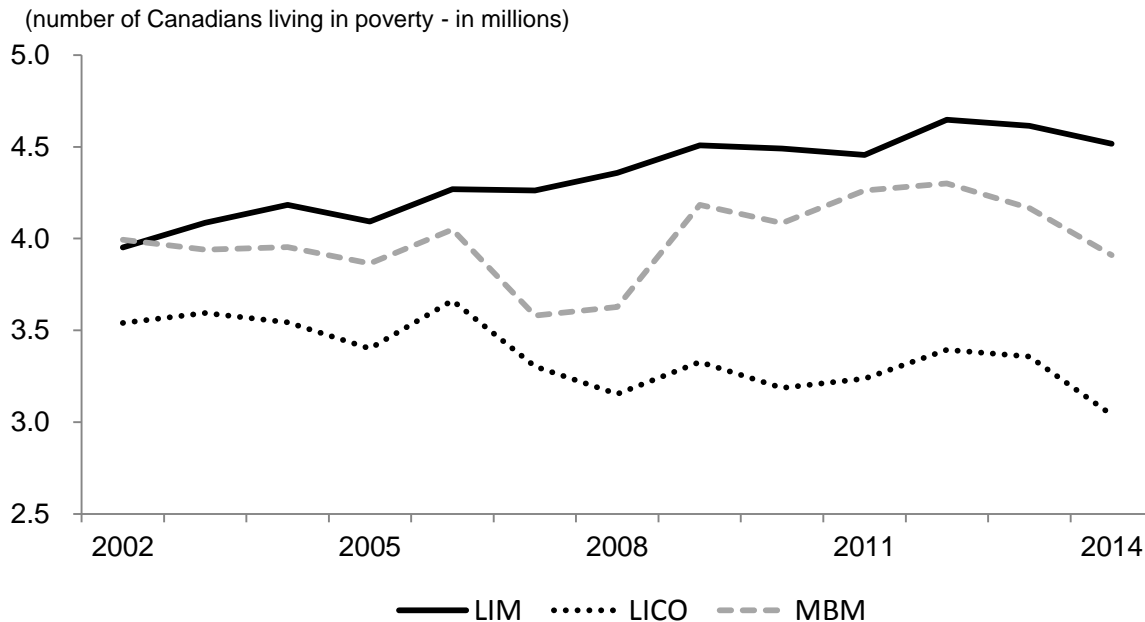
Sub-population measures	LICO %	LIM %	MBM %
Children in female lone-parent families	29.6%	44.9%	41.9%
People with disabilities (2012 data)	22.5%	n.a.*	n.a.*
Unattached individuals	25.9%	27.4%	27.1%
Unattached seniors	11.3%	28.8%	10.3%
Indigenous people off reserve (2009 data)	15.1%	22.5%	16.3%
Recent immigrants (2009 data)	18.4%	22.0%	17.4%
All Canadians	8.8%	13.0%	11.3%

Source: Table prepared by the authors using data obtained from Statistics Canada, [CANSIM Table 2016-0041](#); Statistics Canada, [Low Income in Canada - A Multi-line and Multi-index Perspective](#), 2015; and Government of Canada, Employment and Social Development Canada, [Towards a Poverty Reduction Strategy – A backgrounder on poverty in Canada](#), 2016.

Note: *n.a. – the data was not available at the time of publication.

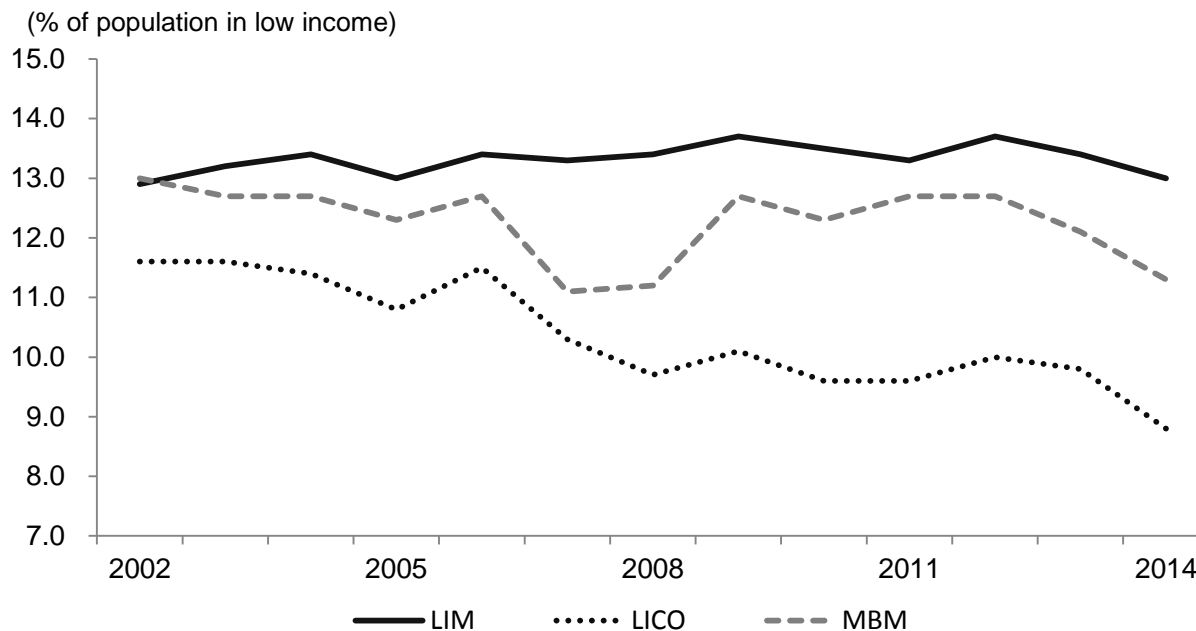
Charts 1 and 2 illustrate low-income trends over time both in terms of the percentage of population (POP) and the total number of Canadians living in low income.

Chart 1: Low Income trends: number of Canadians living in poverty by low-income measure



Source: Chart prepared by the authors using data obtained from Statistics Canada, [CANSIM Table 206-0041](#).

Chart 2: Low-income Trends: % of population living in low income by measure



Source: Chart prepared by the authors using data obtained from Statistics Canada, [CANSIM Table 206-0041](#).

1. Indices that complement low-income measures

Several witnesses noted the limitations of low-income measures, which fail to capture non-income based measures of poverty.

Our near exclusive focus on low income as an indicator of poverty leads us to exclude a significant number of Canadians who may be experiencing poverty.¹⁰

The Committee heard testimony about several indices that could be used to complement low-income measures in order to arrive at a more complete picture of Canadians who are living in poverty. One such index is the Human Development Index. It is a broader index that does not measure poverty narrowly but includes indicators for educational attainment, life expectancy and gender equity.¹¹

The Committee also heard testimony related to the Material Deprivation Index.¹² The Material Deprivation Index complements low-income measures by gathering data on families' ability to afford typical necessities (examples of survey questions include: the number of times per week you can afford to buy meat or fish; do you have a warm coat?; would you be able to pay an unexpected expense of \$300?; are your heating, plumbing and drains in good working order?). Material Deprivation Indices are being widely adopted

10 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016, 0905 (Geranda Notten, Associate Professor, Graduate School of Public and International Affairs, University of Ottawa, As an Individual).

11 United Nations Development Programme, [Human Development Index](#).

12 Federation of Irish Societies, [Material Deprivation Index Project](#), July 2012.

in Europe.¹³ The data is used together with low-income data to arrive at a more complete picture of who is living in poverty and what policy responses may be required.¹⁴

The Committee also heard about the government's work to develop a price index for seniors. The seniors' price index is not a complementary measure but rather a policy tool that can be used to adjust income benefits such as the Guaranteed Income Supplement (GIS)¹⁵ or investments in social housing. Seniors are vulnerable to increases in the cost of living as their ability to increase their income is limited after they retire. This has been critical since 2008 as interest rates have been historically low.¹⁶

C. The Cost of Poverty

There are strong moral grounds for reducing poverty. In a country as prosperous as Canada, every year the number of people living in poverty should be fewer. Yet, there are sound socio-economic reasons to reduce poverty as well. There are significant costs to government and society when people live in poverty. These costs lie primarily in three areas: increased health care costs, increased spending in the criminal justice system and lower levels of productive economic activity. People with lower incomes are often in poorer health. The result is higher costs for the public health care system. There is also a relationship between lower levels of education, literacy and success in school (conditions strongly correlated with living in poverty), and the likelihood of coming into conflict with the law. Finally, when people are in a vicious cycle of inter-generational poverty, have low education and skills levels and are dependent upon income support benefits, they are not engaged in productive activities that contribute to economic growth and prosperity. Estimates of the cost of poverty vary. One recent study estimates the cost of poverty for the city of Toronto alone range from \$4.4 to \$5.5 billion per year.¹⁷

D. Towards a Poverty Reduction Plan

The Committee heard about the need for a comprehensive plan that includes an agreed upon framework, poverty reduction targets, timelines and clear roles and responsibilities. Many acknowledged the government's recent announcement to develop a

13 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Geranda Notten, Associate Professor, Graduate School of Public and International Affairs, University of Ottawa, As an Individual).

14 [Brief submitted by Geranda Notten and Michael Mendelson, September 2016](#), pp. 3-4.

15 The GIS provides a monthly non-taxable benefit to Old Age Security (OAS) pension recipients who have a low income and are living in Canada.

16 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (The Hon. Jean-Yves Duclos, Minister of Families, Children and Social Development). See also, [The Mandate Letter for the Minister of Families, Children and Social Development](#); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 18 October 2016 (Nancy Milroy-Swainson, Director General, Seniors and Pensions Policy Secretariat, Department of Employment and Social Development (ESDC)).

17 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016 (Stella Lord Voluntary Coordinator, Community Society to End Poverty in Nova Scotia). See also Section 1.7, "Socio-Economic Costs of Poverty" in HUMA, [Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada](#), Report, 3rd Session, 40th Parliament, November 2010. See also Alexa Briggs, Celia Lee and John Stapleton, [The Cost of Poverty in Toronto](#), November 2016, p. 6.

Canadian poverty reduction strategy¹⁸ and to consult broadly with Canadians. Witness testimony and submissions called upon the government to base its poverty reduction strategy upon a human rights framework and to put in place mechanisms that ensure people with lived experience of poverty are included at every step in the process. A human rights framework could provide a solid foundation on which to understand the numerous interconnected issues that impact poverty. It could also help to inform and coordinate policy responses and associated activities that are required to address them.¹⁹ The rationale for integrating people with lived experience in every step of the process is demonstrated by this quote the Committee heard while travelling:

I spoke at the social audit that we had in Hamilton in February.... That is one of the best experiences I've had, with people genuinely listening and wanting to know what it's like to live in poverty. One of the best recommendations I could give for anyone to get even a taste of what poverty is like is to go with someone to a food bank. Help them out with the trip. You'll be there half the day.²⁰

The Committee also heard that real, measurable targets need to be set and that progress should be publicly reported. Measureable targets could be set for every dimension in the poverty strategy: income, housing, education, community development and mental health.²¹

Full-time working people in this country should not be living in poverty. Many are. A zero percent poverty for working people is a target we should set. We should have a target of zero percent poverty rates for people who have disabilities. As for children, not a single child in this country should live in poverty. We should set a target to do that.²²

Witnesses at the community level who have successfully launched poverty reduction initiatives stressed forming coalitions and agreeing upon clear targets and timelines. This was an important way to get diverse groups to work together towards common objectives.²³

18 Government of Canada, ESDC, [Poverty Reduction Strategy](#). October 4, 2016.

19 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Deirdre Pike, Senior Social Planner, Social Planning and Research Council of Hamilton); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016 (Stella Lord Community Society to End Poverty in Nova Scotia); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Leilani Farha, Executive Director, Canada Without Poverty).

20 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 1100 (Alana Baltzar, Volunteer, Social Planning and Research Council of Hamilton).

21 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016 (Stella Lord, Volunteer Coordinator, Community Society to End Poverty in Nova Scotia); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Leilani Farha, Executive Director, Canada Without Poverty).

22 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016, 0855 (James Hughes, Senior Fellow, The J.W. McConnell Family Foundation).

23 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Josh Brandon, Community Animator, Social Planning Council of Winnipeg).

E. Governmental Roles

The increasing public policy resolve to address poverty in Canada is evident in the poverty reduction strategies developed in almost all provinces and territories in recent years. Municipalities, of all sizes, across the country have also taken the initiative and created their own poverty reduction strategies, with targets, milestones and detailed plans of action. While municipal, provincial and territorial poverty reduction strategies generally focus on similar issues (e.g. child poverty, food insecurity, housing, transit, early childhood development and child care) both municipalities and provincial/territorial governments work within the resource limits, authorities and capabilities of their respective jurisdictions.

Nevertheless, the Committee heard witnesses enthusiastically support the federal government's decision to develop a national poverty reduction strategy, pointing to the need for the federal government's unique resources, leadership role and jurisdictional responsibilities. For example, the federal government has authority over the *Income Tax Act*, and administers important income support programs for families, people with disabilities and pensioners. The federal government is also in a unique position to survey the range of policies and programs across Canada and bring different levels of government, stakeholders and constituents together to share information and develop best practices. Finally, First Nations living on reserve falls within the jurisdiction of the federal government.²⁴

24 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Sally Guy, Director of Policy and Strategy, Canadian Association of Social Workers; and Sean Speer, Fellow, Munk Senior Fellow, Macdonald-Laurier Institute); and HUMA, [Evidence](#), 9 February 2017 (Randy Hatfield, Executive Director, Saint John Human Development Council).

CHAPTER 2: INCOME SECURITY

A. Background

1. Main federal programs

The federal government spends significant sums of money on a variety of income support programs, listed in Table 3, for both the working age population and for seniors.²⁵ This income support is in addition to the Canada Social Transfer (CST), a block fund transfer to the provinces and territories intended to support social assistance and social services, post-secondary education, early childhood development, and early learning and child care (\$13.75 billion, 2017-2018 estimate).

**Table 3: Main Federal Income Support Programs 2017-2018
and Expenditure Estimates**

Working Age Population	Cost Estimate	Seniors	Cost Estimate
Employment Insurance, EI Sickness, EI Part II	\$22B	Old Age Security	\$38.8B
Canada Child Benefit	\$22.6B**	Guaranteed Income Supplement	\$11.8B
Canada Pension Plan Disability	\$4.1B*	Canada Pension Plan	\$34.9B*
Disability Tax Credit	\$995M**		
Disability Savings Program	\$627M***	Registered Retirement Savings Plans	\$16.3B
Working Income Tax Benefit Working Income Tax Benefit - Disability Supplement	\$1.2B**	Tax Free Savings Accounts	\$1B**
On-Reserve Income assistance	\$963M		
Totals	\$52.5 billion		\$102.8 billion

Source: Table prepared by the authors using data obtained from Departmental Plans: [Employment and Social Development Canada](#); [Indigenous and Northern Affairs Canada](#); [Actuarial Report on the Canada Pension Plan as of 31 December 2015](#); and [Report on Federal Tax Expenditures: Concepts, Estimations and Evaluations](#), 2017.

Note: *estimates for the calendar year, **estimates for the calendar year, ***estimates for the Disability Savings Program include both the program and tax expenditures.

²⁵ Benefits for children are included under the working age population as the benefit is almost always provided to the custodial parent or guardian. It is noted that in rare circumstances the custodial parent or guardian may be over the age of 65.

a. Working age population

With respect to income support programs for the working age population, Employment Insurance²⁶ (EI) and children's benefits (explained below) comprise the largest portion of federal expenditures. EI is a social insurance program funded by employee and employer contributions on insurable earnings.²⁷ It provides temporary financial assistance to Canadians who have paid into the program and have lost their job. EI benefits are also available to Canadians who have paid into the program if they are sick, pregnant or caring for a new-born or adopted child, as well as to those who must care for a family member who is seriously ill with a significant risk of death, and to those who must provide care or support for a critically ill or injured child.

The Canada Pension Plan – Disability Benefit²⁸ (CPP-D) is a federal income support program for people who have been in the labour force but have had to stop working because of a disability. It provides workers who contribute to the Canada Pension Plan (CPP) with access to benefits should they have a severe and prolonged disability that prevents them from working. The benefit is intended as a complement to other forms of financial support that individuals with disabilities may already have, such as private insurance, personal savings and private long-term disability insurance.

The Disability Tax Credit²⁹ (DTC) is a federal non-refundable tax measure that aims to reduce the extra costs incurred by people with functional limitation as a result of their illness or condition. In order to receive the credit, an authorized medical practitioner must certify that the person meets one of the following criteria: is blind, is markedly restricted in at least one of the basic activities of daily living, is significantly restricted in two or more basic activities of daily living (this can include vision impairment), or needs life-sustaining therapy. In addition the person's impairment must be prolonged, has lasted or is expected to last for a continuous period of at least 12 months and is present at least 90% of the time. In 2017, persons with severe and prolonged disabilities could realize up to \$1,217 in federal tax savings. Because the DTC is a non-refundable tax credit, it benefits only individuals and family members with taxable income.

Since 2008, the government has offered persons with a disability the opportunity to open a Registered Disability Savings Plan³⁰ (RDSP) in order to help individuals and their families save for their long-term financial security. To encourage this type of savings, the government pays the Canada Disability Savings Grant and the Canada Disability Savings Bond.³¹ The Canada Disability Savings Bond is money the government contributes to

26 Government of Canada, [Employment Insurance Benefits](#).

27 Self-employed Canadians can access EI special benefits by entering into an agreement, or registering, with the Canada Employment Insurance Commission. For further information on program eligibility requirements for regular benefits and special benefits for self-employed please see [EI Special Benefits for Self-Employed People - Overview](#) and [EI Regular Benefits - Eligibility](#).

28 Government of Canada, Benefits, Public Pensions, [Canada Pension Plan Disability Benefit Overview](#).

29 Canada Revenue Agency, Persons with disabilities, [Disability Tax Credit](#).

30 Government of Canada, ESDC, [Registered Disability Savings Plan](#).

31 Government of Canada, ESDC, [Canada Disability Savings Grant and Bonds](#).

RDSPs of low- and modest-income Canadians. The program enables recipients to receive up to \$20,000 over a lifetime. The Canada Disability Savings Grant is a matching grant program. The government gives matching grants of up to \$3,500 per year, depending on the beneficiary's family income and contribution. The limit of matching grants is \$70,000 over a lifetime. The RDSP is a long-term savings plan. As such, whenever money is withdrawn from an RDSP, all or part of the grants and the bonds that have been in the RDSP for fewer than 10 years need to be repaid.

The Working Income Tax Benefit³² (WITB) is a refundable tax credit intended to help eligible low-income workers over the “welfare wall”³³ and strengthen incentives to work by providing additional income. There is also an additional disability supplement for those who qualify.

The on-reserve Income Assistance Program is administered by Indigenous and Northern Affairs Canada (INAC). It provides funds to individuals and families who are ordinarily resident on reserve. It is a last resort when all other means of generating income to cover basic needs have been exhausted.

b. Seniors

Old Age Security³⁴ (OAS) provides a monthly payment available to most Canadians who request it and who are 65 years of age and older and meet the Canadian legal status and residency requirements. The Guaranteed Income Supplement³⁵ (GIS) is a monthly non-taxable benefit to OAS pension recipients who have a low income and are living in Canada. The Canada Pension Plan³⁶ (CPP) is a mandatory public pension plan funded through contributions by employers and employees.

Private retirement savings incentives are also offered to encourage Canadians to save for retirement. These include the Registered Retirement Savings Plan³⁷ (RRSP) – contributions to which can be used to reduce income tax – and the Tax-Free Savings Account³⁸ (TFSA). Contributions to a TFSA are not deductible for income tax purposes; however, interest earned in the account is generally tax-free. Because RRSPs and TFSAs

32 Canada Revenue Agency, [Working Income Tax Benefit](#).

33 The “welfare wall” refers to the disincentives to work created by the interaction between the system of social assistance and personal income taxation in Canada. Canadians who receive social assistance and subsequently accept low-paying employment face a series of consequences that could potentially make them worse off by working, including: higher income and payroll taxes; new work-related expenses such as transportation, clothing and childcare; reduced income support in the form of social assistance and income-tested refundable tax credits; and loss of in-kind benefits such as subsidized housing and prescription drugs. For more information please see: Sheena Starky, [Scaling the Welfare Wall: Earned Income Tax Credits](#), Publication no. 05-98E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 31 March 2006.

34 Government of Canada, Benefits, Public Pensions, [Old Age Security](#).

35 Government of Canada, Benefits, Public Pensions, [Guaranteed Income Supplement](#).

36 Government of Canada, Benefits, Public Pensions, [Canada Pension Plan-Overview](#).

37 Canada Revenue Agency, [Registered Retirement Savings Plan](#).

38 Canada Revenue Agency, [Tax-Free Savings Account](#).

provide preferential tax treatment, there is a loss of revenue to the government associated with them.³⁹

2. Budget 2016 measures

In addition to the government's recent commitment to developing a Canadian poverty reduction strategy, Budget 2016 announced measures aimed at poverty reduction through income support. Budget 2016 announcements included: the introduction of the Canada Child Benefit⁴⁰ (CCB), changes to EI and a top up to the GIS for unattached seniors. It also reduced the age of eligibility for the OAS benefit from 67 to 65 years of age⁴¹ (see Appendix A).

The most significant changes with respect to federal expenditures are related to children's benefits. In summer 2016, the CCB replaced the previous children's benefit system that consisted of the Canada Child Tax Benefit, non-taxable monthly payments targeted to low- and middle-income families, and the Universal Child Care Benefit, a taxable monthly payment available to all families with children.

39 The principal function of the tax system is to raise the revenues necessary to fund government expenditures. The tax system can also be used to achieve public policy objectives through the application of specific measures such as preferential tax rates, exemptions, deductions, deferrals and tax credits. These measures are often described as "tax expenditures" because they are used to achieve a policy objective that deviates from the core function of the tax system, at the cost of lower tax revenues. Tax expenditure reporting is considered an international best practice to foster government budgetary and fiscal transparency. The International Monetary Fund and the Organisation for Economic Co-operation and Development have both issued guidelines that provide for the annual reporting of the cost of tax expenditures. See Department of Finance Canada, [Report on Federal Tax Expenditures 2017 - Concepts, Estimates and Evaluations 2017](#).

40 Government of Canada, ESDC, [Canada Child Benefit](#).

41 Government of Canada, [Growing the Middle Class](#), Budget 2016, 22 March 2016, pp. 57-64, 78-79, 140-148, and 171-173.

**Table 4 – Average Family Children’s Benefits,
Comparison of Previous System with Canada Child Benefits**

	2017–2018	\$30,000 and Less	\$30,001– \$65,000	\$65,001 and Over	All
New Canada Child Benefit	Number of Families	880,000	874,000	1,799,000	3,552,000
	Total Benefits (billions)	\$8.9	\$7.1	\$6.5	\$22.4
	Average benefits	\$10,069	\$8,077	\$3,586	\$6,297
Previous System (CCTB, UCCB)	Number of Families	880,000	874,000	2,381,000	4,072,000
	Total benefits (billions)	\$6.9	\$5.2	\$5.9	\$18.1
	Average benefits	\$7,846	\$5,991	\$2,569	\$4,439

Source: Office of the Parliamentary Budget Officer, [Fiscal Analysis of Federal Children’s Benefits](#), 1 September 2016, Summary Table 2, p. 3.

Note: may not sum due to rounding. The UCCB is net of taxes.

Amounts provided under the CCB are based on adjusted net family income and the number and age of children. The new CCB is intended to direct the greatest benefits to lower income families. Families with the highest incomes (generally over \$150,000) receive less than under the previous system. However, the new CCB is not indexed, with the result that the real value of CCB payments and the number of eligible families will decline over time. On 1 July 2016, the changes went into effect.

B. What the Committee Heard

We believe that poverty is always about income, but it isn’t only about income.⁴²

The Committee heard testimony and received written submissions from numerous governmental and non-governmental organizations as well as from individuals with lived experience of poverty, with experience providing services to people living in poverty, or with experience researching the issue. These witnesses explained that the main reason people live in poverty is inadequate income.⁴³

Witnesses called upon the federal government to take bold, broad-based initiatives that would put into place an income security architecture that ensured a guaranteed minimum income. Other witnesses argued that targeted measures would be more effective and should target groups including: single-parent families, people with disabilities, unattached individuals, Indigenous peoples (especially those living on

42 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016, 0905 (Courtney Hare, Manager of Public Policy, Momentum).

43 Ibid.

reserve), and recent immigrants.⁴⁴ All of the witnesses stressed to the Committee that more needs to be done.⁴⁵

1. Income security architecture for the working age population

a. Guaranteed minimum income or basic income

Several witnesses identified the need to create an income security architecture (or a system of programs) that establishes a guaranteed minimum income for all working age Canadians. Generally speaking, a guaranteed minimum income (often referred to as a basic income) is a system of cash transfers from government to individuals or families to provide an income floor below which no individual or family can fall. The income security architecture could be modelled on the existing system of programs for seniors which contains three main components: a universal basic income benefit (similar to OAS), a targeted negative income tax (similar to the GIS),⁴⁶ and a contributory insurance/pension scheme (CPP).⁴⁷

The Committee heard testimony from witnesses who were hopeful that their communities would be part of a basic income pilot project.⁴⁸ Sandra Datars Bere, Managing Director, Housing, Social Services, and Dearness Home, City of London, proposed that becoming part of the Government of Ontario's planned basic income pilot would help the community address the issues around insufficient income supports from Ontario social assistance programs.⁴⁹ It would also make it easier for low-income people who are having difficulty navigating complicated systems.

We try to do that within our system, but I will tell you that our systems are bureaucratic. I probably shouldn't say that out loud, but they are. They are bureaucratic and rules-based and driven by guidelines and the realities. A basic income allows people to take the money that they receive and use it to be supported in ways that they want to use it.⁵⁰

44 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Philip Cross Senior Fellow, Macdonald-Laurier Institute); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Sally Guy, Director of Policy and Strategy, Canadian Association of Social Workers).

45 For example see: HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (John Stapleton, Fellow, Metcalf Foundation); and [Brief submitted by the Canadian Poverty Institute](#), p. 2.

46 A negative income tax uses the tax system to top up the income of those who fall below a designated low-income threshold. For more information please see: [Improving Social Security in Canada](#), 1994.

47 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Courtney Hare, Manager of Public Policy, Momentum); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Josh Brandon, Community Animator, Social Planning Council of Winnipeg); and HUMA, [Evidence](#), 21 February 2017 (Sally Guy, Director of Policy and Strategy, Canadian Association of Social Workers).

48 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Sandra Datars Bere, Managing Director, Housing, Social Services, and Dearness Home, City of London); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Celina Symmonds, City Councillor, City of Medicine Hat).

49 On 24 April 2017, after the Committee finished hearing witness testimony, the Government of Ontario announced the selection of Hamilton, Thunder Bay and Lindsay as sites for its planned three year basic income pilot project. For more information see, [Ontario basic income pilot project to launch in Hamilton, Lindsay and Thunder Bay 3-year pilot will cost \\$50M a year and reach 4,000 households](#).

50 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 1040 (Sandra Datars Bere, Managing Director, Housing, Social Services, and Dearness Home, City of London).

Yet, Ms. Datars Bere was also careful to point out that having more income, while very important, would not address the range of additional supports (e.g. workplace accommodations for people with disabilities, career coaching, skills training) that would continue to be needed to help people move forward in their lives. This insight was echoed, by Deirdre Pike, Senior Social Planner, Social Planning and Research Council of Hamilton who also noted the importance of being able to scale up basic income pilot projects.⁵¹

Many witnesses in favour of a guaranteed minimum income suggested it could be a possible mechanism to end poverty. Further, supporters argued that ending poverty through a guaranteed minimum income could eliminate other negative consequences of poverty, such as poorer health, lower success rates in school, and higher crime rates. Proponents also told the Committee that a well-designed income security architecture would remove stigma and work disincentives associated with the current social safety net and potentially result in administrative savings related to the delivery and monitoring of existing programs.⁵²

Diane was talking about it ... taking all day to be poor. If you're having to go to the welfare office to knock on six different doors, it's not only inefficient, it's degrading. It reduces your ability and your capacity to enter employment and to develop your training and skills. If we could just get, across the board, basic income programs that deal with all of those elements, then people can have firm ground to stand on to get to the next level of their development.⁵³

b. Targeted guaranteed minimum income programs

Low income in our society is no longer so prevalent that society-wide measures are needed. Chronic low income is concentrated in specific groups, such as elderly women who never worked, single mothers with children, the disabled, and recent immigrants who lack language skills. These can be targeted by government programs.⁵⁴

The Committee heard from some witnesses that the government should develop a guaranteed minimum income program for specific sub-populations. One such sub-population is Canadians with severe disabilities and mental health conditions. The Committee heard evidence that despite the fact that people with disabilities can and want to work, many, especially those with severe disabilities, experience significant challenges earning sufficient and regular income.⁵⁵ It was also suggested that the federal government develop a stronger income security system for First Nations people living on reserve, one that takes into account the high costs and often limited employment opportunities in

51 Ibid. See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Deirdre Pike, Senior Social Planner, Social Planning and Research Council of Hamilton).

52 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Courtney Hare, Manager of Public Policy, Momentum); HUMA, [Evidence](#), 9 February 2017 (Randy Hatfield, Executive Director, Saint John Human Development Council); and HUMA, [Evidence](#), 17 February 2017 (Stephen Elliott-Buckley Simon Fraser University, As an Individual).

53 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017, 1125 (Josh Brandon, Community Animator, Social Planning Council of Winnipeg).

54 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016, 0855 (Philip Cross Senior Fellow, Macdonald-Laurier Institute).

55 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Mark Wafer, President, Megleen operating as Tim Hortons).

isolated northern communities. The Committee also heard that the new CCB would likely have a significant impact on low-income families,⁵⁶ but that it should be indexed to inflation.⁵⁷ A guaranteed minimum income for families with children could ensure that benefits are not clawed back by other levels of government and that childcare and other educational opportunities are affordable.⁵⁸

c. Strengthening existing federal programs

Eligibility and benefits under existing income security programs, such as employment insurance, social assistance, and seniors income supports need to be revised to ensure that benefits are sufficient to provide an adequate income.⁵⁹

The Committee heard extensive testimony related to existing federal programs and how to strengthen the social safety net to prevent people from falling through the cracks. Testimony focused on how existing programs could be more flexible and generous. In addition, the Committee heard that better coordination of existing programs, including provincial programs, was needed. Finally, witnesses suggested that application and reporting processes be simplified and more client-centred.⁶⁰

i. Employment Insurance

The Committee heard that changes to EI are necessary in order to address the changing nature of work and employment. There are growing numbers of workers who do not qualify for EI due to the part-time or precarious nature of their jobs. These workers are not able to accumulate the required number of insurable hours to access benefits between periods of work. Others spoke of the inadequacy of the 55% average wage replacement rate, which does not provide enough income for low-wage workers receiving benefits. Other important issues raised were restrictions related to working while on claim or going back to school while on claim. A more flexible system could support unemployed workers as they transition into higher quality better paying jobs.⁶¹

56 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016 (James Hughes, Senior Fellow, The J.W. McConnell Family Foundation).

57 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Randy Hatfield, Executive Director, Saint John Human Development Council); and [Brief submitted by the Income Security Advocacy Centre, 3 March 2017](#), pp. 1-2.

58 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Vicky Stergiopoulos, Centre for Addiction and Mental Health); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Shawn Pegg, Director Policy and Research, Food Banks Canada); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Jeffrey Bisanz, Co-Chair, End Poverty Edmonton).

59 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016, 0850 (Derek Cook, Director, Canadian Poverty Institute).

60 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (John Stapleton, Fellow, Metcalf Foundation); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Emily Norgang, Senior Researcher, Canadian Labour Congress); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Derek Cook, Director, Canadian Poverty Institute). See also [Brief submitted by the Christie Ossington Neighborhood Centre](#), p. 3.

61 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Emily Norgang, Senior Researcher, Canadian Labour Congress); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Ian Lee, Assistant Professor, Carleton University, As an Individual). See also [Brief submitted by the Income Security Advocacy Centre, 3 March 2017](#), pp. 4-5.

The Committee also heard that EI sickness benefits were too short in duration for some vulnerable individuals and should be more flexible, allowing people with episodic health conditions to more easily stay attached to the workforce. EI maternity, parental, and compassionate care benefits could also be more generous and flexible. It was also suggested that changes be made to ensure that temporary foreign workers are given equal access to EI benefits.⁶²

Finally, several witnesses recommended that the federal government use poverty reduction and gender equity lenses when it comes to measuring and reviewing EI program components and addressing problems with the system.⁶³

ii. Working Income Tax Benefit

The Committee heard that at present WITB top-ups are modest.⁶⁴ Enriching the WITB benefit could be one way to lift low-wage workers with precarious employment, and workers who work fewer hours because of a disability or caregiving responsibilities, out of poverty.⁶⁵

iii. Canada Pension Plan Disability

The Committee heard from several witnesses that many people on CPP-D rely on it as their primary source of income and as such it is inadequate. Witnesses stated that the eligibility and benefit calculations should be reviewed with a view to ensuring that CPP-D beneficiaries are not living in poverty.⁶⁶

More generous cash transfers are part of the answer for some, especially for persons with severe disabilities whose employment levels are one-third of the non-disabled population.⁶⁷

62 [Brief submitted by the Income Security Advocacy Centre, 3 March 2017](#), pp. 4-5.

63 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Emily Norgang, Senior Researcher, Canadian Labour Congress); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Ian Lee, Assistant Professor, Carleton University, As an Individual). See also [Brief submitted by the Income Security Advocacy Centre, 3 March 2017](#), pp. 4-5.

64 The maximum amount that an eligible worker with a disability could receive over the course of a year is approximately \$1,600.

65 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Randy Hatfield, Executive Director, Saint John Human Development Council).

66 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Sean Speer, Fellow, Munk Senior Fellow, Macdonald-Laurier Institute); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 25 October 2016 (Gwendolyn Piller, As an Individual). Please note that employment supports for people with disabilities will be discussed in Chapter 3.

67 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017, 1130 (Sean Speer, Fellow, Munk Senior Fellow, Macdonald-Laurier Institute); and [Brief submitted by Income Security Advocacy Centre](#), p. 3

iv. Disability Tax Credit

Over the course of the study, witnesses told the Committee that many low-income people with disabilities face additional expenditures related to their disability but do not benefit from the DTC because they do not have sufficient income to have tax payable. Making the DTC fully refundable would address this issue.⁶⁸

v. Canada Disability Savings Program

With respect to the RDSP, Brad Brain, Registered Financial Planner with Brad Brain Financial Planning, told the Committee that the program's rules are both complicated and restrictive. For instance, the requirement that money be left in the account for 10 years does not help people with disabilities who need money today, in order to cover their expenses. He suggested that the TFSA may be a more appropriate savings tool:

I believe the TFSA annual contribution room should be returned to \$10,000 per year, and I think that registered disability savings plans need a major overhaul to make them more transparent and more accessible.⁶⁹

vi. Income supports for First Nations People on reserve

... any federal poverty reduction strategy that doesn't place [I]ndigenous people near the centre is lacking, for two reasons: principally, because of the disproportionate levels of low income and poverty that this particular population group faces; and second, because it's one of the areas of federal responsibility.⁷⁰

The Committee heard that the government should review its policies related to income support for people on reserve. Present federal income support policies for First Nations on reserve are based upon the provincial social assistance systems. Witnesses stated that not only are these rates generally inadequate, they do not account for the significantly higher costs associated with living on remote, northern reserves.⁷¹ Shawn Pegg, Director Policy and Research, Food Banks Canada noted that in isolated Northern communities the cost of food, housing, and energy can be anywhere from 2 to 10 times more expensive.⁷²

68 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 25 October 2016 (Gwendolyn Piller, As an Individual); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (John Stapleton, Fellow, Metcalf Foundation); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Sean Speer, Fellow, Munk Senior Fellow, Macdonald-Laurier Institute).

69 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 25 October 2016, 0850 (Brad Brain, Registered Financial Planner, Brad Brain Financial Planning).

70 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017, 1235 (Sean Speer, Fellow, Munk Senior Fellow, Macdonald-Laurier Institute).

71 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Shawn Pegg, Director Policy and Research, Food Banks Canada).

72 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Shawn Pegg, Director Policy and Research, Food Banks Canada); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Sean Speer, Fellow, Munk Senior Fellow, Macdonald-Laurier Institute); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 February 2017 (Stephen Van Dine, Assistant Deputy Minister, Northern Affairs Organization, Department of Indian Affairs and Northern Development).

vii. Canada Child Benefit

The Committee heard that the CCB is making a significant impact in communities for low-income families with children. There was concern, however, that the CCB was not indexed to inflation and would therefore be eroded over time. The Committee heard concerns that the benefit might be “clawed-back” by other levels of government, especially by provincial social assistance programs. The Committee also heard concerns about the low take-up rate of the CCB on First Nations’ reserves and that families without regular immigration status should be eligible.⁷³ Finally, the Committee heard that the CCB should be evaluated by its ability to reduce the child poverty rate. It was suggested that the federal government set a target of a 50% reduction in child poverty by 2020.⁷⁴

2. Income security for seniors

Before the system of OAS, GIS, and CPP was put into place in the mid-1960s,⁷⁵ the percentage of the population aged 65 and over living in low income exceeded 40%. In 2014, the percentage of the population aged 65 and over with low income was less than 10%.⁷⁶ Witnesses generally agreed that the system of income security programs for seniors was essential in ensuring that Canadian seniors do not live in poverty. Yet the Committee also heard that it was important not to be complacent. Canada’s income security system for seniors needs to be continually reviewed and adjusted so that vulnerable low-income seniors do not fall through the cracks. This is especially true of immigrant seniors who have been sponsored by their children or grandchildren. It was also suggested that OAS and GIS be indexed to wages rather than prices.⁷⁷

Several witnesses questioned whether an expanded CPP program would address low income. There were concerns that the additional tax burden would outweigh potential benefits down the road.⁷⁸

Witnesses also addressed federal programs that support Canadians to save for retirement. The Committee was advised that for low-income seniors, TFSAs are the best

73 This would include families in the process of making a refugee claim, but the claim has not yet been accepted.

74 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Randy Hatfield, Executive Director, Saint John Human Development Council); and [Brief submitted by the Income Security Advocacy Centre](#), 3 March 2017, pp. 1-2.

75 For more information on the history of Canada’s Public Pension see [The History of Canada’s Public Pensions](#).

76 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Philip Cross, Senior Fellow, Macdonald-Laurier Institute). Please note that 2014 figures refer to low income cut off and market basket measure indicators.

77 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Philip Cross, Senior Fellow, Macdonald-Laurier Institute); [Brief submitted by the Income Security Advocacy Centre](#), 3 March 2017, pp. 2-3; and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Richard Shillington, As an Individual).

78 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Philip Cross, Senior Fellow, Macdonald-Laurier Institute); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 18 October 2016 (Brad Brain, Registered Financial Planner, Brad Brain Financial Planning).

vehicle. While TFSAs benefit seniors of all income levels, withdrawals from TFSAs are not considered for the purpose of calculating GIS benefits and social housing eligibility.⁷⁹

3. General insights on federal income security programs

One of the principles of low-income policy is that complexity is inherently regressive, complexity in the tax system, complexity in the eligibility rules for OAS, GIS, and CPP, all of it. It's inherently regressive because low-income people are not going to get professional advice; they can't afford it. So if you want to help low-income people, make it simple.⁸⁰

The Committee heard from witnesses, including federal officials, that there was work to be done related to outreach and ensuring that vulnerable Canadians understand and are able to access the full range of supports that are available.⁸¹

We assume that everyone in Canada is getting all the child benefits, the working income tax benefit, the OAS, for example. We are finding that this is not true, that there are people who are falling through the cracks.⁸²

Finally the Committee heard that more attention needs to be paid to how income support programs work or do not work together. Witnesses described how complicated and cumbersome applications and reporting rules could be. It was also noted that certain benefits are deducted from others, adding another level of complexity and that the rules around earning income from employment were both difficult to understand and discouraging.⁸³

We have to figure out a way for the very poorest of people with disabilities to be able to have programs work together in a seamless way so that we have a system where people can move into work and be able to meet their own needs.⁸⁴

79 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Pierre LeBlanc, Director, Personal Income Tax Division, Tax Policy Branch, Department of Finance).

80 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016, 0920 (Richard Shillington, As an Individual).

81 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Adaoma C. Patterson, Advisor, Peel Poverty Reduction Strategy Committee); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 18 October 2016 (Nancy Milroy-Swainson, Director General, Seniors and Pensions Policy Secretariat, Income Security and Social Development Branch, ESDC).

82 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016, 1025 (Adaoma C. Patterson, Advisor, Peel Poverty Reduction Strategy Committee).

83 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (John Stapleton, Fellow, Metcalf Foundation).

84 Ibid.

4. Making life better for the working poor

a. Marginal effective rates

The Committee heard that people on income supports may be reluctant to increase their paid employment if the marginal effective tax rate⁸⁵ of the additional work is too high. This is especially true of people with disabilities who may not be confident that their disability or health condition will allow them to work full-time for a sustained period of time. The Committee also heard that for some individuals, the loss of a key benefit such as social housing or prescription drugs make the costs prohibitive.⁸⁶

... in contemplating new, targeted income support programs, federal and provincial policy-makers should pay special attention to work disincentives stemming from high effective tax rates. They should ensure that any new financial assistance programs do not contribute to increasing already high effective tax rates by adding another layer of geared-to-income benefit phase-out rates at lower income levels.⁸⁷

b. Lower taxes

From Monique Moreau, Director of National Affairs, Canadian Federation of Independent Business, the Committee also heard that an effective way to make life better for low-income workers is to reduce their tax burden.

Our members feel strongly that decreasing personal income tax and increasing the basic personal exemption are better solutions than introducing minimum wage increases.⁸⁸

c. Raising minimum wages

The Committee heard a wide range of opinions regarding minimum wages in Canada. The Committee was reminded that the federal minimum wage applies to less than 10% of the Canadian workforce that falls under federal jurisdiction. The Committee heard numerous witnesses, often from community-based organizations or people with lived experience of poverty, say that raising the minimum wage would help to reduce poverty. In addition, the Canada Union of Public Employees proposed that the federal government introduce a uniform federal minimum wage and set it at \$15 an hour.⁸⁹

85 The concept of a marginal effective tax rate describes the sum of taxes, transfers and benefit reductions on an incremental dollar earned. When people on income supports earn and report employment income, their benefits are reduced. Benefit reductions, or claw-backs, act like a tax in that they reduce the gains from work. If an individual's benefits are claw-backed at low levels of employment earnings, this creates disincentives to increase levels of paid employment.

86 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (John Stapleton, Fellow, Metcalf Foundation).

87 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 29 November 2016, 0900 (Alexandre Laurin, Director of Research, C.D. Howe Institute).

88 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016, 0855 (Monique Moreau, Director of National Affairs, Canadian Federation of Independent Business).

89 At present, the federal minimum wage is defined as the general adult minimum wage rate of the province or territory where the work is performed.

This would signal federal support for increasing wages and incomes for workers more broadly.⁹⁰

The Committee also heard from other witnesses including some from the private sector, the Canadian Federation of Independent Business as well as economists who argued that minimum wage increases could have unintended consequences such as incentivizing automation, or making it more difficult for youth and low-skilled workers to find jobs. It was also suggested that increasing the minimum wage might lead to slower economic growth, as some businesses might scale back expansion plans.⁹¹

5. Ensuring basic necessities are affordable

a. Food

During the course of the study, the Committee learned about food insecurity⁹² and about the problem of expensive nutritious food, particularly in the North.⁹³

I think the main problem we see in northern economies is that people are often living on extraordinarily low incomes, and the cost of living is extremely high.⁹⁴

From Stephen Van Dine, Assistant Deputy Minister, Northern Affairs Organization, INAC, the Committee learned about Nutrition North Canada. The program began in 2011, with the objective of making perishable, nutritious food more accessible and more affordable for residents of eligible isolated northern communities without year round surface transportation (road, rail, or marine) access.⁹⁵

The Committee heard that the program has made a positive difference for these communities. However, witnesses testified that the scope and scale of Nutrition North is small, as the program was not designed to comprehensively address food insecurity in the North. The Committee heard that more policy tools and initiatives are needed. As mentioned in the section related to income supports, higher levels of support are needed that take into account the higher price of nutritious food. The Committee also

90 [Brief submitted by the Canadian Union of Public Employees, October 2016](#), p. 5. See also [Brief submitted by Canadians for Tax Fairness](#), p. 3; and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Deirdre Pike, Social Planning and Research Council of Hamilton).

91 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Monique Moreau, Director of National Affairs, Canadian Federation of Independent Business); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Philip Cross, Senior Fellow, Macdonald-Laurier Institute).

92 Please see Appendix B for a comparison table of the cost of a weekly food basket in selected Northern communities with the city of Ottawa, Ontario. Issues of food security that relate to food banks will be discussed in Chapter 6.

93 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Shawn Pegg, Director, Policy and Research, Food Banks Canada); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Aluki Kotierk, President, Nunavut Roundtable for Poverty Reduction).

94 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017, 1200 (Shawn Pegg, Director Policy and Research, Food Banks Canada).

95 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 February 2017 (Stephen Van Dine, Assistant Deputy Minister, Northern Affairs Organization, INAC).

heard that more should be done to ensure that food programs are culturally relevant and support harvesters of traditional “country foods.”⁹⁶

b. Health care services not covered under public systems

Numerous witnesses drew the Committee’s attention to the difficulty many people in low income have in accessing health services that are not covered under provincial health insurance schemes. These essential services can include: prescription medications, and medical devices, as well as dental, vision, and mental health care coverage.⁹⁷

The Committee heard that the government needs to ensure that people have access to prescription medications. Some proposed that the federal government implement a national pharmacare program. They pointed out that a pharmacare program could have an additional benefit for some who require pharmaceutical treatments, possibly enabling them to return to work.⁹⁸ It might also have the added benefit of lowering payroll costs and providing more flexibility to employers.⁹⁹

However, other witnesses noted that those with severe mental illness, who are often among the homeless, would not benefit from a pharmacare program and told the Committee that the federal government should focus on other priorities. They also noted that there are often non-medical treatments and therapies for mental illness and addiction that are underfunded that should be financially supported.¹⁰⁰ The Committee also heard that the federal government should provide further leadership in supporting safe injection sites in urban and rural communities.¹⁰¹

Stella Lord, Voluntary Coordinator for the Community Society to End Poverty in Nova Scotia, told the Committee how important it was for low-income families to have dental and vision care coverage. The cost of these services can be significant. It was also noted that people in low income should have support acquiring necessary medical devices.¹⁰²

96 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 February 2017 (Stephen Van Dine, Assistant Deputy Minister, Northern Affairs Organization, Department of Indian Affairs and Northern Development); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Shawn Pegg, Director Policy and Research, Food Banks Canada).

97 Mental health services will be discussed in more detail in Chapter 4.

98 This might be especially relevant for people who need prescription medication to manage a mental health problem.

99 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto); and Brief submitted by Every Canadian Counts, “[Alleviating Poverty Among Canadians Living with Chronic Disabilities](#),” February 2017, p. 4.

100 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Michael Creek, Director, Strategic Initiatives, Working for Change); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto).

101 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto).

102 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016 (Stella Lord, Voluntary Coordinator, Community Society to End Poverty in Nova Scotia); and Brief submitted by Every Canadian Counts, “[Alleviating Poverty Among Canadians Living with Chronic Disabilities](#),” February 2017, p. 4.

c. Transit

The Committee understood the importance of public transit for low-income individuals and families, to enable them to meet basic needs and to access education, employment and activities in the community. Several witnesses drew the Committee's attention to recent measures in several municipalities to increase access to public transit for those in poverty. Several witnesses told the Committee about municipalities, such as Toronto, that had provided reduced transit fares for low-income individuals and families.¹⁰³ The City of Calgary announced plans to initiate "sliding scale" fees for Calgary Transit by March 2017, with monthly transit passes costing as little as \$5.15 for low-income residents.¹⁰⁴ The Committee heard that one of London's poverty reduction measures was to allow children under 12 to ride public transit free of charge and that it planned to reduce transit costs for low-income residents in January 2018.¹⁰⁵

103 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pamela McConnell, Deputy Mayor, City of Toronto).

104 [Brief submitted by the Alberta Poverty Reduction Network](#).

105 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Sandra Datars Bere, Managing Director, Housing, Social Services, and Dearness Home, City of London).

CHAPTER 3: EDUCATION, SKILLS TRAINING AND EMPLOYMENT

A. Background: Federal Contributions to Education, Skills Training and Employment

1. Main federal programs

While education, skills training and employment are typically matters mostly under provincial jurisdiction, the federal government is involved in these areas in a number of important ways. For example, the federal government provides financial support to the provinces and territories through major financial transfers in order to assist them in the provision of a variety of programs and services. One such transfer is the Canada Social Transfer, which is a block transfer to the provinces and territories in support of early childhood development and child care, post-secondary education, as well as social assistance and social services.¹⁰⁶ The federal government also administers the Aboriginal Head Start On Reserve program and the Aboriginal Head Start in Urban and Northern Communities program, which fund Indigenous community-based organizations that deliver early childhood learning and development programs to First Nations, Inuit, and Métis children.¹⁰⁷

In addition, the federal government offers student financial assistance in the form of grants and loans, as well as repayment assistance plans, through initiatives such as the Canada Student Loans program and the Canada Student Grants, with the objective of encouraging Canadians to pursue post-secondary education. Specifically, the Canada Student Grants are available for students from low- and middle-income families, students with dependants, part-time students, as well as students with permanent disabilities.¹⁰⁸

Further, the Registered Education Savings Plan (RESP), which is a savings account for children meant to offset the future costs of post-secondary education, is linked to the following federal savings incentives:

- Canada Education Savings Grant: a savings incentive which provides a 20% grant on the first \$2,500 of annual contributions made to the RESP;
- Additional Canada Education Savings Grant: a savings incentive which adds 10% or 20% onto the first \$500 or less contributed to the RESP annually for children of low- and middle-income families;
- Canada Learning Bond: a savings incentive which offers up to \$2,000 for a child's RESP account (\$25 to help cover the cost of opening the RESP; \$500

106 Department of Finance Canada, [Federal Support to Provinces and Territories](#) and [Canada Social Transfer](#).

107 Health Canada, [Aboriginal Head Start on Reserve](#); and Public Health Agency of Canada, [Aboriginal Head Start in Urban and Northern Communities](#).

108 Government of Canada, [Canada Student Loans](#) and [Canada Student Grants](#).

to add to the RESP in order to start the savings; and an extra \$100 each year until the child turns 15 years old, as long as the family continues to receive the National Child Benefit Supplement).¹⁰⁹

In her appearance before the Committee, one of the representatives from Employment and Social Development Canada (ESDC) indicated that approximately 3.5 million children in Canada have more than \$47 billion accumulated in RESPs for their future post-secondary education.¹¹⁰ Other financial incentives offered by the federal government to support post-secondary education include tax credits for tuition fees and for the interest paid on student loans.¹¹¹

The federal government also provides financial support for the post-secondary education of First Nation and eligible Inuit students through programs like the Post-Secondary Student Support Program and the University and College Entrance Preparation Program. Designed to meet the specific needs of Indigenous peoples and communities, these programs offset the costs associated with tuition, school supplies, travel and living expenses. The Post-Secondary Student Support Program is delivered by Indigenous communities and supports approximately 23,000 students annually.¹¹²

In addition to providing financial assistance for post-secondary education, the federal government allocates resources towards increasing literacy and essential skills in Canada. Through the Literacy and Essential Skills program, funding is provided to improve the literacy and essential skills of Canadians as well as to help them to better prepare for, obtain, and maintain employment.¹¹³ Further, through the Financial Consumer Agency of Canada (FCAC), the federal government promotes financial literacy. Specifically, the national strategy for financial literacy (“Count me in, Canada”), which is led by the FCAC, has the objective of helping people “manage their money and debt wisely, plan and save for their financial future, as well as prevent and protect themselves from fraud and financial abuse.”¹¹⁴

109 Government of Canada, [Information about Registered Education Savings Plans \(RESPs\)](#), [Canada Education Savings Grant – Overview](#), [Additional Canada Education Savings Grant – Overview](#), and [Canada Learning Bond](#).

110 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016 (Mary Pichette, Director General, Canada Student Loans Program, ESDC).

111 Canada Revenue Agency, [Line 323 – Your tuition, education, and textbook amounts](#) and [Line 319 – Interest paid on your student loans](#).

112 Government of Canada, [Post-secondary education](#); and Indigenous and Northern Affairs Canada (INAC), [Post-Secondary Student Support Program](#) and [University and College Entrance Preparation Program](#). See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016 (Paula Isaak, Assistant Deputy Minister, Education and Social Development Programs and Partnerships, INAC).

113 Government of Canada, 2016-17 Report on Plans and Priorities – Section II: Analysis of Programs by Strategic Outcome, [Sub-Program 2.1.14: Literacy and Essential Skills](#).

114 Government of Canada, [National Strategy for Financial Literacy – Count me in, Canada](#). See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016, 0855 (Jérémy Ryan, Director, Financial Literacy and Stakeholder Engagement, Financial Consumer Agency of Canada).

The federal government also invests in skills training and employment through the Labour Market Development Agreements and the Canada Job Fund Agreements, which are funding agreements with the provinces and territories to help unemployed or underemployed Canadians access the training and services they need to pursue opportunities for a better future. It should be noted that the Canada Job Fund Agreements include the Canada Job Grant, which is designed to help employers train new or existing employees for jobs that need to be filled.¹¹⁵ Each year, the federal government provides the provinces and territories \$1.95 billion through the Labour Market Development Agreements and \$500 million through the Canada Job Fund Agreements.¹¹⁶

Finally, financial support is also provided by the federal government to those facing multiple barriers to training and employment such as youth, people with disabilities and Indigenous peoples. Through the Youth Employment Strategy, for example, funding is provided for employers and organizations to create job opportunities for youth, as well as to design and deliver activities to enable youth to develop a broad range of skills and make informed career decisions. Under this initiative, the Skills Link stream helps vulnerable youth, especially those individuals who have dropped out of high school or are not pursuing education. Similarly, the Opportunities Fund for Persons with Disabilities provides funding for organizations to help people with disabilities prepare for, obtain and maintain employment or self-employment. Through the Aboriginal Skills and Employment Training Strategy, Indigenous people are enabled to develop employment skills and pursue training for lasting employment.¹¹⁷

2. Budget 2016 measures

Budget 2016 announced a series of contributions in the areas of education, skills training, and employment, listed in detail in Appendix A of this report. Notably, Budget 2016 announced an investment of \$500 million in 2017-2018 to support the establishment of a national framework on early learning and child care, in collaboration with the provinces and territories. Of this amount, \$100 million was proposed in relation to Indigenous child care and early learning on reserve.¹¹⁸ It should be noted that, in her appearance before the Committee, the representative from INAC indicated that the Department is currently working with other federal partners in order to support school readiness by, among other measures, developing an early learning and child care framework for First Nations.¹¹⁹

Budget 2016 also announced a series of investments which have the objective of making post-secondary education more affordable. These measures include enhancing the Canada Student Grants by, for example, increasing the grants for students from

115 Government of Canada, [Labour Market Development Agreements](#), [Canada Job Fund Agreements](#), and [Canada Job Grant](#).

116 Government of Canada, [Growing the Middle Class](#), Budget 2016, 22 March 2016, p. 80.

117 Government of Canada, [Youth Employment Strategy](#), [Funding: Skills Link](#), [Funding: Opportunities Fund for Persons with Disabilities – Overview](#), and [Aboriginal Skills and Employment Training Strategy](#).

118 Government of Canada, [Growing the Middle Class](#), Budget 2016, 22 March 2016.

119 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016 (Paula Isaak, Assistant Deputy Minister, Education and Social Development Programs and Partnerships, INAC).

low-income families from \$2,000 to \$3,000 per year. In addition, Budget 2016 proposed to increase the loan repayment threshold under the Canada Student Loans Program's Repayment Assistance Plan, so that repayment is only required once a borrower is making at least \$25,000 a year, instead of \$20,210 a year.¹²⁰

Further, Budget 2016 announced investments to enhance the skills and employment opportunities of unemployed and underemployed Canadians, through an additional investment of \$125 million for the Labour Market Development Agreements and an additional \$50 million towards the Canada Job Fund Agreements in 2016-2017. Additional investments were also announced with respect to the Youth Employment Strategy in the form of \$165.4 million in 2016-2017. Budget 2016 also proposed the allocation of \$15 million over two years, starting in 2016-2017, towards the Aboriginal Skills and Employment Training Strategy.¹²¹

B. What the Committee Heard

1. Education and skills training

Witnesses appearing before the Committee agreed that a strong link exists between education and skills training and poverty reduction. According to ESDC officials “[h]igher levels of education are linked to higher earning potential, a lower likelihood of unemployment, greater resilience during economic downturns, and many other public, private, social, and economic benefits.”¹²² The following graphs provided by Statistics Canada show that, for both men and women, those with less than a high school education have the lowest earnings while those with a university degree have the highest earnings. The graphs also reveal that education significantly reduces the gap in employment rates between the off-reserve Indigenous population and the rest of the population, as well as between people with disabilities and those with no disabilities.¹²³

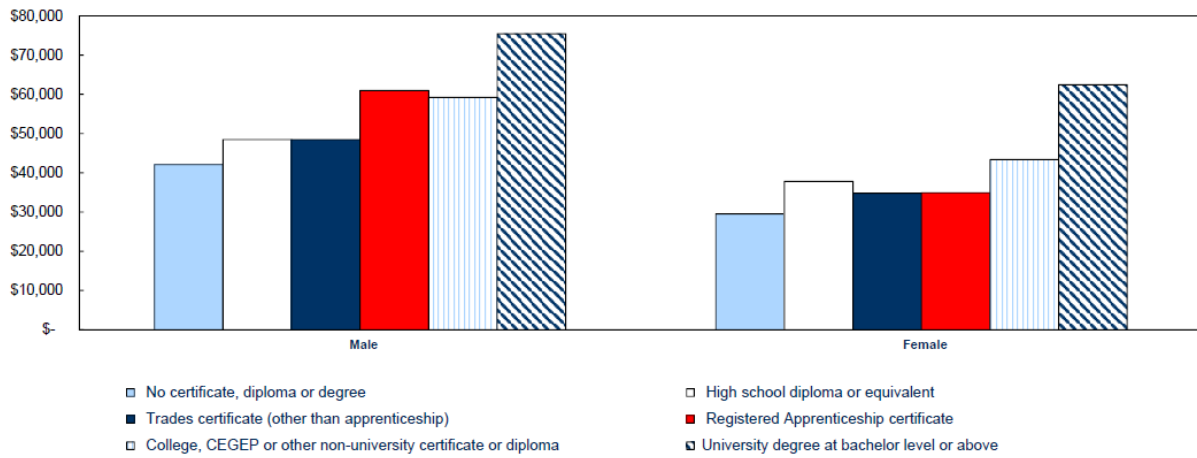
120 Government of Canada, [Growing the Middle Class](#), Budget 2016, 22 March 2016.

121 Ibid.

122 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016, 0910 (Mary Pichette, Director General, Canada Student Loans Program, ESDC).

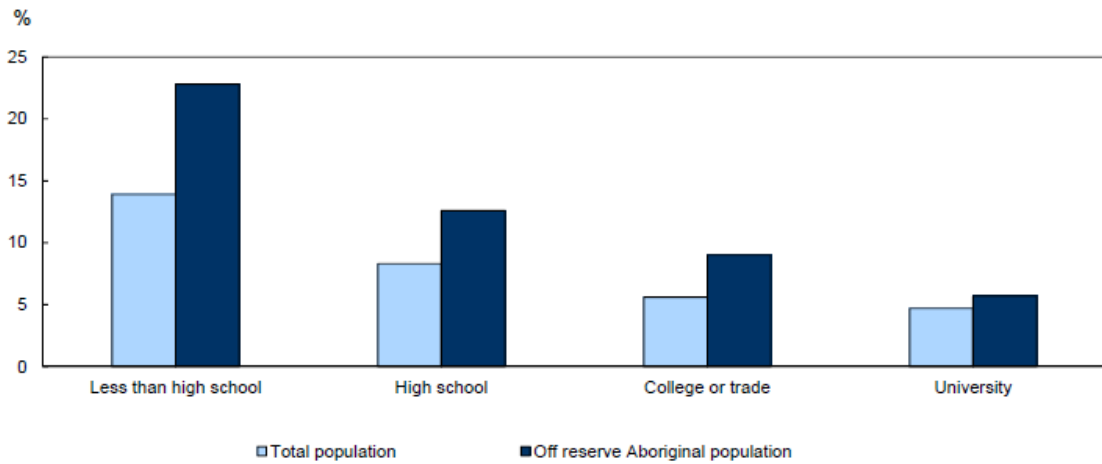
123 Reference document submitted by Statistics Canada, “Education and Training: Presentation to the Stating Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities,” 15 November 2016, pp. 10 to 12.

Chart 3: Median employment income of full time full year paid employees aged 25 to 64 by highest certificate, diploma or degree, 2010



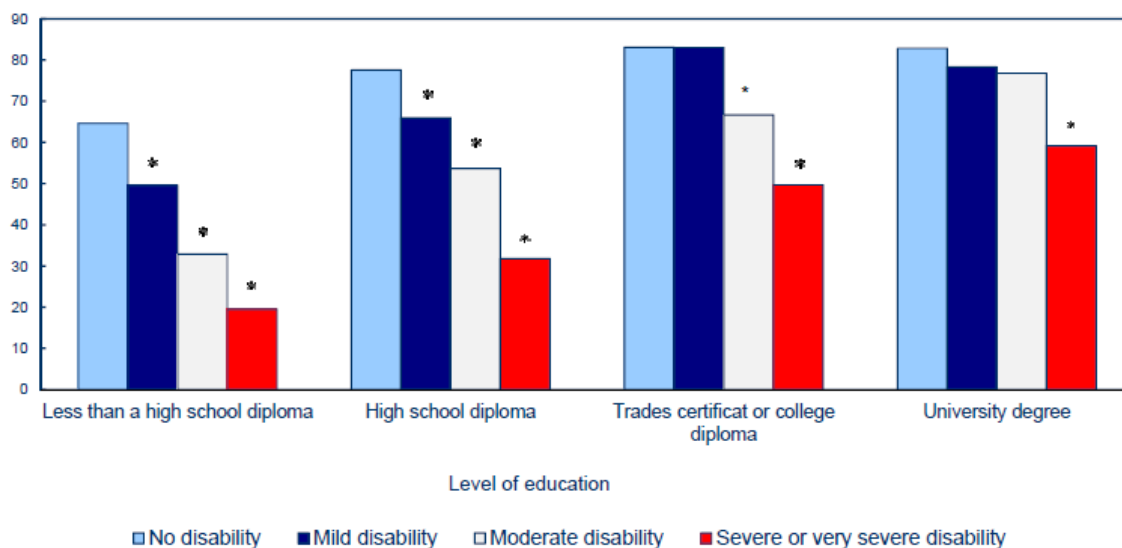
Source: 2011 National Household Survey

Chart 4: Unemployment rates of total population and off reserve Aboriginal population aged 15 and over, Canada, 2015



Source: Education indicators in Canada: Report of the Pan-Canadian Education Indicators Program, June 2016

Chart 5: Employment rate adjusted for age difference, by education level and severity of disability



Source: Canadian Survey on Disability, 2012

While the importance of education and skills training for reducing poverty was well established, witnesses cautioned that there are multiple challenges along the way to improving educational attainment. These challenges, the testimony noted, arise at various stages of the educational system, from early learning to adult education, and may have a greater impact on individuals from vulnerable groups.

a. Early learning and childhood development

The first few years in a child’s life were described by witnesses as essential for building the skill set necessary for breaking the cycle of multigenerational poverty, especially literacy, numeracy, and language skills. Jennifer Flanagan, Chief Executive Officer at Actua, explained that skills development must also start early in elementary school for the fields of science, technology, engineering, and math (STEM), fields in which children and youth from low-income families have traditionally been under-represented.¹²⁴ Heather Smith, President of the Canadian Teachers’ Federation, cautioned that, given that schools are preparing children for a workplace or a job that may not yet exist, more emphasis should be placed on soft skills like critical thinking and problem solving. Similarly, Kory Wood, President of Kikinaw Energy Services, spoke about the importance of developing goal setting skills from an early age, especially for individuals trying to overcome multigenerational poverty.¹²⁵

124 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Jennifer Flanagan, Chief Executive Officer, Actua).

125 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Heather Smith, President, Canadian Teachers’ Federation). See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 29 November 2016 (Kory Wood, Kikinaw Energy Services).

Witnesses also noted that children and youth who live in poverty face unique challenges, such as housing inadequacy and food insecurity, and therefore require additional resources in order to succeed in the education system. These additional resources, as explained in a brief submitted by Living SJ, are unique for each child and can include enriched education, mentorship as well as social, health, and recreation supports. Witnesses therefore emphasized the importance of after-school and other programs, noting that schools alone cannot supply what every child needs.¹²⁶

During its study, the Committee learned that child poverty is a reality in Canada, with the City of Saint John, New Brunswick, having the highest rate of child poverty in the country. The Committee also heard that numerous organizations across Canada are working towards improving childhood development outcomes. For example, the Boys and Girls Clubs of Canada provide after-school programming for children and youth in impoverished communities, including financial literacy education. Similarly, the YMCA of Greater Saint John operates an early learning centre, which offers free kindergarten readiness programs for children not in licensed care, among other supports for families.¹²⁷

Overall, witnesses noted that greater resources are needed for early learning and childhood development, and welcomed federal initiatives towards the establishment of a national strategy for early learning. While witnesses indicated that there is a role for the federal government to play in this regard, Reagan Weeks, Assistant Superintendent at the Prairie Rose School Division, suggested that it would be critical to modify any national strategy to fit the community context. In her opinion, if children are not integrated with the larger learning community, the risk exists for the current gap in early learning to be widened inadvertently. In addition, Jeffrey Bizans, Co-Chair of EndPovertyEdmonton, indicated that it would be important to build the well-educated workforce that is needed for high-quality care, as well as ensure that research is conducted to support continued improvements in early learning and care.¹²⁸

b. Saving for post-secondary education and the Registered Education Savings Plan

While the objective of RESPs and associated savings incentives is to accumulate funds towards the future costs of post-secondary education, Courtney Hare, Manager of Public Policy at Momentum, indicated that not all parents are opening RESP accounts for their children and that, as a result, unclaimed Canada Learning Bond funds amount to approximately \$3 billion. In her testimony, she noted the need for more asset building

126 [Brief submitted by Living SJ](#), 1 March 2017. See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2017 (Rachel Gouin, Director, Research and Public Policy, Boys and Girls Clubs of Canada; and Achan Akwai Cham, Volunteer and Alumna, Boys and Girls Club of Canada).

127 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Shilo Boucher, President and Chief Executive Officer, YMCA of Greater Saint John; and Erin Schryer, Executive Director, Elementary Literacy Inc.). See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Rachel Gouin, Director, Research and Public Policy, Boys and Girls Clubs of Canada; and Achan Akwai Cham, Volunteer and Alumna, Boys and Girls Club of Canada).

128 Ibid. See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Reagan Weeks, Assistant Superintendent, Alberta Education, Prairie Rose School Division); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Jeffrey Bizans, Co-Chair, EndPovertyEdmonton).

programs in order to address this problem, suggesting lack of knowledge about tools like the RESPs and limited financial means as contributory factors. Derek Cook, Director of the Canadian Poverty Institute, also noted that limits on allowable assets for welfare applicants lead indirectly to people divesting their RESPs in order to qualify.¹²⁹

A brief submitted by the Canadian Alliance of Student Associations further explained that RESPs are being “disproportionately enjoyed” by higher income families as greater RESP contributions trigger a higher percentage in savings grants from the federal government.¹³⁰ Data shared by Statistics Canada with the Committee shows that, while parents in the lowest income category are increasingly saving for their children, as of 2013, families with household income between \$30,000 and \$50,000 accumulated an average of \$6,500 in RESPs, while families with household income of \$100,000 and over accumulated \$12,713.¹³¹

Accordingly, the Canadian Alliance of Student Associations recommended in its brief that access to this program be improved for low-income applicants. For example, rather than requiring an application, the brief suggested that the Canada Learning Bond be granted automatically to those who qualify when filing their taxes and that it be proactively distributed through a voucher that could be deposited into a child’s RESP plan, at an approximate cost of \$200 million. In addition, the brief recommended that the Canada Education Savings Grants be reduced from 20% to 10% for families with a total annual income in the top quintile of Canadian incomes in order to pay for the expansion of the Canada Learning Bond, an initiative that is estimated to save approximately \$200 million.¹³² Similarly, Ms. Hare suggested that funding be shifted away from the Canada Education Savings Grant to the Canada Learning Bond.¹³³

c. The cost of post-secondary and postgraduate education

The Committee also learned about the rising cost of post-secondary and postgraduate education. According to data provided by Statistics Canada during the study, undergraduate tuition fees have increased in almost every province during the period from 2008-2009 to 2016-2017, except in the provinces of Alberta and Newfoundland and Labrador.¹³⁴ Bilan Arte, National Chairperson of the Canadian Federation of Students, explained that, while post-secondary education is required for most jobs in today’s labour

129 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Courtney Hare, Manager of Public Policy, Momentum). See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 20 October 2016 (Derek Cook, Director, Canadian Poverty Institute).

130 [Brief submitted by Canadian Alliance of Student Associations](#).

131 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016 (Heather Dryburgh, Director, Tourism and Centre for Education Statistics, Statistics Canada). See also Reference document submitted by Statistics Canada, “Post-secondary savings is on parents’ radar no matter the household income, 2013.”

132 [Brief submitted by Canadian Alliance of Student Associations](#).

133 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Courtney Hare, Manager of Public Policy, Momentum).

134 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016 (Heather Dryburgh, Director, Tourism and Centre for Education Statistics, Statistics Canada).

market, it is disproportionately accessed by Canadians from higher income families, with individuals from vulnerable groups such as new immigrants, refugees, visible minorities, people with disabilities, and youth from low-income families often being left behind for lacking the necessary resources.¹³⁵

According to the brief submitted by the Canadian Alliance of Student Associations, for Indigenous people, lack of funding is one of the principal barriers to accessing post-secondary education, despite the existence of the federal Post-Secondary Student Support Program. Testimony provided by witnesses in this regard revealed that annual funding increases for this program have been capped at 2% for approximately 20 years and that, as a result, funding for the post-secondary education of First Nation and eligible Inuit students has not kept up with the rise in tuition fees and living costs or with the growing demand to pursue post-secondary education.

Danielle Levine, Executive Director at the Aboriginal Social Enterprise Program, explained to the Committee that this “significant gap in funding” has led band councils to make difficult decisions, such as funding the post-secondary education of selected individuals or supporting enrolment in trades and bachelor’s degrees at the expense of other programs. Ms. Arte added that band councils are also more likely to fund programs that take fewer years to complete, and that many Indigenous students are forced to drop out of post-secondary education because they lack ongoing financial assistance. The waiting list of Indigenous youth who would like to pursue higher levels of education, she noted, has been estimated at 10,000 students.¹³⁶

Witnesses also spoke about financial barriers to accessing postgraduate education, indicating that masters and other graduate degrees are associated with lower unemployment rates and higher incomes. According to the Canadian Alliance of Student Associations’ brief, given that these programs often charge much higher tuition fees than other post-secondary education programs, low-income Canadians as well as students from under-represented groups are less likely to access them. This is especially the case as federal support for graduate students is primarily provided through merit-based scholarships rather than through needs-based grants.¹³⁷

Even in circumstances where elevated tuition fees do not constitute a barrier to accessing higher levels of education, witnesses agreed that they still constitute a significant burden on people. For example, elevated tuition fees may force students to balance school and work in order to make ends meet, may contribute to high student debt upon graduation, and may have other long-term societal repercussions such as individuals postponing leaving their family homes or delaying marriage or having children. According

135 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Bilan Arte, National Chairperson, Canadian Federation of Students).

136 [Brief submitted by Canadian Alliance of Student Associations](#). See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Danielle Levine, Executive Director, Aboriginal Social Enterprise Program); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Bilan Arte, National Chairperson, Canadian Federation of Students).

137 [Brief submitted by Canadian Alliance of Student Associations](#).

to data submitted by Statistics Canada, more than 4 out of 10 post-secondary education students who graduated in 2010 had debt upon graduation.¹³⁸

Speaking about the Canada Student Loans Program's Repayment Assistance Plan, Ms. Arte cautioned that, although the threshold has been increased so that repayment is only required once a borrower is making at least \$25,000 a year, this figure still constitutes an earning level that is very close to the poverty line.

Overall, in order to address the above-noted challenges, witnesses called for additional allocation of resources with respect to post-secondary and postgraduate education. Ms. Arte, for example, supported the notion of a fully funded, universal system of post-secondary education. In its brief to the Committee, the Canadian Poverty Institute specifically recommended that the Canada Social Transfer be split in order to create a Canada Education Transfer (CET), that investment through the CET be increased to levels similar to those previously provided under the Canada Assistance Plan, and that conditions be established for the CET that would provide reasonable limits on tuition. Regarding the Post-Secondary Student Support Program, Ms. Arte recommended that the 2% cap on annual funding increases be removed, whereas the Canadian Alliance of Student Associations called for a fully funded program and for the long waiting list to be addressed.

In its brief, the Canadian Alliance of Student Associations also suggested that the Canada Student Grants be expanded to include grant options targeted to under-represented groups and students with high financial needs, that the Canada Student Grants be indexed to the education component of the Consumer Price Index to maintain their purchasing power over the period of time a student is eligible to receive the grant, and that a Canada Student Grant for graduate students with high financial needs be established.¹³⁹

d. Financial literacy and vulnerable groups

The Committee also obtained extensive testimony about the role that financial literacy can play in poverty reduction, especially for people from vulnerable groups. The FCAC informed the Committee that 34% of newcomers, 37% of low-income Canadians, and 50% of Indigenous people living off reserve struggle to pay or are not keeping up with bills and payments. Speaking about the importance of financial literacy, Jérémie Ryan, Director of Financial Literacy and Stakeholder Engagement at the FCAC, indicated as follows:

138 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016 (Heather Dryburgh, Director, Tourism and Centre for Education Statistics, Statistics Canada); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Emily Norgang, Senior Researcher, Canadian Labour Congress).

139 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Bilan Arte, National Chairperson, Canadian Federation of Students). See also [Brief submitted by the Canadian Poverty Institute](#) and [Brief submitted by Canadian Alliance of Student Associations](#).

We know that giving consumers the knowledge, skills and confidence to manage their money gives them more control. Our research tells us that confidence in particular plays a key role. If people are more confident, they are more likely to shop around, ask questions, negotiate, and use products and services that can help them manage their money and save, such as RESPs and TFSAs.¹⁴⁰

While the Committee was told about federal initiatives to improve financial literacy outcomes in Canada, such as “Count me in, Canada,” and about important work that is being done through financial empowerment programs offered by organizations like Momentum, witnesses expressed concerns about low-income Canadians’ increasing reliance on payday loans and similar services. Data provided by the FCAC reveals that the proportion of Canadians using payday loans has more than doubled, from 1.9% in 2009 to 4.3% in 2014.¹⁴¹ According to Laura Cattari, Campaign Co-ordinator at the Hamilton Roundtable for Poverty Reduction, payday loans are provided for a very limited period of time, usually two weeks, and have an annual interest rate that is approximately 550%. As a result, she noted, many customers fall thousands of dollars in debt to payday lenders.¹⁴²

Witnesses also expressed concerns about the fact that financial planners are not properly regulated in Canada, often giving advice to low-income Canadians that is more damaging than beneficial. According to Wanda Morris, Chief Operating Officer at the Canadian Association of Retired Persons, very low-income earners are often encouraged to contribute to an RRSP as their investment vehicle when, in fact, this measure results in very little tax benefits at the time the contribution is made as well as in direct claw backs on their GIS or other benefits upon withdrawal.¹⁴³

The Committee was also told about financial literacy programming as it impacts Indigenous peoples. According to Ms. Levine, available financial literacy programming across Canada takes the form of group-based training and is not geared to the individual. Given that Indigenous peoples are often not receptive to speaking about their personal financial circumstances in a public forum, she noted that these programs are not always suitable for them.¹⁴⁴

Overall, witnesses recommended that financial literacy programming be personalized to an individual’s challenges and unique circumstances, and also called on the federal government to better regulate the payday loan industry as well as financial planners. Witnesses also suggested that the federal government work with the Canadian Bankers Association to update its 2014 low-cost account guidelines, with the objective of ensuring

140 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 November 2016, 0900 (Jérémie Ryan, Director, Financial Literacy and Stakeholder Engagement, Financial Consumer Agency of Canada).

141 Ibid. See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Courtney Hare, Manager of Public Policy, Momentum).

142 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 29 November 2016 (Laura Cattari, Campaign Co-ordinator, Hamilton Roundtable for Poverty Reduction).

143 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 25 October 2016 (Wanda Morris, Chief Operating Officer, Vice-President of Advocacy, Canadian Association of Retired Persons; and Brad Brain, Registered Financial Planner, Brad Brain Financial Planning Inc.).

144 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Danielle Levine, Executive Director, Aboriginal Social Enterprise Program).

that more Canadians can access safe and affordable financial services. It was also suggested that the federal government invest in asset-building programs for low-income Canadians.¹⁴⁵ In addition, with respect to Indigenous peoples, Ms. Levine recommended that it would be important for the federal government to continue funding existing programming; as well as to invest in strategic areas, including asset development, through initiatives such as matched savings, affordable home ownership, and micro-finance.¹⁴⁶

e. Recognition of foreign credentials

According to Vanessa Desa, Vice-Chair of the Board of Directors for Immigrant Access Fund Canada, recent immigrants to Canada face additional challenges linked to education, including inequitable licensing processes as well as lack of access to financial resources for training and certification, all of which are having an impact on their poverty rates. Specifically, she noted that 41% of chronically poor immigrants have university degrees. In her appearance before the Committee, she described this situation as follows:

Despite the fact that Canada actively recruits skilled immigrants for the contributions that they and their families can make to our economy and our future, we have not created the conditions to allow them to thrive. Despite their higher levels of education, on average, they face higher unemployment rates and lower wages than Canadian-born workers, and are disproportionately represented in Canadian poverty statistics... This is preventable poverty, devastating to the families who experience it and who arrive on our shores expecting so much more, and a huge loss to Canada's economy and to all of us as Canadians.¹⁴⁷

A brief submitted by her organization explained that foreign credential recognition processes “lack clarity, are complex, vary by province and territory, and can be very lengthy.” For example, in order to have their credentials assessed, registered and licensed nurses have to apply to a national body before they can apply provincially. This national body will often contract with an organization in the United States, which will then collect the required documentation from employers, universities and registration bodies in the applicants’ home countries, and charge an additional fee if this documentation is neither in English nor French.

The brief further explained that these processes are also very expensive, indicating that assessments of credentials along with fees for exams, tuition, books, and course materials can cost upwards of \$50,000. These costs occur at the same time as earnings drop or cease during the licensing and training period as people devote their time and attention to studying. Unpaid internships, such as those for pharmacists and physiotherapists, for example, appear to be on the rise. In addition, those on social

145 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Courtney Hare, Manager of Public Policy, Momentum); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 29 November 2016 (Laura Cattari, Campaign Co-ordinator, Hamilton Roundtable for Poverty Reduction); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 25 October 2016 (Wanda Morris, Chief Operating Officer, Vice-President of Advocacy, Canadian Association of Retired Persons; and Brad Brain, Registered Financial Planner, Brad Brain Financial Planning Inc.).

146 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016 (Danielle Levine, Executive Director, Aboriginal Social Enterprise Program).

147 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 1030 (Vanessa Desa, Vice-Chair, Board of Directors, Immigrant Access Fund Canada).

assistance face the risk of losing their funding if they obtain a loan from organizations such as Immigrant Access Fund Canada. As a result, Ms. Desa reported that, after four years in Canada, only 28% of newcomers with foreign credentials were able to have them recognized.

In order to address the various challenges associated with the recognition of international qualifications among immigrants to Canada, Ms. Desa recommended that the systemic barriers in licensing and credential recognition processes continue to be addressed, despite progress made through the pan-Canadian framework developed under the Forum of Labour Market Ministers. Ms. Desa further suggested that the federal government ensure that the policies and practices of regulatory bodies and other stakeholders be aligned to better support the labour market integration process faced by immigrants. Finally, she recommended that the federal government “create an environment that inspires, supports, and rewards social innovation and social finance.”¹⁴⁸

2. Employment

In addition to barriers linked to education and skills training, the Committee was told about challenges with respect to employment. These include gaps in the transition from education to employment, what some witnesses noted was an increase in various forms of precarious employment, as well as lack of affordable and accessible child care. People with disabilities, the testimony noted, also face additional challenges in obtaining and maintaining employment. The Committee learned that, combined, all of these factors are contributing to the poverty rates of people in vulnerable groups.

a. The gap between education and employment

The Committee heard that there are a series of challenges associated with the transition from education to employment which, when coupled with other issues such as precarious employment, are leading youth to question the value of post-secondary education. In this regard, Lynne Bezanson, Executive Board Member of the Canadian Council of Career Development, indicated as follows:

There is ample evidence to demonstrate that career education and support services over the lifespan as well as workplace learning opportunities produce positive education and labour market outcomes, not in isolation but as key components, and in Canada they are traditionally underused as accessible and affordable labour market and poverty reduction strategies.¹⁴⁹

During her appearance before the Committee, Ms. Bezanson explained that the career services available to those transitioning from school to work, or simply from one job to another, are neither consistent nor coordinated. This is owed to a lack of collaboration at the community level, between the educational institutions and the business community, as well as at the national level. She noted specifically that successful programs, such as the

148 Ibid. See also [Brief submitted by Immigrant Access Fund Canada](#), 3 March 2017.

149 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016, 0850 (Lynne Bezanson, Executive Board Member, Canadian Council for Career Development).

one in place in New Brunswick that connects students in grades 10 to 12 with employers, are not widely known outside of that jurisdiction.¹⁵⁰

Further, witnesses indicated that although the overwhelming majority of jobs require prior work experience, this is actually very difficult to secure, especially as access to co-op programs and paid internships is very limited. The rate of on-the-job training for youth is also very low. According to Emily Norgang, Senior Researcher at the Canadian Labour Congress, for example, only 1 in 5 employers actually hire and train apprentices. While there are excellent programs to address some of these challenges, Ms. Bezanson noted that there are problems around access, implementation and sustained funding. There are also very few incentives to encourage employers to hire young graduates, or avenues for the business community to indicate what they need in order to hire more youth.¹⁵¹

Data provided by Monique Moreau, Director of National Affairs at the Canadian Federation of Independent Business, reveals that, in 2015, a new hire with no previous work experience cost small businesses approximately \$4,200 to train, while a new hire with some work experience cost approximately \$2,800. Although small businesses invest heavily in training, she noted that “the current government model [of workforce development] does not fully address the training needs of small businesses, nor does it recognize the realities of training in a small business.”¹⁵² For example, training investments made by the government do not always match the skills training that employers need, with on-the-job mentoring being the preferred method for employers. As a result, she indicated, 84% of small businesses reported in 2015 not having used government-sponsored programs over the previous three years. Those few businesses that did use them, however, identified apprenticeship-tax credits as their preference. Ms. Hare further explained that the Canada Job Grant has not always been used to benefit those individuals who experience barriers to employment. In Alberta, for example, she indicated that 98% of these funds have been used to support people who were already working.¹⁵³

Avenues suggested by witnesses to close the gap in the transition from education to employment included the establishment of a national school-to-work transition strategy, that would be built on the foundation of successful initiatives in place in Canada and abroad and that would bring together key stakeholders in the educational and business sectors. In this regard, Ms. Bezanson cited the example of the European Youth Guarantee program, which ensures that young people have access to continuing education, apprenticeships and/or employment after leaving formal education. In its brief, the

150 Ibid.

151 Ibid. (Lynne Bezanson, Executive Board Member, Canadian Council for Career Development; and Emily Norgang, Senior Researcher, Canadian Labour Congress).

152 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016, 0855 (Monique Moreau, Director of National Affairs, Canadian Federation of Independent Business).

153 Ibid. (Monique Moreau, Director of National Affairs, Canadian Federation of Independent Business; and Courtney Hare, Manager of Public Policy, Momentum).

Canadian Alliance of Student Associations also raised the idea about a national school-to-work transition strategy.¹⁵⁴

Further, Valérie Roy, Director General at the Regroupement québécois des organismes pour le développement de l'employabilité, called for increased funding for programs such as the Skills Link component of the Youth Employment Training Strategy, for more flexible transfer agreements with the provinces and territories, as well as for the establishment of a career development frame of reference through the Forum of Labour Market Ministers.¹⁵⁵ Similarly, Ms. Hare suggested that the federal government amend the Canada Job Fund Agreements and dismantle the Canada Job Grant program to ensure that funds are allocated towards the training of individuals facing multiple barriers to employment, rather than primarily to the upskilling of those who are already employed. In addition, Ms. Moreau proposed the introduction of an EI training credit to better support the training efforts of small- and medium-sized businesses.¹⁵⁶ Another suggestion made by witnesses included creating work experience opportunities and incentives for students and recent graduates in in-demand sectors of the economy.¹⁵⁷

b. Precarious employment

According to Ms. Bezanson, Canada has “the highest rates of post-secondary education degree-holders in the OECD [Organization for Economic Co-operation and Development] who are working in jobs from which they earn half or below half of the median income, which is the commonly accepted cut-off point for poverty.”¹⁵⁸ She also noted that Indigenous and immigrant youth, as well as people with disabilities, face even greater challenges. Combined, precarious forms of employment were described to the Committee as leading to higher rates of youth poverty and to the expansion of the working poor.¹⁵⁹ A reference document submitted by the Canadian Labour Congress indicates the following:

154 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Lynne Bezanson, Executive Board Member, Canadian Council for Career Development). See also [Brief submitted by Canadian Alliance of Student Associations](#).

155 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 29 November 2016 (Valérie Roy, Regroupement québécois des organismes pour le développement de l'employabilité).

156 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 22 November 2016, 0855 (Monique Moreau, Director of National Affairs, Canadian Federation of Independent Business; and Courtney Hare, Manager of Public Policy, Momentum). See also Brief submitted by the Canadian Federation of Independent Business, “[SME Views on Poverty Reduction Strategies: Presentation to the Standing Committee on Human Resources, Skills and Social Development](#),” 22 November 2016.

157 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Lynne Bezanson, Executive Board Member, Canadian Council for Career Development).

158 Ibid., 0850.

159 Ibid.

Young workers have not fared well over the past three decades in terms of employment and income... Although this can be expected to a degree, since young Canadians may have fewer developed skills and are less likely to be as advanced along their career path, low wages combined with the degradation of job quality raises concerns. Workplaces are changing and although trends like the growth of non-standard working relationships, the growing service sector, globalization and trade liberalization, and technological change present new opportunities, they also threaten to undermine labour laws, employment standards and other safeguards that are in place to protect workers and their communities.¹⁶⁰

Data provided by Ms. Norgang shows that precarious employment has become a norm for young Canadians, with 1 in 4 youth being underemployed and with 1 in 5 youth being in part-time employment involuntarily. What were once entry-level positions have now become long-term jobs. As a result, there has been an increase in the number of youth holding multiple jobs. Ms. Norgang also stated that there has been a “drastic rise” of employers misclassifying workers as self-employed, which has the effect of shifting the costs and risks of owning a business onto the workers themselves and of denying workers basic employment standards such as minimum wage and hours of work. She also noted that, while 37% of workers in their early 50s have a workplace pension plan, only 9% of those in their early 20s do.¹⁶¹

In a brief submitted to the Committee, YWCA Canada cautioned that the general trend away from full-time permanent employment has impacted men and women differently, and that women are more likely to earn minimum wage and to be engaged in precarious employment than their male counterparts. The brief also noted that the feminization of certain occupations, in particular, has contributed to higher rates of labour force insecurity for women, as these positions are often characterized by lower wages as well as by lack of benefits and job security. Further, according to Kendra Milne, Director of Law Reform at the West Coast LEAF, women in Canada earn less than men in full-time annual earnings; a gap that is larger for Indigenous, disabled and racialized women.¹⁶²

According to Ms. Desa, recent immigrants are also more likely to be in precarious employment. At the time of their application for a loan with the Immigrant Access Fund Canada, she noted, 42% of applicants were unemployed and the remaining 58% were in survival jobs. In addition to the barriers identified above with regards to the recognition of foreign credentials, recent immigrants are often required by employers to have Canadian work experience, and are excluded from the social and informational networks that can lead to employment.¹⁶³

160 Reference document submitted by the Canadian Labour Congress, “Diverse, Engaged, and Precariously Employed: An In-Depth Look at Young Workers in Canada,” August 2016, pp. 5 to 6.

161 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Emily Norgang, Senior Researcher, Canadian Labour Congress).

162 Brief submitted by YWCA Canada, “[Reducing Poverty for Women, Girls & Gender Non-Conforming People](#).” See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Kendra Milne, Director, Law Reform, West Coast LEAF).

163 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Vanessa Desa, Vice-Chair, Board of Directors, Immigrant Access Fund Canada).

In order to address precarious employment, the representative from the Canadian Labour Congress recommended that the federal government explore the creation of a youth guarantee program, similar to the one in place in Europe, to guarantee youth either training or employment following the end of formal education, as explained above. While some positive steps have been taken to address precarious-employment related issues, such as the Canada Summer Jobs program, she noted that more needs to be done in this regard. For example, the Canada Summer Jobs program could be extended beyond the summer months and two-tier contracts could be banned. She also suggested that the federal government review and revise employment standards legislation to ensure it addresses the changing nature of the workplace, and that a national poverty reduction strategy developed by the federal government take into account Canada's diversity in order to ensure equality of opportunity.¹⁶⁴

With respect to the precarious employment of recent immigrants, Ms. Desa recommended that the federal government recognize the role that mentoring and bridging programs can play in supporting immigrants overcome barriers to employment.¹⁶⁵

c. The impact of child care on the employment of women

Though also recognized as a barrier to education and skills training, witnesses appearing before the Committee spoke at length about insufficient affordable and accessible child care as a barrier to women's full integration into the workforce and as one of the causes of poverty for women. Given its impact on the employment of women, lack of affordable and accessible child care is one of the contributory factors to women having overall lower employment earnings, lower pensionable earnings, as well as lower retirement savings. As a result, women continue to disproportionately live in poverty later in life, with caregiving impacting a woman's financial security throughout her life.

According to Ms. Mile, the median cost of child care in the province of British Columbia is between \$1,200 and \$1,300 a month, which constitutes the second largest expense for families after housing. Pamela McConnell, Deputy Mayor of the City of Toronto, remarked that, in Toronto, the cost of child care can be as high as \$2,350 a month. For women parenting alone, Ms. Milne noted, the cost of child care constitutes an "insurmountable barrier to employment" as they cannot realistically earn enough to afford child care and other basic necessities of life. This, in turn, forces many women to rely on social assistance and other forms of financial dependency. Women parenting as part of a couple, however, also face difficulties with respect to caregiving. Indeed, the high cost of

164 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Emily Norgang, Senior Researcher, Canadian Labour Congress).

Two-tier contracts have been described as arrangements characterized by different scales of compensation and benefits, such that new employees may receive lower wages, longer probationary periods, or different pensions and benefits, than workers performing the same job who were hired at an earlier date. These differences may be temporary or permanent. Given that new employees tend to be younger, two-tier contracts create concerns about discrimination on the basis of age. For additional information, please refer to YouthandWork.ca, "[Prevailing Conditions. Necessary Choices? Michael MacNeil on Two-Tiered Wages](#)," 2 October 2012.

165 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Vanessa Desa, Vice-Chair, Board of Directors, Immigrant Access Fund Canada).

child care means that the lower earning parent, who is often the mother, will sometimes forgo employment in order to fill the gaps in child care or reduce the costs of care. In these situations, if the relationship breaks down, women may be at risk of poverty.¹⁶⁶

In addition to affordability issues around caregiving, some witnesses spoke about the lack of accessible child care. Ms Cattari told the Committee about a high-priority neighbourhood in Hamilton, Ontario, where there were zero licensed child care spaces available and 1,755 children under the age of 12. Further, Tracy O’Hearn, Executive Director for the Pauktuutit Inuit Women of Canada, indicated that there is a “pervasive and chronic lack of child care” in Inuit communities. Witnesses also spoke about the long waiting lists associated with accessing affordable child care. In contrast, Ms. McConnell indicated that Toronto has 4,000 vacant child care spaces despite waiting lists, as they are unaffordable without subsidies.¹⁶⁷

The majority of witnesses who addressed this subject agreed that there is a need for affordable and accessible child care. Ms. Cattari, for example, called for affordable universal child care, with a focus on placing centres in high-priority neighbourhoods; as well as for greater support for community-based, not private, child care centres. In addition, Ms. Milne suggested that federal funding in this regard adhere to human rights and gender principles in order to ensure that the needs of women who live in poverty are met. Witnesses also emphasized the importance of family development within the context of child care, indicating that greater supports for families living in poverty are necessary and that this topic should be addressed alongside the issue of early learning.¹⁶⁸

d. The employment of people with disabilities¹⁶⁹

The Committee was told that the unemployment rate for people with disabilities is extremely high and that, as a result, people with disabilities are twice as likely to live below the poverty line. Data shared with the Committee by the organization Every Canadian Counts reveals that, in 2011, the employment rate for Canadians with disabilities was 49% compared to 79% for non-disabled Canadians.¹⁷⁰ This situation, witnesses explained, is

166 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Kendra Milne, Director, Law Reform, West Coast LEAF); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pamela McConnell, Deputy Mayor, City of Toronto). See also Brief submitted by the Women’s Centre of Calgary, “[A Poverty Reduction Strategy Must Address Gender Inequalities](#),” March 2017.

167 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 29 November 2016 (Laura Cattari, Campaign Co-ordinator, Hamilton Roundtable for Poverty Reduction); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Tracy O’Hearn, Executive Director, Pauktuutit Inuit Women of Canada); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pamela McConnell, Deputy Mayor, City of Toronto).

168 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 29 November 2016 (Laura Cattari, Campaign Co-ordinator, Hamilton Roundtable for Poverty Reduction); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Kendra Milne, Director, Law Reform, West Coast LEAF); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Shilo Boucher, President and Chief Executive Officer, YMCA of Greater Saint John; and Erin Schryer, Executive Director, Elementary Literacy Inc.).

169 Please note that challenges related specifically to mental illness and addiction will be addressed under a separate chapter dedicated to this topic.

170 Brief submitted by Every Canadian Counts, “[Alleviating Poverty Among Canadians Living with Chronic Disabilities](#),” February 2017.

owed to a complex array of misconceptions on the part of employers and society as a whole, as well as ineffective programs for people with disabilities.

During his appearance before the Committee, Mark Wafer, Tim Hortons franchisee, suggested that many employers fear that hiring a person with disabilities means hiring an employee who works slower, takes more sick time, requires more supervision, necessitates expensive accommodations, and is less innovative. In his experience, however, the opposite is true. He described some of the benefits of hiring people with disabilities as follows:

What we have discovered is that by building capacity and by including people in real jobs for real pay, we are creating a safer workplace. We are creating a more innovative workplace. We are reducing costs by reducing employee turnover, and much more. There is a clear economic case for being an inclusive employer.¹⁷¹

While the average annual turnover rate in the quick-service sector is approximately 100% to 125%, Mr. Wafer remarked that his turnover rate for the last 10 years has been under 40% owing to the fact that he is an inclusive employer. In 2015, for example, none of his 46 employees with a disability quit their employment, while the turnover rate for the other 200 employees without a disability was 55%.¹⁷² Garth Johnson, Chief Executive Officer at Meticulon, spoke of their experience as an IT consulting firm that hires people with autism, stating autistic individuals are “at a minimum 60% better, more productive, more efficient, [and] more accurate than their typically abled counterparts who they work with.”¹⁷³ In addition, they have never failed on a contract, which is rare in the IT consulting world.¹⁷⁴

With respect to accommodating people with disabilities, witnesses noted that the costs are not as high as employers fear. According to Mr. Wafer, 60% of employees with disabilities do not need accommodation at all, while 35% need some form of accommodation that is likely to cost on average \$500 or less.¹⁷⁵

In addition to being beneficial to their businesses, witnesses indicated that being an inclusive employer has also had major impacts on the well-being of people with disabilities themselves. Randy Lewis, former Senior Vice-President of Logistics and Supply Chain at Walgreens, shared with the Committee various personal stories of individuals with disabilities hired by this American firm:

171 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016, 0850 (Mark Wafer, President, Megleen operating as Tim Hortons).

172 Ibid. (Mark Wafer, President, Megleen operating as Tim Hortons).

173 Ibid., 0900 (Garth Johnson, Chief Executive Officer, Meticulon).

174 Ibid. (Garth Johnson, Chief Executive Officer, Meticulon).

175 Ibid. (Mark Wafer, President, Megleen operating as Tim Hortons).

... when I was in Connecticut, I talked to a young man who has multiple seizures a day who told me he had been looking for a job for 17 years and had been unsuccessful until then, or the terrific HR manager we got with cerebral palsy, who made all As in graduate school, and had 30 in-person interviews and not a single job offer, or the 50-something man with an intellectual disability who took his first paycheque home and came back the next day and asked his supervisor, “Why did my mom cry?” There are stories like that on and on.¹⁷⁶

Referring to this group as a “massive talent pool,” Mr. Wafer noted that, of all Canadians with disabilities who have graduated in the last five years, 447,000 of them have not found employment. Of this figure, he added, 270,000 have post-secondary education. The representative from Meticulon further illustrated this point by indicating that, for 85% of their employees with autism this constituted their first job, while the other 15% had prior experience in subsistence level jobs.¹⁷⁷

Speaking of the programs available to assist people with disabilities, witnesses indicated that they are “difficult to access, provide inadequate support, and do not transfer between provinces.” According to the brief submitted by the organization Every Canadian Counts, this fragmented system makes caregivers and their dependents vulnerable to poverty. In this regard, John Stapleton, Metcalf Foundation fellow, told the Committee that, while there is a “vast array of programs” for people with disabilities, these programs have actually had the effect of hindering a person’s incorporation into the workforce as a result of claw back provisions. Social assistance, for example, deducts all other forms of income, including wages, workers’ compensation, and EI sickness benefits.¹⁷⁸

Overall, witnesses suggested that a series of measures need to be taken to ensure the removal of barriers to employment for people with disabilities. Mr. Wafer, for example, recommended that the money that is currently being used to provide wage subsidies for employers under the Opportunities Fund for Persons with Disabilities instead be put towards engagement programs to educate the private sector about the benefits of hiring people with disabilities. Similarly, Mr. Johnson suggested that the federal government invest into research projects to study the business returns associated with hiring people with disabilities, thereby motivating private businesses to follow suit. Mr. Stapleton recommended that emphasis be placed on those programs that help with the transition into employment. Finally, in its brief, the organization Every Canadian Counts suggested the creation of a national disability support program, which would have the objective of providing access to homecare, transportation, and assistive devices necessary for disabled people to work.¹⁷⁹

176 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 29 November 2016, 0910 (Randy Lewis, Former Senior Vice-President, Walgreens).

177 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Mark Wafer, President, Megleen operating as Tim Hortons; and Garth Johnson, Chief Executive Officer, Meticulon).

178 Ibid. (John Stapleton, Fellow, Metcalf Foundation). See also Brief submitted by Every Canadian Counts, [“Alleviating Poverty Among Canadians Living with Chronic Disabilities.”](#) February 2017.

179 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Mark Wafer, President, Megleen operating as Tim Hortons; Garth Johnson, Chief Executive Officer, Meticulon; and John Stapleton, Fellow, Metcalf Foundation). See also Brief submitted by Every Canadian Counts, [“Alleviating Poverty Among Canadians Living with Chronic Disabilities.”](#) February 2017.

C. Innovative Approaches Linked to Education, Skills Training and Employment

During the course of the study, the Committee received testimony regarding various innovative ideas and projects in the areas of education, skills training and employment. These ideas and projects, which were often portrayed as innovative models that could be implemented at a larger scale to alleviate poverty rates, included:

- Learning Together: a pilot project in Saint John, New Brunswick, brought forward by the YMCA of Greater Saint John and Elementary Literacy Inc., that seeks to integrate child care, kindergarten, and the delivery of various social services in a school-based community hub. The objective of this pilot project is to increase access to early learning, along with readiness for school, for children from low-income families. Learning Together aims to establish three early learning sites in priority areas of Saint John that have high concentrations of child poverty. These three centres would work together as one fully integrated branch. One of the centres, known as the Saint John Early Learning Centre, is already operational.¹⁸⁰
- Fresh Start for School: an initiative in place in Medicine Hat, Alberta, which provides a variety of supports to 330 students and their families at the beginning of the school year, including school supplies, haircuts and immunization. According to testimony provided by Ms. Weeks, the philosophy of this program is that “when families are well, children are well and better positioned to learn.”¹⁸¹ This program is supported by over 35 local, provincial and federal organizations.¹⁸²
- City School initiative: a community-based learning hub established by the Mohawk College of Applied Arts and Technology in the City of Hamilton, Ontario, which is “dedicated to providing specialized learning programs and workshops for marginalized populations in Hamilton’s priority neighbourhoods, encouraging gradual steps to post-secondary participation and employment.”¹⁸³ Specifically, under this initiative, students are provided with tuition-free college-recognized credit courses, employment readiness training, and programming to inspire youth. Community residents as well as neighbourhood planning teams have an input in the design, structure and service model of the City School locations. A brief submitted to the Committee in this regard indicates that, after completing a City School course, a majority of students were either planning to attend or were enrolled in education and training.¹⁸⁴

180 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Shilo Boucher, President and Chief Executive Officer, YMCA of Greater Saint John; and Erin Schryer, Executive Director, Elementary Literacy Inc.).

181 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 0845 (Reagan Weeks, Assistant Superintendent, Alberta Education, Prairie Rose School Division).

182 Ibid.

183 Brief submitted by Mohawk College, [“City School by Mohawk’s Impact on Poverty Reduction in Hamilton,”](#) 30 January 2017.

184 Ibid.

- Immigrant Access Fund Canada: a community lending program funded by both the private and public sectors, which provides loans of up to \$10,000 to immigrants across Canada in order to enable them to return to work in the professions they trained for and worked in prior to their arrival in Canada. The payback rate on these loans is over 97%. According to Ms. Desa, “the majority of the almost \$10 million in IAF’s loan capital pool comes from the private sector through an innovative social finance model that leverages the assets of foundations and high net-worth individuals.”¹⁸⁵
- National school-to-work transition strategy: an idea for a project that would be built on the foundation of successful initiatives in place in Canada and abroad, such as the European Youth Guarantee program which ensures that young people have access to continuing education, apprenticeships, and/or employment after leaving formal education. Given that, in Canada, successful programs that look to fill the gap between education and employment are not widely known outside the jurisdictions where they are implemented, this strategy would seek to bring together those pockets of excellence. It would also bring together key stakeholders, including educators, career leaders, social service leaders, and employers.¹⁸⁶
- Community benefit/social benefit clauses in public tender agreements: while social procurement is not a new concept, the Committee heard from various organizations about the emergence of community benefit/social benefit clauses in public tender agreements. According to Adaoma C. Patterson, Adviser at the Peel Poverty Reduction Strategy Committee, these are legally enforceable clauses with clear monitoring and enforcement mechanisms that are used to provide training and employment opportunities to individuals from vulnerable groups.¹⁸⁷

A brief submitted to the Committee by BUILD Inc. (Building Urban Industries for Local Development) explained that Manitoba Housing has started to use community benefit/social benefit clauses in public tender agreements for capital construction. These clauses ensure that all capital construction projects engage social enterprises for a percentage of the total work. According to the brief, “[t]his has occurred through either subcontracting specific pieces of the project to social enterprise, and/or requiring each of their sub-trades to hire from [BUILD’s] pool of graduates.”¹⁸⁸ BUILD Inc. is a social enterprise centre in Winnipeg, Manitoba, that provides people with

185 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 1030 (Vanessa Desa, Vice-Chair, Board of Directors, Immigrant Access Fund Canada).

186 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 November 2016 (Lynne Bezanson, Executive Board Member, Canadian Council for Career Development).

187 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Adaoma C. Patterson, Adviser, Peel Poverty Reduction Strategy Committee).

188 [Brief submitted by BUILD Inc.](#), March 2017.

little to no labour market attachment with training in the trades industry and work experience.¹⁸⁹

- Single Parent Employment Initiative: a program that was recently established in the province of British Columbia to support low-income single-parent families. As part of the Single Parent Employment Initiative, single parents are provided with financial support to cover the full cost of child care as well as tuition fees for 12-month education programs. In the event that the single parent is able to obtain employment after completing the program, they will continue receiving financial support for child care for the following 12-month period. This program recognizes that the cost of child care constitutes an obstacle, especially for single parents struggling with poverty.¹⁹⁰
- Meticulon: an IT consulting firm in Calgary, Alberta, that exclusively employs people with autism, having hired 174 autistic individuals since it opened its doors in 2013. According to testimony provided by Chief Executive Officer, Mr. Johnson, their process for “on-boarding” people takes approximately three months, during which time Meticulon learns about the individual characteristics of their new employees, their skills and capabilities, as well as their challenges and interests. Meticulon then uses this information when they talk to prospective employers. These are excellent employees, Mr. Johnson noted, who have not failed on a single contract. Meticulon has developed a small franchise kit to help others in Canada and the United States replicate their business model.¹⁹¹

189 Ibid.

190 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Kendra Milne, Director, Law Reform, West Coast LEAF).

191 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 24 November 2016 (Garth Johnson, Chief Executive Officer, Meticulon).

CHAPTER 4: MENTAL HEALTH

A. Background

Mental health intersects with each of the areas included in this study: income supports, education, training and employment, housing and communities. Poor mental health increases people's vulnerabilities to poverty and needs to be taken into account in any poverty-reduction efforts.

With the exception of certain groups of people (First Nations people living on reserves, serving members of the Canadian Forces, eligible veterans and inmates in federal penitentiaries),¹⁹² the provinces and territories are responsible for the delivery of mental health care services in Canada. In addition to funding and administering primary and supplementary health care services for these specific groups, the federal government's role in health care includes setting and administering national principles for the system under the *Canada Health Act* as well as providing financial support to the provinces and territories.¹⁹³ Several federal departments fund initiatives related to mental health.

Health Canada is responsible for funding health care for First Nations peoples on reserve and in Inuit communities and invests over \$300 million annually for mental health initiatives provided by community health organizations, First Nations treatments centres and independent mental health counsellors, who deliver services including mental health promotion, addiction treatment, suicide prevention, crisis response services, mental health counselling benefits, treatment and after care, and support for residential school survivors and their families.¹⁹⁴ In 2016, funding for mental health for First Nations and Inuit communities was increased by \$69 million, delivered in accordance with the

192 Health Canada is responsible for: providing community-based mental health services for First Nations peoples on reserve and Inuit communities; providing non-insured drugs and short-term mental health crisis counselling for First Nations peoples registered under the *Indian Act* and for recognized Inuit people through the Non-Insured Health Benefits Program; funding addiction prevention, treatment and aftercare programs; and providing mental health, emotional and cultural support services and transportation services to eligible former Indian Residential School students. Further, INAC is responsible for basic social services for First Nations people on reserve and Inuit communities.

Correctional Services Canada is responsible for health care for prisoners in the federal correctional system. The Department of National Defence [DND] is responsible for health care for the Canadian Forces. Veterans Affairs Canada [VAC] is responsible for certain health care needs of veterans. The health care needs of members of the Royal Canadian Mounted Police [RCMP] are shared by the RCMP, VAC, DND and Health Canada. Immigration, Refugees and Citizenship Canada provides some health care services for some classes of refugees. Finally, the Treasury Board Secretariat is responsible for certain health care needs of the federal public service.

See: Martha Butler and Karin Philips, [Current Issues in Mental Health in Canada: The Federal Role in Mental Health](#), Publication no. 2013-76-E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 15 August 2013.

193 Health Canada, [Canada's Health Care System](#).

194 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Sony Perron, Senior Assistant Deputy Minister, First Nations and Inuit Health Branch, Department of Health).

First National Mental Wellness Continuum Framework¹⁹⁵ and the National Inuit Suicide Prevention Strategy.¹⁹⁶

The Public Health Agency of Canada's (PHAC) role related to mental health includes the promotion of health, the prevention of chronic disease, the strengthening of intergovernmental collaboration on public health, as well as the facilitation of national approaches to public health policy and planning. PHAC has partnered with the Mental Health Commission of Canada and other key experts to identify, organize, as well as to present data on positive mental health outcomes and protective and risk factors. PHAC's Mental Health Promotion program¹⁹⁷ leads and supports national activities which promote positive mental health. Among other activities, the program: coordinates federal/provincial/territorial action on mental health promotion; collaborates with stakeholders and partners to generate evidence-based knowledge to assist in the design of policies and programs; and develops public education and awareness activities on positive mental health. PHAC coordinates with provinces and territories to implement the Age-Friendly Community Initiative¹⁹⁸ in communities across Canada. The initiative is intended to facilitate the development of policies, services, and structures in communities to create physical and social environments that are "age friendly" and help seniors to live healthily, safely, and socially connected.

ESDC administers the Housing First model,¹⁹⁹ which integrates the need for housing with other supports and services often needed by homeless persons, such as mental health and addiction counselling services. It also administers income support through employment insurance sickness benefits and the Canada Pension Plan-Disability program for those with severe or prolonged mental disability.

In 2012, Statistics Canada released its Canadian Community Health Survey on mental health,²⁰⁰ which included information about the percentage of Canadians suffering from mental health issues. The survey included details about the symptoms associated with mental health, the age and gender of individuals suffering from mental illness, as well as the health care services provided in this regard. However, the issue of poverty was not explored.

195 Health Canada, [First Nations Mental Wellness Continuum Framework](#), January 2015.

196 Inuit Tapiriit Kanatami, [National Inuit Suicide Prevention Strategy](#), 2016.

197 Public Health Agency of Canada, [Mental Health Promotion](#).

198 Public Health Agency of Canada, [Age-Friendly Communities](#).

199 Government of Canada, ESDC, [Housing First](#).

200 Statistics Canada, [Canadian Community Health Survey: Mental Health, 2012](#).

B. What the Committee Heard

1. Mental health in Canada

The Committee learned that mental health and substance abuse disorders are the leading cause of disease burden globally, and in Canada.²⁰¹ Officials from Statistics Canada shared findings from the Canadian Community Health Survey on mental health, which found that many people experience a mental health problem at some point in their lives and 10% of Canadians met the criteria for a mental health disorder within the 12 months prior to the survey. Among those with mental illness, 3% are considered to be seriously or severely mentally ill.²⁰² Witnesses explained to the Committee that women have higher rates of mental disorders than men, while men have higher rates of substance abuse disorders.²⁰³

a. The cost burden of mental illness

There are significant costs to governments and employers associated with mental illness. The Committee learned that of those entering the Ontario Disability Support Program, 45% have mental illness or addiction disabilities.²⁰⁴ Among claims for the Canada Pension Plan Disability program, 30.9% are for mental disorders, and this percentage is increasing.²⁰⁵ Employers incur costs, as 500,000 Canadians are absent from work each week due to mental illness.²⁰⁶ Because of the impacts of mental illness on the labour market, one witness suggested that governments that are planning labour policy measures factor in the costs associated with the mental health consequences of unemployment, particularly long-term unemployment.²⁰⁷

b. Link between mental illness and poverty

The Committee was interested to learn that almost 20% of Canadians with an annual income of less than \$20,000 reported a mental health disorder, nearly double the rate for people in higher income groups.²⁰⁸ Those who had difficulty covering basic

201 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Ellen Lipman, Medical Doctor, Child and Youth Mental Health Program, McMaster Children's Hospital).

202 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

203 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Jennifer Ali, Chief, Health Statistics Division, Statistics Canada).

204 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Michael Creek, Director, Strategic Initiatives, Working for Change).

205 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Doug Murphy, Director General, Social Development Policy, ESDC).

206 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

207 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Timothy Diette, Redenbaugh Associate Professor of Economics, Washington and Lee University, As an Individual).

208 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Jennifer Ali, Chief, Health Statistics Division, Statistics Canada).

expenses were more than twice as likely to have a disorder as people who reported their income was sufficient. Witnesses spoke of the cycle between mental health problems, employment and poverty:

We know that poverty compromises the ability of Canadians to be well and to recover. Poverty exacerbates the symptoms of mental illness and can bring them out. At the same time, mental illness can sometimes make it difficult to sustain employment and therefore leads to poverty. It's a vicious cycle.²⁰⁹

The Committee also learned that disorders were three times more likely among those whose main source of income was social benefits, compared to those with employment income.²¹⁰ “[P]eople with mental illness have lower incomes, are less likely to work, and are less likely to have adequate housing compared to people with other disabilities or to people without disabilities.”²¹¹ The link between poverty and mental illness was explained by Michael Creek of Working for Change:

I can't imagine any person I've talked to who has lived in poverty who hasn't experienced some sort of mental health difficulty through that whole process. It's just impossible for it not to happen. You become so dehumanized in the process of poverty that all of these mental health issues or addiction issues rear their ugly head. I'm a survivor of cancer, and I can tell you that poverty caused me more damage than my cancer treatment or other illnesses I've faced. In itself, poverty could be described as an illness also.²¹²

c. Vulnerable populations and mental health

The Committee heard that those more vulnerable to mental health disorders include lone parents, unattached singles, youth, Indigenous peoples, people with low incomes, people with a history of homelessness, and people who had experienced childhood abuse. The Committee was interested to learn that immigrants have rates of mental disorder half that of those born in Canada.²¹³

While much of the need for mental health supports and services is found in the more vulnerable populations in Canada, witnesses told the Committee that there is insufficient provincial and territorial programming to adequately reach some of these groups.²¹⁴

209 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016, 0845 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

210 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Jennifer Ali, Chief, Health Statistics Division, Statistics Canada).

211 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016, 1030 (Vicki Stergiopoulos, Physician-in-Chief, Centre for Addiction and Mental Health).

212 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016, 1030 (Michael Creek, Director, Strategic Initiatives, Working for Change).

213 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Jennifer Ali, Chief, Health Statistics Division, Statistics Canada).

214 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Anna Romano, Director General, Centre for Health Promotion, Health Promotion and Chronic Disease Prevention Branch, Public Health Agency of Canada).

i. Youth

The Committee learned that mental disorders often emerge early in life. Experts estimate that more than 1.2 million Canadian children and youth, approximately 20%, are affected by a mental health disorder, causing burdens for families, schools, and the justice system.²¹⁵ Several witnesses believed that the percentage of youth affected by mental health disorders was considerably higher than 20%.²¹⁶ The Committee also heard that approximately 75% of adults with mental health disorders began their mental health challenges in childhood or adolescence. Witnesses explained that failure to address mental disorders early in life has lifelong consequences, as 60% of young adults who experienced a mental health problem in childhood had negative outcomes in adulthood, such as failing to complete high school and failing to obtain or maintain employment, compared to 20% of adults without childhood mental health problems.²¹⁷

In their submission, the Kingston Action Group for Basic Income Guarantee linked the increasing rates of anxiety, depression and suicide attempts on Canadian university and college campuses to the stresses of high debt loads, the lack of employment, and the precarious nature of work among those who do have employment.²¹⁸

The Committee heard that mental health problems are two to three times more likely among children living in low-income households, due to lack of parental skills and nurturing, lack of cognitive stimulation and exposure to multiple risks factors including poor and crowded housing, poor nutrition, and unstable parental adults, who often have mental and substance abuse disorders and family instability.²¹⁹

The Committee heard sobering testimony related to the effects of traumas, such as parental violence, violence by others in the community, and sexual assault, on the mental health of children and were reminded that “these traumas are associated with being in poverty.”²²⁰ Witnesses stated that the consequences of these traumas extend into adulthood. Almost 14% of adults who had experienced maltreatment in childhood had a mental or substance abuse disorder, more than double the percentage of those who had not experienced childhood maltreatment.²²¹

215 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Ellen Lipman, Medical Doctor, Child and Youth Mental Health Program, McMaster Children’s Hospital).

216 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Vicki Stergiopoulos, Physician-in-Chief, Centre for Addiction and Mental Health).

217 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Ellen Lipman, Medical Doctor, Child and Youth Mental Health Program, McMaster Children’s Hospital).

218 [Brief submitted by Kingston Action Group for Basic Income Guarantee](#).

219 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Ellen Lipman, Medical Doctor, Child and Youth Mental Health Program, McMaster Children’s Hospital).

220 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016, 0850 (Timothy Diette, Redenbaugh Associate Professor of Economics, Washington and Lee University, As an Individual).

221 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Jennifer Ali, Chief, Health Statistics Division, Statistics Canada).

The Committee also heard that there is a damaging cycle linking poverty and mental disorders in children and youth:

Many children and youth with mental health problems are exposed to poverty, and there is a dynamic and bidirectional association between child and youth mental health disorders and poverty. While we often think of poverty as a determinant of poor mental health, it's important to acknowledge that poor mental health can contribute to poverty.²²²

Due to the early onset of mental illnesses, the Committee was informed that treating mental illness early in life resulted in better outcomes, allowing for more stable childhoods and easier transitions into higher education, employment, and adulthood. Witnesses also told the Committee that if mental illness was left untreated until older teenage years or young adulthood, the social costs related to extra burdens on the educational, judicial, and welfare systems accumulate.²²³

However, witnesses described several challenges in accessing mental health services for children and youth. Ellen Lipman of McMaster Children's Hospital explained that in the case of Hamilton, children's mental health services are shared between the Ministry of Health and the Ministry of Children and Youth Services, complicating access to services. Wait times for consultations, assessments, and treatment for child psychiatric services are almost nine months or longer.²²⁴ A further barrier for youth and their families is the social stigma which, while somewhat less than in previous decades, still inhibits youth and their families from seeking help with mental health problems.²²⁵ The Committee heard that people with mental illness experience stigma and discrimination that is considerably worse than that faced by people who suffer from substance abuse.²²⁶

ii. Indigenous peoples

The Committee also heard testimony concerning the mental health problems faced by Indigenous peoples. Witnesses described the historical social dislocation that underlies many of the present-day challenges related to Indigenous social and mental health. They also heard that peoples' sense of autonomy, control, and self-determination was lost with the forcible change from the Inuit's nomadic lifestyle, which also shifted the cultural roles of Inuit men as hunters and providers for their families.

Among Inuit communities, multiple challenges, including profoundly inadequate housing conditions, have contributed to family violence, suicide, mental disorders and

222 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016, 0855 (Ellen Lipman, Medical Doctor, Child and Youth Mental Health Program, McMaster Children's Hospital).

223 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Peter Fitzgerald, President, McMaster Children's Hospital).

224 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Tracy O'Hearn, Executive Director, Pauktuutit Inuit Women of Canada).

225 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Ellen Lipman, Medical Doctor, Child and Youth Mental Health Program, McMaster Children's Hospital).

226 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Vicki Stergiopoulos, Physician-in-Chief, Centre for Addiction and Mental Health).

substance abuse. The majority of Inuit communities lack access to mental health programs and 70% of Inuit communities do not have shelters for women and children suffering from family violence.²²⁷

The need to address mental health disorders before children reach adulthood is particularly pressing for Indigenous communities. Among Inuit people, a recent survey reported that 52% of Inuit women and 22% of Inuit men had suffered sexual abuse as children. Further, the Committee heard that 50% of Inuit are aged 25 or younger, while in Nunavut 45% of young children live in poverty.²²⁸

The Committee was reminded of the alarming statistics related to suicide among Inuit peoples, and that the suicide rate was as high as 239 per 100,000 in Nunatsiavut, compared with the national suicide rate of 11 per 100,000 for the general Canadian population.²²⁹

d. Link between mental health and unemployment

The Committee learned that there is a strong link between unemployment and damage to mental health. One witness explained his research findings that the trauma of unemployment increases as the period lengthens, with those experiencing prolonged unemployment (defined as unemployment longer than six months), having poorer mental health due to “elevated levels of anxiety, frustration, disappointment, and alienation.”²³⁰ Statistics Canada also pointed to this link, as their survey indicated that those who were permanently unable to work had higher rates of mental or substance use disorder than others.²³¹

The Committee was interested to learn that unemployed individuals with higher levels of education are particularly negatively affected by prolonged unemployment. It was explained that this was likely because those with highly paid employment often had a strong sense of identity based on their work and that job loss caused them to lose their sense of identity.²³²

It was also observed that employment is not only important for monetary benefit, but other aspects of employment contribute to good mental health, such as providing structure to a day, social engagement, and the purpose and meaning that people derive from work.²³³ The value of contribution, either through employment or non-paid work, was

227 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Tracy O’Hearn, Executive Director, Pauktuutit Inuit Women of Canada).

228 Ibid.

229 Ibid.

230 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Timothy Diette, Redenbaugh Associate Professor of Economics, Washington and Lee University, As an Individual).

231 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Jennifer Ali, Chief, Health Statistics Division, Statistics Canada).

232 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Timothy Diette, Redenbaugh Associate Professor of Economics, Washington and Lee University, As an Individual).

233 Ibid.

also noted by Tracy O’Hearn of the Pauktuutit Inuit Women of Canada who explained that individuals in Inuit communities seeking to build sustainable livelihoods and support their families did so based on their own measures of success such as hunting, child and family care, and which may not necessarily involve wealth accumulation.²³⁴

Witnesses described the different dynamics and outcomes between those with shorter-term mental illnesses and those with more serious mental illness. Those with serious mental illness tend not to recover quickly and return to work. The Committee heard that workers absent from work for six months only have a 50% chance of returning to employment while those away from work due to illness for one year or longer have only a 10% chance of returning to employment, which explained why 90% of those with severe or serious mental illness are unemployed.²³⁵

However, witnesses stressed that many people with mental illness wish to be employed but experience multiple challenges. The Mental Health Commission of Canada referred to those who have left employment or those who have never entered the workforce as a result of mental health problems as “the aspiring workforce,” people who face barriers such as lack of work experience caused by mental health difficulties early in life, disruptive education, training, and employment, and a lack of accommodation in the workforce.²³⁶

A further consequence of unemployment for those with mental illness is the loss of health benefits that can be provided with paid employment. Often mental health therapies include pharmaceuticals, which may be unaffordable for those who lose employment and their associated health benefits, delaying their recovery and return to the workforce. This is also an issue for younger workers who are often in precarious employment with fewer benefits.²³⁷

e. Data gaps

The Committee was made aware that much of the information related to mental health among Canadians was not comprehensive, as the Statistics Canada Canadian Community Health Survey on Mental Health did not include data on children under the age of 15, nor data related to the territories, First Nations reserves, the Canadian Armed Forces or the homeless.²³⁸

234 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Tracy O’Hearn, Executive Director, Pauktuutit Inuit Women of Canada).

235 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

236 Ibid.

237 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto).

238 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Jennifer Ali, Chief, Health Statistics Division, Statistics Canada).

C. Approaches and Options

1. General

a. Access to employment

Witnesses told the Committee that governments should strengthen policy that rewards and supports people who return to work after suffering from mental health problems. The Committee also heard that current income support systems are inadequate and penalize or fail to incentivize earned income, as those with mental illness either cannot find work or work episodically due to their illness.²³⁹ The federal government could also work with employers to ensure that workplace policies, practices, and cultures are made more welcoming for those with mental health problems and ensure that employers accommodate their needs, as they do with other workers with disabilities.

The Mental Health Commission of Canada called on the federal government to work with employers in determining effective measures, identifying best practices for changing workplace cultures, and developing policies and practices for keeping those with mental illness in the workplace, and facilitating their early return to work in the event of sick leave. They also called on the federal government to facilitate the sharing of best practices to support those seeking employment but who have never been in the workforce due to mental illness.²⁴⁰ The Centre for Addiction and Mental Health told the Committee that the federal government should support initiatives that assist people with mental illness to gain and keep employment.²⁴¹

Because of the interrelationships between mental health and poverty, the Committee heard that programs aimed at addressing mental health should extend beyond the health care sector and should be linked to training and employment programs so that people with mental illness are able to gain and maintain employment.²⁴²

b. Service delivery

The Committee was told that there is a need for better access to treatment for post-traumatic stress disorder and better access to culturally informed psychotherapies for immigrants and refugees who may suffer from trauma due to experiences in their countries of origin.²⁴³

239 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Vicki Stergiopoulos, Physician-in-Chief, Centre for Addiction and Mental Health).

240 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

241 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Vicki Stergiopoulos, Physician-in-Chief, Centre for Addiction and Mental Health).

242 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

243 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Vicki Stergiopoulos, Physician-in-Chief, Centre for Addiction and Mental Health).

Witnesses advised that governments should invest in funding mental health programs similar to the approach used in the Housing First model, under which wraparound supports for clients are provided, integrating services from different sectors and organizations into a coordinated focus on the specific needs of the client.²⁴⁴ Witnesses suggested that it is important to bring mental health services and supports to community sites such as community centres, gyms, and schools, in order to make them more accessible for individuals and families and to reduce stigma.²⁴⁵

c. Youth

Witnesses told the Committee that increasing the willingness of youth and their families to access mental health services could include increased online information about mental health conditions and how to access services and supports. Other options include increasing the access to mental health services by telehealth, and including the topic of mental health in the curriculum of schools.²⁴⁶

The Committee heard that because 70% of mental health problems emerged in children, youth and young adults, investments in mental health services should be targeted to these cohorts. In addition to further funding for mental health services and supports, witnesses said that assistance could be provided to help children and youth remain in and complete school, as well as to support youth with mental health disorders to obtain training and employment.²⁴⁷

d. Indigenous mental health

While the Committee heard that a return to traditional lifestyles is not realistic for Inuit communities, community representatives called for strengthened mental health services that are culturally appropriate and that are developed in close collaboration with the communities.²⁴⁸ It was also proposed that governments could establish more community-based services and more group services so that more Inuit families could be served simultaneously.²⁴⁹

To address recent mental health and suicide crises in First Nations and Inuit communities, additional measures have been undertaken, including sending a mental crisis intervention team to support communities in crisis, providing mental wellness teams

244 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto).

245 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Vicki Stergiopoulos, Physician-in-Chief, Centre for Addiction and Mental Health).

246 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Tracy O'Hearn, Executive Director, Pauktuutit Inuit Women of Canada).

247 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Vicki Stergiopoulos, Physician-in-Chief, Centre for Addiction and Mental Health).

248 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Tracy O'Hearn, Executive Director, Pauktuutit Inuit Women of Canada).

249 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Peter Fitzgerald, President, McMaster Children's Hospital).

to build ongoing services and support, and establishing a crisis line providing 24 hour crisis counselling in English, French, Inuktitut and Cree. Health Canada officials stated that the Department has recognized that the siloed approach to the delivery of government services for First Nations communities from multiple departments and programs has led to a lack of integration of services and facilitated gaps in care. They have found that when communities control the programs and services, the quality and response to First Nations' needs improved, such that almost 90% of federally funded mental health services and programs are currently controlled by First Nations communities.²⁵⁰

The Committee heard that the federal government and Inuit communities need to identify innovative ways of delivering mental health services, including suicide prevention programs, to Inuit communities. One witness told the Committee that telehealth has been used in Nunavik in other areas of health service delivery and that this could be one type of support for remote communities. Health Canada officials stated that while no framework such as the First Nations Mental Wellness Continuum Framework currently exists for Inuit mental health, the government is considering a similar approach to meet the needs of Inuit communities.²⁵¹ The Committee was also advised that the National Mental Health Strategy should have a First Nations, Inuit, and Metis specific component.²⁵²

The Committee was reminded that mental wellness will not be resolved solely by crisis interventions or having short-term deployment of health care professionals sent to communities, but that service supports were needed on a consistent basis. Witnesses also advised that the determinants of health need to be considered by governments and that other supports related to mental health wellness, such as adequate housing, community infrastructure, and education, are also critical to improving mental health.²⁵³

e. Federal investments

Witnesses proposed that the federal government support a pharmacare program, which would provide some financial relief for those requiring pharmaceutical treatments for mental health, facilitating their recovery and return to work.²⁵⁴ However, other witnesses noted that those with severe mental illness, who were often among the homeless, would not benefit from a pharmacare program and told the Committee that the federal government should focus on other priorities. They also noted that there are non-medical treatments and therapies for mental illness and addiction that are underfunded and should be financially supported.²⁵⁵ The Committee heard that the federal

250 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Sony Perron, Senior Assistant Deputy Minister, First Nations and Inuit Health Branch, Department of Health).

251 Ibid.

252 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Tracy O'Hearn, Executive Director, Pauktuutit Inuit Women of Canada).

253 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Sony Perron, Senior Assistant Deputy Minister, First Nations and Inuit Health Branch, Department of Health).

254 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto).

255 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Michael Creek, Director, Strategic Initiatives, Working for Change).

government should provide further leadership in supporting safe injection sites in urban and rural environments and communities.²⁵⁶

f. More research

Witnesses encouraged the federal government, in collaboration with other levels of governments and stakeholders, to support funding for advancing research that provides deeper knowledge of the links between the social determinants of health, mental health and overall health. As well, there should be increased support for research related to best practices and effective policies and programs for service delivery to those with mental health problems.²⁵⁷

Witnesses told the Committee the federal government could have an impact on improving mental health by providing resources for research to examine effective approaches and treatments and to support policy development in this area.²⁵⁸

g. Role of federal government as employer and procurer

The Committee heard that the federal government, as a major employer in Canada, has provided a good example to other employers by adopting the national standard for psychological health and safety for the federal public service. Ed Mantler of the Mental Health Commission of Canada suggested that further federal leadership could be shown to other employers by developing policies that support those with mental health disorders to return to federal workplaces and by removing barriers such as financial disincentives for returning to work.²⁵⁹ The Committee also heard that any federal government measures to include social procurement as part of federal procurement practices could incorporate the employment of those affected by mental illness into federal procurement policies.²⁶⁰ It was also suggested that procurement policies directed to those employing workers with mental illness could be extended to include contracts involving recent federal government budget infrastructure investments.²⁶¹

256 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto).

257 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

258 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 13 December 2016 (Peter Fitzgerald, President, McMaster Children's Hospital).

259 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

260 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto).

261 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Michael Creek, Director, Strategic Initiatives, Working for Change).

2. Innovative concepts

During the course of the study, the Committee learned of various ideas and projects related to mental wellness, some of which could be applied to other projects related to poverty reduction, such as:

- Local Poverty Reduction Fund: One witness described the Local Poverty Reduction Fund, created by the Ontario Poverty Reduction Strategy Office. The Fund provides grants for community organizations working on poverty to evaluate initiatives, report on their viability, and make recommendations on whether or not they should be scaled up.²⁶²
- Examine innovative workplace accommodation practices: The Mental Health Commission of Canada has prepared a case study of 40 organizations that are implementing psychological health and safety in the workplace that will highlight innovations implemented in the workplace. The workplaces have been modified to make them more accessible to those with mental illness who are either currently in the workplace or who are entering the workforce.²⁶³
- Using seniors housing to enhance mental and social health: One witness proposed the integration of low-income housing for seniors within university and college campuses. This could serve to provide students with a better understanding of the needs of seniors in communities, while reducing the social isolation that exists among some seniors.²⁶⁴
- Multi-sectoral teams on case management of individuals: The province of Ontario has adopted a risk-driven community safety program, based on a model of the city of Glasgow, Scotland. The model facilitates regular intensive communications across the service providers of multiple sectors that deal with the same vulnerable individuals, sharing information that was not shared in the past. The multi-sectoral team members meet regularly to discuss individual cases, resulting in improved coordination of case management and fewer service delivery gaps.²⁶⁵

262 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ricardo Tranjan, Manager, Poverty Reduction); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

263 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice President, Programs and Priorities, Mental Health Commission of Canada).

264 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Michael Creek, Director, Strategic Initiatives, Working for Change).

265 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Kelly Murphy, Policy Development Officer, Social Development, Finance and Administration, City of Toronto).

- Age-friendly communities initiative: The province of Quebec is using the age-friendly communities initiative extensively in communities across the province.²⁶⁶ The program aims to use policies, services, and structures to help seniors remain active, engaged, and healthy in their communities. Initiatives can range from making community infrastructure more age-friendly, to reducing social isolation among seniors and providing supports to ensure they have access to the information they need.
- First Nations Mental Wellness Continuum Framework: Health Canada's First Nations Mental Wellness Continuum Framework was developed with First Nations and provides an approach to developing and promoting mental health wellness programs and services, both on and off reserve, that incorporates the key elements of Elders, families, culture, and languages, as well as providing practical guidance on how to redesign existing programs, shift resources to more effective measures, and integrate services across sectors and jurisdictions.

266 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 31 January 2017 (Anna Romano, Director General, Centre for Health Promotion, Health Promotion and Chronic Disease Prevention Branch, Public Health Agency of Canada).

CHAPTER 5: HOUSING

A. Background

Governments at all three levels have invested significant funds to provide low-income housing. Since the 1940s, the federal government has played an important role in ensuring Canadians' access to social and affordable housing. This background section explains the role of the federal government related to social and affordable housing, housing for Indigenous peoples, and homelessness, and outlines recent initiatives that provide important context for the witness testimony that follows.

Canada Mortgage and Housing Corporation (CMHC) considers housing to be “affordable” if shelter costs account for 30% or less of net household income. “Affordable housing” is a broad term that includes housing provided by the private, public, and not-for-profit sectors and forms of housing such as rental, cooperative ownership, and market home ownership. Affordable housing may be temporary or permanent housing. Social housing is one element of affordable housing and usually refers to government subsidized rental housing for low-income residents.²⁶⁷

According to a study released in April 2015 by CMHC,²⁶⁸ approximately 30.8% of Canadian households lived in housing that was “unacceptable” in terms of adequacy, suitability, or affordability,²⁶⁹ and 40.6% of these households would not have been able to find acceptable housing in their region had they looked for it. According to CMHC’s study, 12.5% of Canadian households were in core housing need in 2011, meaning that their current housing was unacceptable in terms of adequacy, suitability, or affordability, and their income did not enable them to access acceptable housing in their region’s rental market.²⁷⁰ The study also showed that affordability, rather than suitability or adequacy, has long been the most critical factor for Canadian households.

By province, the incidence of core housing need in 2011 ranged from 9.2% in Prince Edward Island to 15.4% in British Columbia. Households in Nunavut were much more likely to be in core housing need (39.2%) than households in any other province or territory.²⁷¹

267 Canada Mortgage and Housing Corporation (CMHC), [“About Affordable Housing in Canada.”](#)

268 CMHC, [The Adequacy, Suitability and Affordability of Canadian Housing](#), 2011 Census/National Household Survey Housing Series: Issue 3, April 2015.

269 Housing is unacceptable if it is inadequate (for example, it requires major repairs according to the residents), unsuitable (for example, it does not have enough bedrooms for the size and make-up of the resident households) or unaffordable (for example, if it costs 30% or more of before-tax household income).

270 A household is said to be in core housing need if its current housing is unacceptable in terms of adequacy, suitability or affordability, and if the median cost of acceptable rental housing in the region where the household lives is 30% or more of its before-tax household income.

271 CMHC, [The Adequacy, Suitability and Affordability of Canadian Housing](#), 2011 Census/National Household Survey Housing Series: Issue 3, April 2015, p. 7.

1. Role of the federal government

In terms of social housing, CMHC's role has changed over time. In 1993, the federal government stopped investing directly in new social housing construction and transferred the management and administration of most of its social housing stock to the provinces and territories.²⁷² However, CMHC continues to fund existing social housing through long-term operating agreements, designed to cover the difference between the operating expenses of social housing units and the rents paid by low-income residents. As of 2010, 613,500 social housing units were supported by federal long-term operating agreements.²⁷³ The federal government's intention was that as federal funding ended with the expiry of these agreements, the property mortgages would be paid off, leaving housing providers with reduced operating costs.²⁷⁴

CMHC also offers programs to help create new and affordable housing, upgrade existing housing in need of renovations or accessibility modifications, address the housing needs of victims of family violence, and provide rent subsidies for individuals and families in need. In recent years, the federal government has allocated close to \$2 billion annually through the Investments in Affordable Housing (IAH) program²⁷⁵ to housing assistance through CMHC to improve the quality of life of low-income Canadians.²⁷⁶ Provinces and territories provide matching contribution funds to IAH and are responsible for the design and delivery of the program, providing them with the ability to meet the unique needs within their jurisdictions. IAH funds may be used for construction, renovations and repair, rent supplements, shelter allowances, home ownership support and housing for victims of family violence.

CMHC, in partnership with Indigenous and Northern Affairs Canada (INAC), is responsible for providing housing to First Nations living on reserve. INAC's First Nation On-Reserve Housing Program provides housing in First Nation communities in most of Canada. In British Columbia, INAC supports housing for First Nations through the Housing Subsidy program and the New Approach for Housing Support.²⁷⁷ INAC's annual funding of \$146 million for on-reserve housing can be used by First Nations for construction, renovation, maintenance, debt servicing, insurance, and housing stock operational costs. INAC does not provide the full costs of housing and First Nation communities and residents must obtain funds from other sources.

Also in relation to on-reserve housing, CMHC, in partnership with INAC and First Nations, administers the On-Reserve Non-Profit Housing Program,²⁷⁸ which assists First Nations in the construction, purchase and rehabilitation, and administration of affordable

272 CMHC, "[The Evolution of Social Housing in Canada](#)," *Canadian Housing Observer*, 2011, p. 137.

273 Ibid., p. 128.

274 CMHC, [Corporate Information: Federal Government Spending on Housing](#).

275 CMHC, [Investment in Affordable Housing](#).

276 CMHC, [Programs and Financial Assistance](#).

277 INAC, [First Nations Housing](#).

278 CMHC, [Non-Profit Housing Program](#).

rental housing on reserve. CMHC also administers the First Nations Market Housing Fund,²⁷⁹ designed to facilitate access to market loans and mortgages that can be difficult to obtain because of the unique land tenure system on reserve.

ESDC is the lead federal department responsible for homelessness and oversees the Homelessness Partnering Strategy²⁸⁰ (HPS), a community-based program aimed at preventing and reducing homelessness across Canada. Budget 2013 allocated \$600 million over five years (2014–2019) to the HPS, increasing support and direct funding to 61 designated communities and to agencies addressing homelessness among Indigenous peoples across the country, and promoting a Housing First model to reduce homelessness.

Focusing resources on Housing First redirected HPS funding from the more traditional methods of using shelters and shelter services to address homelessness. Housing First integrates housing with other supports and services often needed by homeless persons, such as mental health and addiction counselling services. It focuses on moving people as rapidly as possible from the streets or emergency shelters into permanent housing with supports that vary according to the client. Housing First targets individuals who have been homeless for six months or more in the past year as well as those who are currently homeless and have experienced three or more episodes of homelessness in the past year.

Under the HPS, ESDC also administers, in partnership with Public Services and Procurement Canada, the Surplus Federal Real Property for Homelessness Initiative,²⁸¹ which makes surplus federal real properties available to eligible recipients to invest in transitional, permanent supportive, or longer-term housing and related support and emergency services with the objective of preventing and reducing homelessness.

2. Recent federal actions

The federal government announced its plans to develop a national housing strategy, following consultations, as part of Budget 2016, which also announced the plans to expand current investments with regards to affordable housing. Speaking on this subject, the Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development indicated “[t]hese investments are a transitional measure to bridge the gap for the next two years while consultations are undertaken [with provinces, territories and stakeholders] leading to a new approach under a national housing strategy.”²⁸²

Budget 2016²⁸³ also announced the allocation of \$3.4 billion over five years for social infrastructure. Of this amount, \$1.48 billion would be provided over 2016–2017 and

279 CMHC, [First Nations Market Housing Fund](#).

280 Government of Canada, [Homelessness Partnering Strategy](#).

281 Government of Canada, [Funding: National Projects: Surplus Federal Real Property for Homelessness Initiative](#).

282 “[Speaking Notes for The Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development: Co-operative Housing Federation of Canada – 2016 Annual General Meeting](#),” Hamilton, Ontario, 11 June 2016.

283 Government of Canada, [Growing the Middle Class](#), Budget 2016, 22 March 2016, pp. 97–98

2017–2018 to include: \$504.4 million to double current federal funding provided to provinces and territories under the Investment in Affordable Housing Initiative (with funding to be matched by provinces and territories); \$200.7 million to increase affordable housing for seniors; \$573.9 million for supporting retrofits and renovations for existing social housing; \$89.9 million to support shelters for victims of violence; and \$111.8 million to address homelessness. These funds will go to various communities for initiatives to prevent and reduce homelessness, “including Housing First activities, better emergency response services, and supports for youth, women fleeing violence, and veterans.”²⁸⁴

Budget 2016 announced the allocation of \$208.3 million in 2016–2017 to support the construction, repair, and adaptation of affordable housing for seniors, with the goal of allowing seniors to stay in their homes as long as possible. The funding will not require provinces or territories to cost-match these investments.

To support Indigenous peoples and northern communities, Budget 2016 announced the allocation of up to \$177 million over two years beginning in 2016–2017 for northern and Inuit housing through CMHC’s Investment in Affordable Housing Initiative, including: \$8 million to Yukon; \$12 million to the Northwest Territories; \$76.7 million to Nunavut; \$50 million to Nunavik; \$15 million to Nunatsiavut; and \$15 million to the Inuvialuit Settlement Region. Funding was announced for the federal government to provide \$554.3 million in 2016–2017 to 2017–2018 towards First Nations housing on reserve. Of this amount, \$137.7 million would be allocated to CMHC to support renovation and retrofit of existing housing on reserve and \$416.6 million would be allocated to INAC to address immediate housing needs on reserve.

B. What the Committee Heard

The Committee heard from a number of witnesses about the gaps, challenges and possible ways forward to address the housing needs of low-income Canadians. In particular, witnesses provided considerable information and insight into many of the underlying causes of the current social and affordable housing situation and described how certain populations, such as Indigenous peoples and seniors, have been affected. Many witnesses provided the Committee with views on homelessness and the Housing First model and how it could be improved. For example, several witnesses advocated that the affordability criteria for housing be changed, as the current definition of 80% of average market rent is beyond the means of many low-income families.²⁸⁵

Many of the witnesses who contributed to this study had recently provided their input and recommendations to the government as part of its housing strategy consultation process. It is not the intention of the Committee to provide recommendations on an overall national housing strategy, as, observed by the Canadian Home Builders’ Association, the housing market is a continuum, of which social and affordable housing is only one part:

284 Ibid.

285 Brief submitted by Campaign 2000, “[End Child and Family Poverty](#),” p. 7; and [Brief submitted by the Canadian Federation of Apartment Associations](#), pp. 4-5

... addressing the entire housing continuum right up into market rate, rental, and home ownership is critical to both the housing strategy and the poverty reduction strategy. The ripple effects of deteriorating market-rate affordability and barriers to home ownership cascade right down to those in housing need and impede progress and poverty reduction if not addressed....

Overall, we need to keep Canadians moving across the housing continuum towards market-rate housing. People need to keep moving along the continuum to make space available for those less fortunate. Even more important, we need to ensure people are not sliding back in the wrong direction. If affordability problems and market-rate housing push those who would otherwise be self-sufficient into a requirement for public support, our system has truly failed.²⁸⁶

There is a foundational relationship between housing and poverty and a number of witnesses stressed that the national housing strategy that the federal government is currently developing must be part of an overall national poverty reduction strategy. As Robin Miiller, Chief Administrative Officer of the Medicine Hat Community Housing Society, stated, “poverty reduction is homelessness prevention. Access to appropriate housing should, therefore, be seen first from a perspective of a preventive response to homelessness.”²⁸⁷

Another witness stressed that access to safe and affordable housing is so critical to the health and well-being of individuals that it is a basic human right and a “cornerstone for ensuring that other rights are respected.”²⁸⁸

1. Underlying causes of housing need

Witnesses identified a range of policies and events that have contributed to the shortage of affordable housing in Canada. They pointed to factors such as the federal departure from social housing, the escalating cost of market housing in major municipalities, particularly in Toronto and Vancouver, the decline of rental housing construction, the expiry of CMHC’s long-term operating agreements, and the impacts of municipal policies, taxes and regulations.

The Committee heard that the federal government’s decision in 1992 to withdraw from the development of social housing was the starting point of an affordable housing crisis in communities. The Committee also heard that the current structure of CMHC’s affordable housing program does not lead to a sustainable long-term affordable housing sector, because of the provision that enables landlords to withdraw from the affordable housing market after 20 years in the program, causing affordable housing stock to diminish over time in the absence of new construction.²⁸⁹ Witnesses also stressed that

286 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017, 1115 (Kevin Lee, Chief Executive officer, Canadian Home Builders’ Association).

287 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 0910 (Robin Miiller, Chief Administrative Officer, Medicine Hat Community Housing Society).

288 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017, 1145 (Emilie E. Joly, Community Organizer, Front d’action populaire en reamenagement urbain).

289 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Alan Whittle, Director, Community Relations and Planning, Good Shepherd).

as long-term operating agreements for social housing expired, low-income tenants were losing or at risk of losing their housing as many housing providers were unable to offer low rents without subsidies.²⁹⁰

While many witnesses called on the federal government to increase funding to affordable housing initiatives across Canada, the Committee's attention was drawn to the fact that the populations that would be served by affordable housing and those served by social housing were significantly different. As Mary Todorow of the Advocacy Centre for Tenants Ontario explained, CMHC's Investment in Affordable Housing program does not help those in the lowest income brackets:

The affordable housing that's being built under the Investment in Affordable Housing program is not affordable to the people on the waiting list who are homeless unless an additional rental subsidy is available. We're talking about the most vulnerable people in our communities here. People who are eligible for those investments in affordable housing rents have to make about \$40,000 a year. As an example, half of the tenants in TCHC [Toronto Community Housing Corporation] have incomes of less than \$15,000 a year. The majority of the tenants in TCHC are recipients of social assistance. Do you know what's really scary? The majority of people who are on Ontario Works are living in the private rental sector. Their shelter allowance component of social assistance is not enough to pay for average rents in virtually every community across Ontario.²⁹¹

The Committee heard that not only has there been a decline of rental housing construction for a number of years, but that there was also a shortage of rental units sufficiently large to meet the needs of certain vulnerable populations such as recent immigrants and urban Indigenous peoples. The Committee learned that in Vancouver and Winnipeg, refugee families from Syria and other locations have arrived with large families but are being housed in two-bedroom apartments. As well, Indigenous peoples seeking affordable housing often have larger families that include extended family members. As recently as October 2015, the Social Planning Council of Winnipeg, using CMHC data, calculated that there were only four affordable three-bedroom rental units in the city of Winnipeg. During this same timeframe, the Social Planning Council also determined that there were only approximately 27 affordable bachelor units in Winnipeg, at a time when there were 1,400 homeless individuals in the city.²⁹²

Aside from the impact of the federal government's departure from social housing in recent decades, the Committee also heard that building and zoning restrictions were barriers to construction of affordable housing. Several witnesses pointed to the effect of government (particularly municipal) red tape and taxation practices and their dampening effect on housing stock supply. In discussing his report on housing in the Greater Golden Horseshoe area, Kenneth Green, Senior Director, Natural Resources Studies, Fraser Institute, explained how the cost of obtaining building permits, the delays due to re-zoning

290 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Clark Brownlee, Member, Federal Working Group, Manitoba, Right to Housing Coalition).

291 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 0915 (Mary Todorow, Research and Policy Analyst, Advocacy Centre for Tenants Ontario).

292 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (John Brandon, Community Animator, Social Planning Council of Winnipeg).

and waiting for permits, and the challenges from municipal councils and community groups have suppressed housing construction and helped fuel the increase in rents and housing prices.²⁹³ Housing supply has also been restricted by community opposition to higher density, mixed-income housing developments, which one witness stated was a more significant impediment than municipal regulations.²⁹⁴

The Committee learned of research on the effects of municipal regulations and land use restrictions and their impacts on housing prices. It heard of research done on the richest American cities and the economic distortions caused in local, regional, and national labour markets. Extreme housing prices serve to deter labour mobility as the lack of affordable housing prevents less-educated workers from better opportunities in locations that offer higher paid jobs, either because they cannot afford to move to richer cities because of the higher housing costs or they are pushed out of these areas as housing becomes unaffordable. This results in increased regional income inequality and prevents poorer regions from closing the economic gap with more wealthy regions. This trend has been growing as a result of the increasing use of regulations and land use restrictions introduced in wealthier cities, which has hampered housing development.²⁹⁵ However, CMHC officials told the Committee that they lack the data to calculate how much land restrictions contribute to the cost of housing in Canada.²⁹⁶

The Committee heard that applying the Goods and Services Tax (GST) to rental construction also had negative effects on the affordability of housing and that it was a burden for those constructing cooperatives.²⁹⁷ Witnesses explained that builders of rental accommodation pay GST on the goods and services used during construction and build these costs into the price of rent, making rents more expensive and deterring developers from building rental accommodation.²⁹⁸

Several witnesses reminded the Committee that the core housing need of many low- and moderate-income Canadians should be viewed in the context of the rapidly rising housing prices in several major municipalities, such as Vancouver and Toronto. Thom Armstrong, Executive Director, Co-operative Housing Federation of British Columbia, spoke of the disconnect between housing markets and household income. In Vancouver, he indicated, between 2001 and 2014, home values went up by 211% while wages

293 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Kenneth Green, Senior Director, Natural Resources Studies, Fraser Institute).

294 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Kevin Lee, Chief Executive officer, Canadian Home Builders' Association).

295 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Daniel Shoag, Assistant Professor, Harvard Kennedy School, As an Individual).

296 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 2 February 2017 (Michel Tremblay, Senior Vice-President, Policy, Research and Public Affairs, CMHC).

297 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Thom Armstrong, Executive Director, Co-operative Housing Federation of British Columbia).

298 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Kevin Lee, Chief Executive Officer, Canadian Home Builders' Association).

increased only by 36%. Further, in the last three years, while rents went up by 11%, the median wages of renters only increased by 6.5%.

Finally, the cost of land was identified as one of the larger drivers of higher housing prices in many communities. One witness noted that the transfer of federal surplus land for affordable housing development, if placed in a community land trust, would reduce the cost of such housing by as much as 20% to 40%.²⁹⁹

2. Impacts: Current housing needs

The Committee heard repeatedly about the pressing need for both affordable and social housing across Canada and about the negative impacts for individuals, families, and the economic and social well-being of communities as a result of the current gaps and distortions in the housing sector. For individuals and families, the Committee learned that those in deepest poverty, and at greatest risk of homelessness, live in rental accommodation. In Canada, 1.6 million households spend more than 30% of their income on rental housing, of which 850,000 households spend more than 50% of their income.³⁰⁰ In British Columbia almost one quarter of renters spend more than half of their income on housing.³⁰¹ Across the country, as many as 1 in 10 tenants spend 80% of their income on housing.³⁰²

The shortage of affordable housing was a concern for many of the witnesses, who informed the Committee of lengthy waiting lists in most major municipalities. In Ontario alone, approximately 10,000 new rental units annually are needed to meet demand, but the annual construction rate of rental units has averaged only 3,200 over the last 20 years.³⁰³ The supply of cooperative housing has also decelerated significantly, with no new projects opening in Toronto in the past 10 years.³⁰⁴

The Committee was reminded that the consequences of the lack of affordable housing extend beyond individuals and families but affect the overall economic health of the community. Pamela McConnell, Deputy Mayor for the City of Toronto, stated that the lack of affordable rental and ownership housing in the city is negatively impacting Toronto's economy and its capacity to attract new businesses and new business investment.³⁰⁵ The Committee heard that this was also an issue for smaller municipalities,

299 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Thom Armstrong, Executive Director, Co-operative Housing Federation of British Columbia).

300 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Stephan Corriveau, Board President, Canadian Housing and Renewal Association).

301 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Thom Armstrong, Executive Director, Co-operative Housing Federation of British Columbia).

302 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Emilie E. Joly, Community Organizer, Front d'action populaire en reamenagement urbain).

303 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Magda Barrera, Housing and Economics Policy Analyst, Advocacy Centre for Tenants Ontario).

304 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pamela McConnell, Deputy Mayor, City of Toronto).

305 Ibid.

such as Fort St. John, British Columbia, whose prosperity is fuelling higher costs of living, including housing, and deterring needed workers and businesses from moving to the community.³⁰⁶

a. Indigenous housing needs

There are significant and numerous challenges in addressing the housing needs of Indigenous and northern communities. Witnesses explained that Indigenous peoples are also a vulnerable population in urban centres, more likely to experience higher rates of homelessness, core housing need and substandard housing. One in 15 urban Indigenous peoples will experience homelessness compared to approximately 1 in 128 non-Indigenous Canadians. The Committee also learned that in 2011, 22% of non-reserve Indigenous households were living in substandard housing.³⁰⁷

The high cost of housing has multiple impacts on Indigenous peoples. The Committee was told that not only do they suffer from the consequences of high housing costs that increase food insecurity and overcrowding, the population growth rate far exceeds that of non-Indigenous Canadians, further contributing to overcrowding.

Indigenous social housing units are mostly rent-geared-to-income models, such that as operating agreements expire in the coming years, indigenous housing providers will be more negatively affected than other housing providers.³⁰⁸

Much of the dependence on rental housing is a result of the barriers to home ownership faced by northern communities, including a lack of banking services in many communities in the north and a lack of credit among low-income Inuit.³⁰⁹ The Committee also listened to witnesses describe how restrictions on land ownership are further barriers to a functioning housing system for First Nations on reserve, as the *Indian Act* does not provide the type of land tenure conducive to individual home ownership or business development.³¹⁰

There are unique challenges facing Inuit peoples in accessing adequate housing. One witness reminded the Committee that data from Statistics Canada shows that Quebec's Nunavik region suffers from the worst overcrowding situation in Canada.³¹¹ The Kativik Municipal Housing Bureau, which administers housing in Nunavik, told the

306 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Gavin Still, MNP LLP, Fort St. John, As an Individual).

307 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Jeff Morrison, Executive Director, Canadian Housing and Renewal Association).

308 Ibid.

309 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Aluki Kotierk, President, Nunavut Tunngavik Inc.).

310 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 2 February 2017 (Allan Clarke, Director General, Economic Research and Policy Development, Lands and Economic Development, INAC).

311 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Linda Roy Makuik, Administrative Technician, Kativik Municipal Housing Bureau).

Committee that it has a backlog of those waiting for housing that ranges from three to eight years. The situation is worsening due to the population's high birth rate, which has risen by 11.8% between 2006 and 2011, more than double that of the rest of the province.³¹²

The serious housing shortage has consequences for individuals, families, Elders and the economic life of the region's communities. Overcrowded housing has serious health consequences. The Committee heard that since 2000, the steadily rising incidence of tuberculosis in the region has overwhelmed its health care system. More than half of children in Nunavik are living in overcrowded homes, with the result that the region has some of the highest rates of infectious disease hospitalization rates in the province of Quebec for children under the age of two. As well, witnesses informed the Committee that there are consequences for mental health, ranging from depression, sleep deprivation and the effects of family conflict.³¹³

There are economic and social consequences for these communities that are also of concern. The Committee learned that when Inuit youth move south to study or work, they have challenges trying to return to their communities because there is no housing available. This has negative consequences for workplaces in the region that cannot reap the benefits of the education and experience gained by this cohort.³¹⁴

Nunavik's adults who move south to escape from these pressures, but who lack supports or employment opportunities, contribute to "growing the itinerant population of Montreal homeless."³¹⁵ This problem was echoed by other witnesses in describing the situation facing Indigenous Manitobans, who move from the poor housing in remote reserves to Winnipeg, only to find that affordable adequate housing is equally unavailable. Many of them become homeless, unfamiliar with how to navigate the support networks in urban centres.³¹⁶

Witnesses told the Committee that the poor housing situation has consequences for the Elders in the region, who share their homes with generations of family members and are often pressured by family members to use their revenue to support the extended household, a situation that may lead to abuse.³¹⁷

The Committee also heard that the housing provided is often not culturally appropriate, as decision making has not rested within Indigenous communities. One

312 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Marie-Christine Vanier, Communications Officer, Kativik Municipal Housing Bureau).

313 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Francoise Bouchard, Director, Public Health, Nunavik Regional Board of Health and Social Services).

314 Ibid.

315 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017, 1115 (Francoise Bouchard, Director, Public Health, Nunavik Regional Board of Health and Social Services).

316 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Diane Redsky, Executive Director, Ma Mawi Wi Chi Itata Centre Inc. and Josh Brandon, Community Animator, Social Planning Council of Winnipeg).

317 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Francoise Bouchard, Director, Public Health, Nunavik Regional Board of Health and Social Services).

witness concluded that the multiple unique and critical housing needs of Indigenous peoples required a separate housing strategy:

We think it is essential to learn from the mistakes of the past, where the development of community housing, social housing and housing in general was not well-thought-out, well-designed or understood by the people in the community. We mustn't make these mistakes anymore. The people of the communities themselves must control the process....

There has to be a separate strategy because there is a distinct situation in terms of national rights, and statistics show that. We have a two-tier regime, and it is important that aboriginal communities, including Inuit communities, have the means to catch up and get what the general population had before.³¹⁸

The Committee heard that housing constructed for Inuit in the north currently does not consider the cultural and lifestyle needs of community members. In order to reduce costs to municipalities, construction to date has placed houses close together, creating denser neighbourhoods. Residents have complained that this has increased their sense of distance from the land and their disconnection from nature.³¹⁹ Current housing lacks both areas to process food harvested from hunting and fishing and places to store the weapons needed to hunt.

The Committee learned that how governments provide housing to northern communities has not been adapted to address the consequences of climate change. One witness explained how the housing construction methods used to date have been affected:

The permafrost layer is supposed to be frozen permanently, but the ground moves. It seems that this melting is being caused by climate change. Because of that, the houses, which are built on pilings, are much more unstable. We build a pad that is made up of several layers of various substances such as sand and rock, and the homes are built on those pads. Before now homes did not move very much, but we now see that some new houses have already moved. The structure of homes that are only two years old has already moved. You can see that on the inside.³²⁰

Witnesses explained to the Committee that in Nunavik the federal government provided funding for housing construction and the provincial government funded the management, maintenance and renovations of the housing. They called for both levels of government to develop longer-term agreements, which would enable communities to plan more efficiently and to reduce costs related to renovations, construction and the purchase of materials.³²¹ Witnesses told the Committee that the region has one-year agreements with governments and the short funding cycles do not accommodate the unique construction challenges in the north:

318 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017, 1220 (Stephan Corriveau, Board President, Canadian Housing and Renewal Association).

319 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Marie-Christine Vanier, Communications Officer, Kativik Municipal Housing Bureau).

320 Ibid., 1230.

321 Ibid.

That's part of the problem because we cannot buy all the material to build a house years before, and we have to wait for the ice levels to go down for the sealift.

Materials are delivered by boat, but the ice has to melt for that to happen. Only then can construction begin.

If we were able to plan longer-term agreements, savings could be made. We could actually buy the materials in advance and start building earlier, without having to wait for the materials to arrive in late June or in July. That would also make it possible to start building.

Permafrost thaw is a problem.... When the budget is confirmed only one year in advance, we don't have enough time to build the pads, solidify them during the winter and then begin construction. As a result, after being built on pads, homes shift around. The inside structure of the home gets a bit broken down, and that requires renovations and necessarily implies costs.³²²

Witnesses called for measures to develop the capacity of communities to assume control over housing issues, in terms of planning, design, decision-making and management and also for the federal government to provide training in the construction and maintenance of homes. Nunavik communities are currently participating in a study with Laval University to develop a housing concept that is consistent with the lifestyle in the region. Some model homes have been built and several existing homes are beginning to be adapted. They noted that these features would not necessarily add to construction costs, but would provide more usable and appropriate housing for the needs of community members.³²³

b. Housing needs of seniors

The Committee heard that many of the risk factors associated with poverty among seniors are related to the lack of affordable housing, an issue that is particularly acute in major Canadian municipalities. The challenges of poverty among seniors related to the lack of affordable housing will become more prevalent with the aging population. The Committee was reminded that currently five million individuals are over the age of 65 and by 2036 this number will double. John Brown of the University of Calgary drew the Committee's attention to a 2015 report of the Federation of Canadian Municipalities which stated that 23.4% of Canadian households led by seniors currently face housing affordability challenges and that 48.1% of senior renters live in unaffordable housing.³²⁴

Witnesses explained that the housing needs of seniors differ from those of other vulnerable groups. Seniors who wish to age in place often have to modify their homes to make them more accessible, the cost of which decreases their affordability and may undermine the long-term resale value of the property.³²⁵ Such modifications are often not possible in rental accommodation. Those who cannot alter their homes often move to

322 Ibid., 1155.

323 Ibid.

324 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (John Brown, Associate Dean, Faculty of Environmental Design, University of Calgary).

325 Ibid.

long-term care facilities or hospitals, with resulting cost pressures for themselves and governments. With the added risks of isolation, dementia, depression, and anxiety experienced by many seniors, shelters have significant numbers of senior clients, as much as 10% of their overall clientele in some cases.³²⁶

The Committee heard that Inuit Elders in Nunavut are increasingly moving to Ottawa and other southern communities because of lack of assisted living and long-term care facilities. This presents other challenges, as Elders are removed from family and community ties and southern care facilities do not provide care in the Inuktitut language or serve “country food.”³²⁷

3. Homelessness and Housing First

a. Housing First

The Committee heard consistent testimony that the Housing First model, providing housing for chronically homeless individuals with wraparound services to support those with mental illness and addiction, benefited communities and was a sound model. Among the features that were strongly supported by witnesses was the federal government decision to change from a three year to a five year funding cycle, which now allows communities to do longer-term planning.³²⁸

The success of the Housing First model is best demonstrated in the City of Medicine Hat. Indeed, the city has earned the moniker “the city that solved homelessness,” and Medicine Hat’s Mayor, Ted Clugston, explained to the Committee how their municipal leaders had applied the Housing First model to eliminate homelessness in their community. He indicated that some of this success is a result of adapting the Housing First model to include a wide range of community support services based on individual needs, not only services related to mental illness and addiction. As well, the municipality owns a property development company with extensive land holdings and has provided the Medicine Hat Community Housing Society with free land to build affordable housing units.

However, as the Mayor cautioned the Committee, there are circumstances unique to Medicine Hat that may limit the possibility of replicating this model and its success in other communities. For instance, the municipality owns its own utilities, including an oil company, a gas distribution company, and an electric generation company, and is able to provide its residents and businesses with some of the lowest utility rates in Canada. He also told the Committee that, unlike other communities, his municipal government has not faced the issue of NIMBYism (not in my backyard). He attributed this to the physical appearance of the affordable housing that has been constructed, which looks the

326 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Vicki Kipps, Executive Director, Maple Ridge/Pitt Meadows Community Services).

327 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Aluki Kotierk, President, Nunavut Tunngavik Inc.).

328 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Jaime Rogers, Manager, Homeless and Housing Development Department, Medicine Hat Community Housing Society).

same as regular rental stock. The lack of NIMBYism in Medicine Hat has also meant that development projects have not been delayed by appeals.³²⁹

b. Gaps in Housing First and shelter services

Several witnesses drew the Committee's attention to what they felt were gaps in the Housing First model. Despite the positive testimony of many witnesses in support of the Housing First model, the Committee also heard concerns that it lacked flexibility and had served to channel funding away from other needs, such as shelters, youth homelessness, and homeless women. It was estimated that as many as 20% of the homeless population do not benefit from Housing First.³³⁰

The shelters visited by and described to the Committee operate at capacity on a nightly basis, often providing meals to larger numbers of low-income individuals and families during the day and are largely run by volunteers. While shelters receive some provincial funding, they receive no funding from the HPS and have to devote significant resources to regularly fundraise in the community in order to maintain their core services.³³¹

Some witnesses felt that the federal government should allow for greater flexibility in its definition of "shelter," to allow funding for shelters that serve as longer-term residences for those who cannot successfully move into, or are ineligible for, transitional housing or where transitional housing is not available in the community.³³²

The Committee also learned that Lesbian, Gay, Bisexual, Trans and Queer (LGBTQ) individuals had unique challenges in dealing with poverty and homelessness. Many trans women have been refused entry to women's shelters and trans youth are also at risk of being turned away from shelters because of their gender identity.³³³

As Housing First prioritizes the chronically homeless population, several witnesses indicated that those who experience homelessness episodically have been neglected. The Committee heard that Housing First has destabilized the women's homelessness system in Hamilton Ontario, as many homeless women do not meet the program's criteria

329 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Ted Clugston, Mayor, Medicine Hat).

330 Reference document submitted by Jino Distasio, Vice President of Research and Innovation and Director of the Institute of Urban Studies, University of Winnipeg, 15 March 2017. See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Magda Barrera, Housing and Economics Policy Analyst, Advocacy Centre for Tenants Ontario).

331 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Jino Distasio, Vice-president of Research and Innovation, Institute of Urban Studies, University of Winnipeg).

332 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Michael Creek, Director, Strategic Initiatives, Working for Change).

333 Brief submitted by YWCA Canada, "[Reducing poverty for Women, Girls and Gender Non-Conforming People](#)," p. 5.

for “chronically or episodically homeless.”³³⁴ The reduced funding resulting from the emphasis on the Housing First model has created pressure, in Hamilton, forcing the closure of a transitional housing program with 20 beds for single women and 24 beds for women with children.³³⁵

The Committee heard that the model fails to provide adequate ongoing supports to those with needs beyond the mental health/addiction spectrum. For example, one witness noted that as many as 18% of individuals using an adult male shelter in Toronto were developmentally disabled and therefore did not fall under the Housing First criteria.³³⁶

The Committee learned that the Housing First model does not provide the means to address youth homelessness. Following the decision in 2014 to focus the resources of the HPS on the Housing First model, the Committee heard that funding for youth shelters ended. In the Lower Mainland of B.C, with a population of two to three million people, there are only 20 “low barrier” shelter beds for youth. The few youth shelters that do exist in British Columbia are licensed to house only five youth at one time, with one emergency bed.³³⁷ Moreover, the Committee learned that these youth shelters allow youth to stay for only seven nights, at which point they return to often abusive homes or the streets.

John Harvey of Covenant House Vancouver described the extent of the challenges. He explained that Covenant House serves approximately 1,300 youth annually from the ages of 16 to 24, with a continuum of services from outreach and drop-in services to short-term crisis beds and transitional housing. It also provides case management services for mental health and addiction, clinical assessments and referrals, life skills, education, and housing and employment readiness supports. Of the homeless youth they serve, 30% have acute mental health issues and 60% of the female clients have diagnosed mental health problems. It is estimated that over 40% of homeless youth have been involved with child welfare services and over 50% of homeless youth do not complete high school. However, over 90% of Covenant House’s funding is from private sources and with a limited number of beds they were forced to turn away 314 youth the

334 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Deirdre Pike, Senior Social Planner, Social Planning and Research Council of Hamilton).

ESDC has [defined](#) the terms “chronically homeless” and “episodically homeless” as follows:

- Chronically homeless: This term refers to individuals, often with disabling conditions (e.g. chronic physical or mental illness, substance abuse problems), who are currently homeless and have been homeless for six months or more in the past year (i.e. have spent more than 180 nights in a shelter or place not fit for human habitation).
- Episodically homeless: This term refers to individuals, often with disabling conditions, who are currently homeless and have experienced three or more episodes of homelessness in the past year (of note, episodes are defined as periods when a person would be in a shelter or place not fit for human habitation for a certain period, and after at least 30 days, would be back in the shelter or place).

335 Reference document submitted by Social Planning and Research Council of Hamilton, 10 March 2017, Ottawa.

336 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Gary Gladstone, Head of Stakeholder Relations, Reena).

337 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Christian Cowley, Executive Director, Community Education on Environment and Development Centre Society).

previous year.³³⁸ The Committee heard that in addition to the urgent need for shelter spaces for youth was the equally critical need for longer-term supportive housing to meet their needs for educational support, counseling, and life skills as they transition into adulthood.³³⁹

Other witnesses noted that Housing First does not address the challenge of the “hidden homeless,” the estimated 50,000 individuals in Canada who are not in shelters or on the streets but who nevertheless lack safe, permanent, stable homes.³⁴⁰ Other supports, such as health care services, are not funded under the Housing First model and are left to Housing First clients to arrange themselves, something that is beyond many of them.³⁴¹ The Committee was also told that Housing First was too inflexible in the length of time that individuals received support. While the program extends services for a maximum of two years, often those with mental illness and addiction problems experience set-backs during their recovery and are not fully prepared for increased independence within this timeframe.³⁴²

One witness observed that the rationale for Housing First as a cost saving measure, reducing costs that would have been incurred by health, social and judicial services, has also reduced the urgency with which governments address homelessness among other vulnerable groups:

As awesome as Housing First has been and as great as it is that our cost-savings argument has leveraged those initiatives—we say that this guy's costing \$100,000 and now he's costing \$10,000—a youth who hasn't been going to emergency care, has been living on the street, and is engaging in the sex trade for survival is not costing us, so that extremely vulnerable youth is not a priority now because of our Housing First focus, so I would say that you need to consider the unintended consequences in all of this. In my research, I've talked to so many youth who say—pardon me—“I'm not effed up enough to get help.”³⁴³

Witnesses drew the Committee's attention to the reporting burden involved with the HPS. They applauded the governance model of channeling funding directly to community advisory boards, supported by a community entity that administers the funds. However, they noted that while these entities included federal representation, they were still required to provide additional reporting to departmental officials in Ottawa.³⁴⁴ The Committee also

338 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (John Harvey, Director, Program Services, Covenant House Vancouver).

339 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Teesha Sharma, Youth Services Director, Community Education on Environment and Development Centre Society).

340 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Magda Barrera, Housing and Economics Policy Analyst, Advocacy Centre for Tenants Ontario).

341 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Nicole Read, Mayor, City of Maple Ridge).

342 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Alan Whittle, Director, Community Relations and Planning, Good Shepherd).

343 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 0930 (Alina Turner, Principal, Turner Strategies).

344 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Jino Distasio, Vice-president of Research and Innovation, Institute of Urban Studies, University of Winnipeg).

heard that Housing First's funding needed to be more flexible to allow communities to roll over unused funding from one year to another.³⁴⁵

Finally, the Committee heard from several witnesses who described the lack of consistent indicators and the need for the federal government to lead further research related to housing and homelessness³⁴⁶ as well as help facilitate the sharing of innovative models and pilot projects planned or underway in various provinces, territories and communities across the country.

C. Options the Committee Heard

1. General

a. Housing supplements and rent-geared-to-income

Witnesses explained to the Committee that the government should consider different measures to address the various and complex needs of the social and affordable housing sector. The Canadian Home Builders' Association noted that most families in core housing need are currently properly housed but lack sufficient income to pay both rent and the essentials of maintaining their families. They advocated a portable housing benefit providing rent supplements directly to individuals, first targeted to those most in need and then scaled up if necessary. According to their analysis, this measure would move 800,000 people out of core housing need. The Canadian Home Builders' Association observed that in this manner the government could efficiently move people into or keep them in market-rate rental housing, freeing up social housing for those most in need. They told the Committee that this would have the advantages of providing autonomy and choice for individuals, improving labour market mobility, and supporting the growth of mixed-income neighbourhoods.³⁴⁷

Portable housing benefits are currently being used by several provinces, however, one witness observed that many low-income individuals and couples do not qualify for them. Such programs are targeted to specific groups, including persons with disabilities, victims of domestic violence, seniors, and families with children, and often exclude unattached persons and couples living in deep poverty who are both ineligible for the housing benefit but also unable to access social housing because of long waiting lists.³⁴⁸

Other witnesses pointed to evidence showing that, when properly designed, portable housing benefits do not inflate rents and are cost effective.³⁴⁹ The Committee also

345 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Nicole Read, Mayor, City of Maple Ridge).

346 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Stephan Corriveau, Board President, Canadian Housing and Renewal Association).

347 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Kevin Lee, Chief Executive Officer, Canadian Home Builders' Association).

348 [Brief submitted by the Canadian Federation of Apartment Associations](#), 3 March 2017, pp. 3-4

349 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pedro Barata, Senior Vice-President, Strategic Initiatives and Public Affairs, United Way Toronto and York Region).

learned that Ontario is conducting a two-year pilot housing benefit for victims of domestic violence and heard that housing benefits could be particularly appropriate in situations where assistance is needed quickly and financial hardship is short term.³⁵⁰ The Committee was cautioned that any housing benefit policy should be developed in a manner that would prevent tenants in social housing from paying more for their housing if the benefit replaced other income subsidies, such as rent-geared-to-income.³⁵¹ The Committee heard that housing benefits can be one measure, although not the only one, to address homelessness prevention.³⁵²

Witnesses noted that rent subsidies, payments which are attached to specific housing units, may be another partial means to address affordable housing needs in the face of volatile housing markets. Rent subsidies were perceived as an effective measure, but difficult to maintain in areas with rapidly rising housing costs. Alan Whittle, Director of Community Relations and Planning at Good Shepherd, told the Committee that after years of working with Toronto and Hamilton area private sector landlords who provided 435 affordable housing units to clients with rent subsidies, some landlords are now withdrawing from these agreements and moving to more expensive rent arrangements to earn higher revenue, thus reducing an already limited supply of rent-subsidized housing in the region.³⁵³

Other witnesses told the Committee that the federal government should consider a program to subsidize the supply of rent-geared-to-income housing units across the country.³⁵⁴ It was also suggested that this could be funded through the revenues earned by CMHC and in partnership with provinces and territories.³⁵⁵ While such a program could take several forms, such as traditional rent-geared-to-income, rent subsidies to individuals, rent subsidies to certain units within mixed housing or in cooperative buildings, the Committee was encouraged to recommend a “rent geared to family income” approach.³⁵⁶

Several witnesses supported the approach of providing a form of rent supplement which could be attached to affordable housing units such as cooperatives in order to preserve existing affordable housing stock. This has been done in Saint John where the provincial government has provided rent supplement agreements for 10 units per year for a two-year period, and which has been found to be successful in helping the

350 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Magda Barrera, Housing and Economics Policy Analyst, Advocacy Centre for Tenants Ontario).

351 Magda Barrera, “Presentation to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities: Study of Poverty Reduction Strategies, Speaking Notes,” Ottawa, 10 March 2017, p. 5.

352 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Mary Todorow, Research and Policy Analyst, Advocacy Centre for Tenants Ontario).

353 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Alan Whittle, Director, Community Relations and Planning, Good Shepherd).

354 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Jeff Morrison, Executive Director, Canadian Housing and Renewal Association).

355 Reference document submitted by Right to Housing, May 2015, p. 3.

356 *Ibid.*, p. 8.

community.³⁵⁷ The need for rent supplements was also raised in other communities with high housing costs. The Mayor of Maple Ridge pointed to the need for a rent supplement system that is adequately funded and long term in order to address the challenges of the current rental market in B.C.'s lower mainland.³⁵⁸

b. Need for social and affordable housing

Many witnesses urged the government to quickly build on commitments to affordable housing measures contained in Budget 2016 and provide long-term funding to social and affordable housing. Witnesses also urged that adequate funding be included for the repair and maintenance of existing social and affordable housing. The Committee also heard consistently that as plans and policies are developed to increase social and affordable housing, representatives with lived experience must be consulted.³⁵⁹

Within social and affordable housing, several witnesses called for specific types of such housing to be protected and expanded. In particular, the Committee heard that there is a need to reinvest in renewable existing co-op housing as well as to finance new co-op housing for municipalities such as Vancouver and Toronto which are undergoing critical affordability crises.³⁶⁰ Several financing options were proposed. For example, the federal government could establish an equity fund, in partnership with communities and the private sector, to invest in the development of affordable housing.³⁶¹ It was also suggested that the federal government could create a distinct and separate long-term housing financing authority that would be scalable so that smaller housing providers would be eligible for financing, with loans guaranteed by the federal government.

The Committee heard that the government must focus not only on the housing needs of those with the lowest income, but also the pressing needs of the working poor.³⁶² Committee members saw an example of this when visiting the Christie Ossington Neighbourhood Centre, a shelter in Toronto which was structured to include accommodation for clients who were regularly employed but unable to afford housing in the community.

The Committee heard that, in addition to the urgent need for an expansion of social and affordable housing stock, there is the need for land on which to build. Several witnesses pointed to examples of municipalities increasing access to or donating land

357 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Kit Hickey, Executive Director, Housing Alternatives Inc.).

358 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Nicole Read, Mayor, City of Maple Ridge).

359 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (John Brandon, Community Animator, Social Planning Council of Winnipeg).

360 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Stephen Elliott-Buckley, Simon Fraser University, Labour Studies Department, As an Individual).

361 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Thom Armstrong, Executive Director, Co-operative Housing Federation of British Columbia).

362 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Kit Hickey, Executive Director, Housing Alternatives Inc.).

to non-profit housing corporations.³⁶³ Some witnesses urged the federal government to expand the amount of surplus federal real property provided under ESDC's Surplus Federal Real Property for Homelessness Initiative program³⁶⁴ and to remove the GST from capital costs for social and affordable rental housing.³⁶⁵ Other witnesses proposed that federal lands also be made available for community land trusts to develop new housing.³⁶⁶

Finally, witnesses proposed options related to the role of key stakeholders in supporting affordable housing. Several witnesses proposed that CMHC assume a more active operational role, supporting rural and remote communities, including Indigenous communities, to build and repair affordable housing, thus supporting job creation, independence, and sustainability of housing stock within communities.³⁶⁷ One witness proposed that the federal, provincial and territorial governments work with municipalities and non-profit organizations to create a self-sustaining not-for-profit housing sector in Canada, a sector not dependent on governmental construction subsidies. This would not replace other mechanisms to increase the stock of affordable housing, but it could enable not-for-profit organizations under long-term operating agreements, that have equity in their asset holdings, to leverage that equity to develop more housing.³⁶⁸

The Committee was reminded that no single measure would effectively address the short- and long-term needs for social and affordable housing, including the repair and retention of existing rental stock and co-ops, and across the range of municipalities with different housing markets and community profiles. As one witness summarized the issue and the need to begin a series of measures:

Yes, we need new builds, but those will take time. Yes, we need repairs, but that doesn't give you any new supply. Housing benefits are the most efficient, broad way to start helping Canadians now....³⁶⁹

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- 363 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Ted Clugston, Mayor, City of Medicine Hat); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pamela McConnell, Deputy Mayor, City of Toronto)
- 364 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Stephan Corriveau, Board President, Canadian Housing and Renewal Association); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Thom Armstrong, Executive Director, Co-operative Housing Federation of British Columbia).
- 365 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Jeff Morrison, Executive Director, Canadian Housing and Renewal Association).
- 366 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Thom Armstrong, Executive Director, Co-operative Housing Federation of British Columbia).
- 367 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 2 February 2017 (Daniel Leclair, Director General, Regional Infrastructure Delivery, Regional Operations, INAC; and Charles MacArthur, Senior Vice-President, Regional Operations and Assisted Housing, Canada Mortgage and Housing Corporation); HUMA [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Marie-Christine Vanier, Communications Officer, Kativik Municipal Housing Bureau); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Jeff Morrison, Executive Director, Canadian Housing and Renewal Association).
- 368 Reference document submitted by the Good Shepherd, 10 February 2017, p. 5.
- 369 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 0840 (Pedro Barata, Senior Vice-President, Strategic Initiatives and Public Affairs, United Way Toronto and York Region).

2. Innovative concepts in housing

In the course of this study, witnesses identified new approaches to the challenges facing individuals and communities related to affordable housing. Some are models under development that bear monitoring and others are pilot projects that communities could modify or expand upon, if successful.

- Adapting the Housing First Model: Medicine Hat has adapted the Housing First model beyond wraparound services related to mental health and addiction. They use access to affordable housing as a portal for other services beyond those associated with the Housing First model and have used this approach for other programs, such as their food bank, providing them with supplementary services needed based on the circumstances of the individuals and families:

We have expanded our approach to not just the provision of affordable housing but also provision of connectivity to the community resources that are necessary to ensure that people have stability in their lives in all areas. We've included the development of outreach programs within our organization that work directly with people to address other issues in their lives besides housing.³⁷⁰

... We've evolved from strictly a housing organization into one that collaborates with necessary services to serve the people whom we're housing—so less focus on the housing, more focus on the people—is that unless we start doing that, we are not addressing the real issues around poverty....

... We have achieved an end to homelessness as we define it, and built a system that responds rapidly to people who become homeless. Now we need to shift to a prevention focus. We need to make sure that we maintain that model and look upstream ... to keep people from entering into this whole realm to begin with.³⁷¹

- Housing for seniors: Another concept was the idea of developing portable housing for seniors. The Committee heard from John Brown, Associate Dean, Faculty of Environmental Design, University of Calgary, about the “age-in-place housing project” that is being developed by this academic institution. Mr. Brown explained that, for seniors, housing challenges extend beyond the cost or the supply of housing, as most homes are not designed to meet the mobility and other health-related needs of seniors. He told the Committee that barriers to home modifications include cost, impact on resale value of property, and the length of time for which modifications are needed. Modifications are therefore rare within the rental housing market, impacting seniors in more precarious financial situations. The result is an increase in formal care costs for family members as well as for society as a whole.

370 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 0905 (Robin Müller, Chief Administrative Officer, Medicine Hat Community Housing Society).

371 Ibid, 1000.

According to Mr. Brown, the prototype being developed in connection with the “age-in-place housing project” has a modular interior that can be adapted to the medical and mobility needs of each resident, is designed to be portable and therefore can be temporarily placed in almost any backyard, and can be mass-produced. The business case for this project could make these homes more affordable for seniors through, for example, the establishment of public-private partnerships that would centrally own the homes and lease them to individuals for a period of time. The first-generation test in the community is expected to take place during the fall of 2017.

- Municipal Government Measures: The City of New Westminster has developed a strategy to deal with poverty, which includes several measures related to housing. They have created an affordable housing reserve fund and two sites for affordable housing projects. They have also developed a secure market rental housing policy to prevent people from changing rental units into condos. They have a tenant relocation policy and a rent eviction action plan.

As well, they have created a rent bank program in collaboration with local credit unions, to provide access to funds needed to pay rent or utilities and thereby prevent eviction.³⁷² The rent bank also provides clients with financial literacy supports. Similar rent banks have been established in Vancouver, Fraser Valley, Surrey, and Kamloops. Rent banks are designed for short-term crisis situations, such as temporary unemployment or an unanticipated expense, and are not designed as a means of long-term rent supplement. The City of Westminster reviewed a study of the Kamloops Rent Bank which found that people who had access to a rent bank program were still housed one year later. The study also determined that because of their impact on preventing homelessness, rent banks reduced expenditures for landlords and homeless shelters.³⁷³

- Community Land Trusts: The City of Vancouver has a Community Land Trust Foundation that currently has 358 homes under construction on land that has been leased for 99 years. As the homes become available, the average rent will be affordable to those with income equivalent to 70% of median income and 1 in 5 homes will be available to the lowest-income quintile of community residents. The units will be affordable in perpetuity due to the non-profit structure of the foundation and, once it is fully occupied, there will be no ongoing subsidy cost to governments. Similar projects are being considered in Surrey, North Cowichan, and Vancouver. The government could consider using this model for lands transferred to communities under the federal surplus land transfer for homelessness

372 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Lorrie Williams, Councillor, City of New Westminster).

373 Reference document submitted by the City of Westminster, “Report: Development Services, Establishment of a New Westminster Rent Bank Program,” 17 October 2016, pp. 3-4.

initiative, which, if such lands were transferred to a community land trust, would keep housing constructed on the land affordable in perpetuity.³⁷⁴

- Equity Funds for Community Groups: The Cooperative Housing Federation of British Columbia suggested that CMHC use its funds and, in partnership with communities and the private sector, create a short- and long-term equity fund and a financing fund that could be made available to community-based groups that demonstrate the capacity to deliver housing projects and have lands they can contribute. This would remove the risk for private equity partners.³⁷⁵ This is similar to the recommendation of the Canadian Housing and Renewal Association that the federal government create a housing financing authority that is scalable so that smaller providers are eligible. The financing authority would be long term to lower risk and loans would have better terms than those offered by commercial banks. The loans would be guaranteed by the federal government, likely by CMHC.³⁷⁶
- Land Banks: The Committee learned about research into the use of land banks in struggling municipalities in the United States and how this model could be of interest to certain communities. Land banks are not-for-profit organizations that acquire land through purchases or donation, and in some cases have the authority to expropriate land in cases of unpaid property taxes. One witness, Jody Kliffer, described his research in the area of land banking, outlining how it can be used to restore integrity and community pride to declining neighbourhoods and its purpose. Using the examples of Detroit and Flint, Michigan, he explained that the land bank is typically a quasi-governmental not-for-profit organization that examines neglected or abandoned real estate properties in the community and attempts to assign them a value. Often these organizations acquire land through purchase, donation or expropriation. Land banks also maintain land through the creation of green lots, created by the demolition of buildings beyond repair. They also repurpose the land and properties they acquire, which could go to affordable housing.

One of the barriers for others to acquire properties in poor repair is that they often have taxes accumulated over a number of years and can involve unclear land title. However, in several American States land banks have the power to clear property taxes as well as to establish the title on land. American land banks can also expedite the foreclosure process, often shortening the time frame so that buildings do not reach a critical state of decline. The benefits from land banks have been the stabilization of community decline, creation of new tax revenues for communities, safer

374 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Thom Armstrong, Executive Director, Co-operative Housing Federation of British Columbia).

375 Ibid.

376 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Jeff Morrison, Canadian Housing and Renewal Association).

neighbourhoods, preservation of old buildings, more affordable housing stock, and increased green space and community gardens.

- Social Procurement: While the concept of social enterprises and social procurement is not unknown, the Committee was interested in how one social enterprise developed its business model on working with the provincial social housing authority, thus supporting employment for low-income residents while also helping to keep social housing costs down. BUILD Inc. (Building Urban Industries for Local Development) incorporated as a non-profit organization with the goal of insulating low-income housing and reducing poverty in Winnipeg. In 2008, it applied a social enterprise model, applying a business model to achieve social objectives. It hired employees from within the city's low-income community and provides energy retrofit services to Manitoba Hydro. It now also provides energy retrofit, apartment maintenance, and renovation services to Manitoba Housing, the province's social housing provider. Manitoba Housing recently begin including social benefit clauses in their public tender document for capital construction, requiring winners of contract bids to engage social enterprise for a percentage of the contracted work. This is done either by subcontracting defined pieces of the project to social enterprise or requiring their sub-trades to hire from BUILD's pool of graduates. BUILD has modified and replicated their model, through mentoring and partnerships with other social enterprises in Winnipeg, Toronto, and St. John's NL. As well, BUILD has, with the Assembly of Manitoba Chiefs and Green Communities Canada, co-founded Aki Energy to conduct geothermal work on First Nations reserves.³⁷⁷

377 [Brief submitted by BUILD Inc.](#), March 2017.

CHAPTER 6: COMMUNITIES AND NEIGHBOURHOODS

A. Background

Like individuals, communities may face challenges that can reduce quality of life and perpetuate the cycle of poverty. An inadequate transportation network, poor or non-existent infrastructure, and high crime and unemployment rates are examples of these community-level challenges.

To address some of these needs, Budget 2016 announced \$11.9 billion over five years to fund infrastructure expenditures. This funding was augmented in the Fall Economic Statement (2016) with the result that total federal government funding will include, over 11 years, funding for specific streams, including: \$25.3 billion for public transit infrastructure; \$21.9 billion for social infrastructure, to include affordable housing, early learning and child care facilities, shelters for victims of violence, and investments for homelessness; \$21.9 billion for green infrastructure; and \$2 billion for rural and northern communities, for projects such as expanding roads and enhancing Internet connectivity. Funding for these infrastructure projects is provided through cost-sharing bilateral agreements with provinces and territories. Projects are selected based on priorities identified by the provinces and territories.³⁷⁸

Included in the social infrastructure funding stream are expenditures for Indigenous communities in the areas of expanding affordable housing, supporting early learning and child care, improving health care in Indigenous communities, and building more cultural and recreational infrastructure, such as community centres, museums, parks, and arenas.³⁷⁹

In addition to support for physical infrastructure, the federal government provides program funding for social supports within communities. ESDC provides support for community-based organizations through the Social Development Partnerships Program, which promotes the inclusion of socially vulnerable groups through targeted funding for non-profit organizations. Through these strategic investments, the program supports federal priorities regarding children and families, people with disabilities, the voluntary sector, official languages minority communities, and other vulnerable populations. The program also provides the opportunity to work in partnership with non-profit agencies to improve the lives of target groups.³⁸⁰

378 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 February 2017 (Jeff Moore, Assistant Deputy Minister, Policy and Communications, Office of Infrastructure of Canada).

379 Government of Canada, [A Plan for Middle Class Progress, Fall Economic Statement 2016](#), p. 21.

380 Government of Canada, [Evaluation of the Social Development Partnerships Program](#), June 2014.

B. What the Committee Heard

The importance of communities and neighbourhoods in addressing poverty reduction is crucial for several reasons. Communities bear many of the costs associated with poverty, such as financial and resource burdens for their social, judicial, and health care services. Moreover, communities are where those living in poverty reside and where they come in contact with front line service providers. This fundamental link was described by Sandra Datars Bere of the City of London who summarized the city's poverty reduction strategy, "London for All":

Poverty is a community issue. Poverty impacts all of us because a community experiences poverty and cannot reach its potential when people lack or are denied the economic, social, or cultural resources to participate fully....

... At the community level, poverty has economic impacts, because individuals and families living in poverty are less likely to work and more likely to draw on emergency and social services.³⁸¹

1. Addressing food insecurity in communities

The Committee learned that the use of food banks in Canada has been nearing record levels for a number of years, with more than 830,000 people accessing a food bank monthly since 2010. Witnesses also stated that food bank use is currently 26% higher than it was before the global recession began.³⁸² The Committee heard that "while more than half of households accessing food banks are on social assistance or disability-related income supports," one in six reported employment as their primary source of income.³⁸³ The Committee was surprised to learn that single, unattached individual food bank users, as a proportion of the total, have increased from 30% in 2001 to 45% in 2016.³⁸⁴

The Committee heard that the disturbing increase in food bank usage has concerned and frustrated both community representatives and community-based organizations who work with those living in poverty. This is partly because of the need to use resources to meet immediate and urgent needs for food while realizing that this service does not have any lasting impact on reducing poverty. Some witnesses referred to the need to divert the resources used by food banks and other short-term measures to more effective measures that would prevent the need for food banks. The Committee was told that while Medicine Hat has a food bank, the executive directors of the bank believe that food banks are not the right means to reduce poverty and are changing their approach to how the bank operates and the type of supports it offers.³⁸⁵

381 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 0955 (Sandra Datars Bere, Managing Director, Housing, Social Services, and Deerness Home, City of London).

382 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Shawn Pegg, Director, Policy and Research, Food Banks Canada).

383 Ibid., 1125.

384 Ibid.

385 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Celina Symmonds, City Councillor, City of Medicine Hat).

The Committee heard that Indigenous communities have developed unique approaches to increase food security. For instance, some northern Indigenous communities have developed the means to increase access to “country food” through the use of community freezers and community kitchens, specifically aimed to reduce the consumption of processed food particularly among Elders and youth. Witnesses also described greenhouse projects in Nunavik, as well as the introduction of chicken coops, both aimed at increasing access to fresh food. In the case of Nunavik, other food security programs are also being considered, such as school breakfast and snack programs and meal delivery to those in need.³⁸⁶

2. Needs for community infrastructure

The Committee heard that geographically based concentrations of poverty within communities have shifted over time, as rising housing costs and changing employment locations have pushed low-income individuals and families to neighbourhoods with more affordable housing. However, public transportation and other services and supports do not necessarily follow these population movements, with the result that neighbourhoods with a growing low-income population often lack sufficient community infrastructure.³⁸⁷

The Committee heard that communities need federal government assistance not necessarily in providing delivery of services, but rather in constructing and repairing the physical sites in which to base such services. Communities need centralized spaces, easily accessible for those who need them, where multiple services can be delivered:

... families need a place to go in their communities for resources, backup support, and assistance to help them navigate their communities. They're working across health, social services, and various benefit programs. They're falling through the cracks, and because they're falling through the cracks their kids are ending up in child welfare or in long-term care. The idea of community hubs as places that provide support for social enterprise and places for families to gather and to develop initiatives to provide them social support is the piece that's missing. It's not about delivering services directly but about giving a place in the community where people can gather to come up with creative solutions in their local communities.³⁸⁸

The concept and importance of community hubs for low-income neighbourhoods and the critical need for infrastructure to house them was further explained to the Committee by Pedro Barata of the United Way Toronto and York Region:

Community hubs are essentially community centres where agencies and various programs can come together and, in a one-stop shop format, provide opportunities for people to come in and get help with child care, employment services, and primary health care, with all of those under one roof. Building these requires an investment. We believe that investment is just as important as an investment in bridges, sewers, and other hard infrastructure,

386 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Francoise Bouchard, Director, Public Health, Nunavik Regional Board of Health and Social Services).

387 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pedro Barata, Senior Vice-President, Strategic Initiatives and Public Affairs, United Way Toronto and York Region).

388 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 0910 (Michael Bach, Executive Vice-President, Canadian Association for Community Living).

because what you're doing is essentially building a way to provide people with direct services and opportunities.³⁸⁹

Witnesses also identified infrastructure investments required to address the needs of certain vulnerable populations. For instance, the Committee learned that infrastructure for education was needed in the north, including new colleges with flexible programs tailored to the culture and social fabric of Inuit people. This type of investment would allow community members to remain in their communities and eventually to work there, bringing economic benefits as well as contributing to the safety net for suicide prevention and mental health promotion.³⁹⁰ One witness advised the Committee that the federal government should develop an Arctic infrastructure strategy, which would move infrastructure planning from uncoordinated ad hoc projects to a means for planning northern community development in a way that meets the comprehensive infrastructure needs at the community level.³⁹¹

Several witnesses told the Committee that their communities had determined that infrastructure was needed to address pressing needs for child and youth wellness services. For instance, the City of Medicine Hat identified the need to create a child wellness centre to address the increasing socio-emotional needs of young people in their region.³⁹² Representatives of Nunavut identified the creation of a wellness centre and youth centres in each of its communities as a priority for reducing poverty, in addition to the need for a substance abuse treatment centre, and spaces for not-for-profit organizations.³⁹³ The City of Maple Ridge identified a similar need for youth in their community and raised money within the community to construct a youth wellness centre, which provides psychiatric assessment services, mental health services, primary care services and other supports for over 120 youth between the ages of 8-24. However, community representatives stated that they lack the necessary funds to sustain this centre.³⁹⁴

3. Transportation

The issue of transportation was identified by several witnesses as a core need that was essential to include in plans to reduce poverty. Witnesses explained that physical and affordable access to public transit facilitates employment, education, and access to

389 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 0910 (Pedro Barata, Senior Vice-President, Strategic Initiatives and Public Affairs, United Way Toronto and York Region).

390 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Francoise Bouchard, Director, Public Health, Nunavik Regional Board of Health and Social Services).

391 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Aluki Kotierk, President, Nunavut Tunngavik Inc., Nunavut Roundtable for Poverty Reduction).

392 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Reagan Weeks, Assistant Superintendent, Alberta Education, Prairie Rose School Division).

393 Reference document submitted by Nunavut Tunngavik Timingat, 14 February 2017 p. 4.

394 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Nicole Read, Mayor, City of Maple Ridge); Speaking notes, Vicki Kipps, 17 February 2017.

services and supports for low-income individuals and families.³⁹⁵ The Committee was told that high public transportation costs in some municipalities may pose a barrier for those trying to access essential services, which may be situated in a number of neighbourhoods.³⁹⁶ In addition to the high cost of public transit, inadequate coverage and scheduling pose additional challenges, which can impede those in poverty from finding or maintaining employment.³⁹⁷

Witnesses from smaller, rural communities observed that transportation is a particular challenge, as there is little or no public transit available, creating a barrier to employment and education for those without access to a vehicle.³⁹⁸ The Committee heard that in New Brunswick, where 50% of the population lives in rural areas, inadequate transportation is the greatest barrier for low-income rural residents.³⁹⁹ Similarly, lack of low cost transportation was identified as one of the largest barriers within the community of Medicine Hat,⁴⁰⁰ where publicly funded transportation falls short of the needs of large geographic areas and where services are difficult to access for those in more remote areas.⁴⁰¹

The Committee heard that transportation systems are also a challenge in the North, making transportation within communities more difficult for those without vehicles.⁴⁰² Elders in particular often face mobility challenges due to health problems and weather conditions.⁴⁰³ While some Inuit communities have community buses to help Elders access food stores and health services, many seniors are dependent on the availability of family members.

4. Service gaps for vulnerable populations

Several witnesses described the challenge of supporting older workers, who may be unfamiliar with the support systems in their communities and more likely to fall through the cracks. One witness noted that men (typically single) between the ages of 45 and 65 are the largest-growing population accessing the social assistance program in London.

395 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pamela McConnell, Deputy Mayor, City of Toronto).

396 Brief submitted by Women's Centre of Calgary, "[A Poverty Reduction Strategy Must Address Gender Inequalities](#)," March 2017, p. 3.

397 Reference document submitted by City of New Westminster, "Community Poverty Reduction Strategy," October 2016, p. 14.

398 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Gavin Still, MNP LLP, Fort St. John, As an Individual)

399 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Randy Hatfield, Executive Director, Saint John Human Development Council).

400 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Ted Clugston, Mayor, City of Medicine Hat).

401 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Reagan Weeks, Assistant Superintendent, Alberta Education, Prairie Rose School Division).

402 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Gavin Still, MNP LLP, Fort St. John, As an Individual).

403 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 7 March 2017 (Francoise Bouchard, Director, Public Health, Nunavik Regional Board of Health and Social Services).

Those who have lost jobs from industry closures may not be familiar with the social support system in the community, never having accessed it before, and often lack family and social networks to help them navigate it.⁴⁰⁴ Seniors were also a concern of witnesses in Maple Ridge, B.C, where 10% of users of its temporary shelter are seniors and 22% of regular food bank users are seniors.⁴⁰⁵

Some witnesses pointed to the need for active outreach and face-to-face community-based programs for vulnerable populations. Such programs linking seniors more proactively to services available to them provided greater accessibility for seniors than the often complex online applications processes which often overwhelm vulnerable seniors.⁴⁰⁶ Other witnesses stated that this was also a problem for other groups living in poverty, commenting on the large number of forms required to access services and the need to provide one-on-one assistance with completing forms in order to help clients access benefits.⁴⁰⁷ The Committee heard that many low-income parents in Saint John had never applied for the Canada Learning Bond, as they simply did not believe that the federal government would give them money.⁴⁰⁸

5. Coordination at the community level

Several witnesses described the web of supports and services provided to assist those living in poverty. Rather than identifying concerns with individual component programs and services that comprise “the system” that most communities have in place, such as referrals for housing, training, health care, and employment,⁴⁰⁹ witnesses focused on the lack of coordination and integration of these services. They explained that as result of uncoordinated programs and services, low-income individuals and families have to move from one location to another to access regularly needed services, and those with physical barriers as well as those unaware of services available may fail to access needed services altogether.

Community-based services are often not integrated nor located at the same location, requiring clients to take transit from one site to another. For those with disabilities, those travelling with small children, new immigrants without strong English or French language skills, those with mental illness, and seniors with mobility challenges, the barriers can be daunting and may prevent them from accessing supports available to them. One witness described a 2010 report entitled “It Takes All Day to be Poor”:

404 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Sandra Datars Bere, Managing Director, Housing, Social Services, and Dearness Home, City of London).

405 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Vicki Kipps, Executive Director, Maple Ridge/Pitt Meadows Community Services).

406 Ibid.

407 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Nicole Read, Mayor, City of Maple Ridge).

408 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Althea Arsenault, Manager of Resources Development, Economic and Social Inclusion Corporation).

409 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Sandra Datars Bere, Managing Director, Housing, Social Services, and Dearness Home, City of London).

If we assume that people who are living in poverty are just lazy and wanting handouts, in fact they're probably the hardest working people in our society. It does take all day to be poor. You have to run around to food banks to get food, to get services, to go from point A to point B, and if you have bus tickets, you're lucky. If you have to tag along children, that can be a very challenging situation, particularly for single parents.⁴¹⁰

The issue was echoed by others:

Here in Winnipeg you're going through a number of different systems. You may be trying to access social assistance or to find employment. You may be looking for a different agency to help you with housing or with family issues. You're trying to navigate all these different systems, and there isn't a central resource for people sometimes. This can be an intimidating factor as well.⁴¹¹

The Committee heard of similar challenges in the City of London:

... if you're in need of assistance for housing, social assistance, perhaps child care support, and food security programs, you probably have to open seven doors. I only listed three things, but you probably have to open seven doors. The reality is that as communities, we need to start looking at how we integrate that, how we put the client first, the individual first, the family first, and talk about what that means for that individual and the process that person goes through.⁴¹²

6. Flexibility and autonomy for communities

The need for greater flexibility and autonomy, including reducing the reporting burden required from all levels of government, was also expressed to the Committee:

We also have to free up the human resources of the local organizations. They are chasing their tails in trying to meet our reporting requirements. We all ask for different timetables, different fiscal years, and different budget templates. This is insanity. They are spending so much of their precious resources on accounting, measuring, and reporting—and often measuring things that actually don't matter—to keep us satisfied. That is wrong. We could easily free up 25% of that capacity. For those of you who have some business background, imagine that. Just like that: another 25%. Imagine a world where Erin's organization has to write only one report a year that goes to all funders. These things are completely within our control.⁴¹³

One of the strongest messages the Committee heard was the need for communities to have direct access to stable long-term funding and the flexibility and autonomy to address unique needs as they arise and as they evolve. Witnesses explained to the Committee that the eligibility criteria for some government-administered programs was often outdated and did not reflect the changing needs, as seen at the community

410 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017, 1020 (Diane Redsky, Executive Director, Ma Mawi Wi Chi Itata Centre Inc.).

411 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017, 1105 (John Brandon, Community Animator, Social Planning Council of Winnipeg).

412 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 1050 (Sandra Datars Bere, Managing Director, Housing, Social Services, and Dearness Home, City of London).

413 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017, 0835 (Wendy MacDermott, Executive Director, United Way Saint John, Kings and Charlotte).

level, of those living in poverty.⁴¹⁴ Many witnesses expressed frustration at having senior levels of government create programs for their communities over which they had no ability to change to accommodate the unique needs of their citizens:

We know our community well. We work together, especially in this community, where we have a very connected environment of service provision. We have eyes on the ground all of the time. We know what we need in this community.⁴¹⁵

One witness noted that while lone parents, families, and persons with disabilities were often eligible for targeted programs, the increasing number of unattached singles had few supports for which they were eligible.⁴¹⁶ Several witnesses told the Committee that often singles eventually stopped re-applying for social and affordable housing and fell off waiting lists as they had to wait years longer than other populations that were targeted priorities.⁴¹⁷

C. Approaches and Options

1. General

a. Physical infrastructure

Several witnesses stated that the federal government should ensure that investments in social infrastructure focus on priority needs as identified by provinces and territories and that transfers for infrastructure funding should be in addition to current provincial and territorial funding allocations rather than replace funding envelopes already established by provinces and territories.⁴¹⁸

The Committee was reminded of the considerable employment opportunities associated with the federal government's infrastructure funding for communities, which provide an opportunity to connect people, especially youth, to careers in the trades.⁴¹⁹

b. Creating community hubs

The Committee was encouraged to hear that several communities were providing front-line services to low-income individuals and families through community hubs, one-stop locations where people can access the range of services they need. One witness

414 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Robin Miiller, Chief Administrative Officer, Medicine Hat Community Housing Society).

415 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017, 1140 (Nicole Read, Mayor, City of Maple Ridge).

416 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Shawn Pegg, Director, Policy and Research, Food Banks Canada).

417 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Randy Hatfield, Executive Director, Saint John Human Development Council).

418 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Emilie E. Joly, Community Organizer, Front d'action populaire en reamenagement urbain).

419 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pedro Barata, Senior Vice-President, Strategic Initiatives and Public Affairs, United Way Toronto and York Region).

expressed the concept as “you need to have services to meet people where they are, rather than have people fit with a system.”⁴²⁰ Some organizations, such as the United Way Toronto and York Region, have taken this approach in part to address inadequate community infrastructure in areas that have recently seen an influx of low-income residents.⁴²¹

However, other communities with long-standing pockets of intergenerational poverty, such as Saint John, have created similar hubs in order to ensure that their low-income community members have better access to the range of supports available to them. The positive impact of centralizing services and supports was shown in Saint John, where the city created the Learning Exchange, an early learning and child care centre, as a hub. Shilo Boucher of the YMCA of Greater Saint John illustrated the benefit of this model through the story of a mother of three, including a child with autism, who was facing challenges navigating the system of services she required:

It felt like we were always running from place to place. A lot of times I just cancelled because I was too tired to go. Now our early interventionist, speech therapist, occupational therapist, physiotherapist and social workers all come and meet us at the centre.... I don't miss [my] appointments anymore.⁴²²

Several witnesses described how their communities were approaching the development of community hubs using early learning and child care centres, schools, and food banks as gateways to a range of other services. In the city of Medicine Hat, some services and supports are being provided to food bank users through a “Food First” pilot project to provide families who use the food bank with access to other support services.⁴²³ Also, schools are being used as hubs through their Fresh Start for School program, which embeds community workers in schools, giving students and families access to the services of more than 35 federal, provincial, and local organizations, including immunizations, enrolment in and referral to services, and access to basic needs.⁴²⁴

In Saint John, Early Learning Centre, administered by the YMCA of Greater Saint John, is a pilot project embedded in St. John the Baptist School, a primary school in one of the poorest neighbourhoods in the city. The centre offers free kindergarten readiness programs, nutrition classes, and information for parents, connecting them with community organizations and resources such as food banks, parenting classes and case workers. They also assist those with low literacy skills with filling out forms. Twenty partner organizations work with the centre. Since its operations began eight years ago, the

420 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 0920 (Robin Müller, Chief Administrative Officer, Medicine Hat Community Housing Society).

421 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pedro Barata, Senior Vice-President, Strategic Initiatives and Public Affairs, United Way Toronto and York Region).

422 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017, 0820 (Shilo Boucher, President and Chief Executive Officer, YMCA of Greater Saint John).

423 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Celina Symmonds, City Councillor, City of Medicine Hat).

424 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Reagan Weeks, Assistant Superintendent, Alberta Education, Prairie Rose School Division; and Ted Clugston, Mayor, City of Medicine Hat).

percentage of children entering primary school with age-appropriate cognitive and social skills has risen from 40% to 80%.⁴²⁵

The City of New Westminster is planning five similar child development hubs, based on licensed child care services that will provide “seamless access to a range of information, services and supports.”⁴²⁶ In Toronto, the Christie Ossington Neighbourhood Centre operates a broad range of services including the Breaking Barriers program linked to its drop-in program that assists clients with housing, employment, health and wellness, and life management skills.⁴²⁷

c. Funding community hubs

Several witnesses advised the Committee that federal government funding, coordinated with provinces and territories, was needed by organizations operating or trying to establish hubs. One witness suggested that the federal government should provide community-based funding using mechanisms similar to those under the HPS, but give communities greater autonomy under the agreements, in order to provide flexibility to better meet the needs of the community.⁴²⁸

Another witness proposed that a local innovation fund could be created, with pooled resources from the federal and provincial governments, community sources and the private sector, which could be deployed in strategic and flexible ways. This approach would facilitate projects and programs that do not fall under any single government department, jurisdiction, or mandate.⁴²⁹ It would also enable smaller organizations to pool their expertise and respond to a local need.

Several witnesses noted that organizations responding to federal government Requests for Proposals are required to meet the federal government’s timeline and criteria. However, many lack the capacity to meet the timelines unless they have a project plan already underway at the time the proposal call is issued. The Committee heard that the concept of pooled funding could reverse this dynamic and help community organizations:

It's about changing the direction. Here's the local strategy, here's what we're working on, and here are the priorities, so how do the federal government and the provincial government engage and support this? It's really in the other direction from when government is ready to release money and then we try to scramble to get it.⁴³⁰

425 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Shilo Boucher, President and Chief Executive Officer, YMCA of Greater Saint John).

426 Reference document submitted by the City of Westminster, “Community Poverty Reduction Strategy,” October 2016, p. 19.

427 Reference document submitted by the Christie Ossington Neighbourhood Centre, “Welcome Handbook,” p. 3.

428 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 15 February 2017 (Jino Distasio, Vice-President, Research and innovation, Institute of Urban Studies, University of Winnipeg).

429 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Wendy MacDermott, Executive Director, United Way Saint John, Kings and Charlotte).

430 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017, 0855 (Wendy MacDermott, Executive Director, United Way Saint John, Kings and Charlotte).

d. System navigation

Witnesses explained to the Committee that, in addition to service hubs, communities need “navigators,” people and programs that actively guide low-income clients through the range of supports available at the community, provincial, and federal levels.

I think there is a clear role for the federal government in supporting the key infrastructure that enables families to connect and provides those navigation systems. It's not just a social service. If families are going to be the social infrastructure that we increasingly rely on them to be, we need the federal government to invest in the capacity of communities to enable families to play that role. It's not a social service. It's a piece of social infrastructure.⁴³¹

The Committee learned that a degree of system navigation involving collaboration between the federal government and provinces and communities is in place in some communities. While navigators may be located in a community hub, others helping low-income individuals access specific programs may be mobile and travel to various locations such as community centres or libraries. In New Brunswick, Canada Revenue Agency participates in a community volunteer income tax program for low-income populations, increasing registration rates for the program from approximately 13,000 to 22,000 people since the program began. Promotion for the program is done through Service Canada, ESDC, First Nations, and public libraries. Similar community awareness and support programs are in place with ESDC to promote the Canada Learning Bond.⁴³²

e. Working with the private sector

The Committee was reminded that the private sector is an invaluable partner in addressing poverty reduction. Several municipal poverty reduction strategies that witnesses described to the Committee, such as those of Saint John, Toronto, New Westminster, Langley, and Medicine Hat, were developed with private sector involvement and outline strategic roles for the business community. Pamela McConnell, Deputy Mayor of the City of Toronto, told the Committee that the private sector participation in TO Prosperity, Toronto's poverty reduction strategy, included business community members from Bay Street, who have been employing 100 young people each of the five years since their strategy began.⁴³³

f. Information sharing

The Committee also learned that the federal government could support communities by facilitating the sharing of information. Witnesses described how the federal government could have a key role in sharing research and evaluation findings, providing resources for interprovincial collaboration to address poverty, and hosting annual best

431 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 0855 (Michael Bach, Executive Vice-President, Canadian Association for Community Living).

432 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Althea Arsenault, Manager of Resources Development, Economic and Social Inclusion Corporation)

433 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017 (Pamela McConnell, Deputy Mayor, City of Toronto).

practice forums so that communities and organizations could continue to learn of innovative ideas and practices.⁴³⁴ It was also suggested that the federal government play a role in encouraging collaboration between provincial and municipal governments in addressing administrative challenges and barriers as well as collaborating in multisectoral initiatives and sharing examples of effective poverty reduction measures.⁴³⁵ The Committee also heard that the federal government needs closer direct relationships with local communities and that federal-provincial-territorial discussions related to poverty reduction initiatives that impact communities should include the presence of communities to ensure clarity of communications and consistency in objectives.⁴³⁶

2. Innovative concepts

The Committee heard many examples of innovative and imaginative measures developed by communities and non-profit organizations to address poverty within their communities. Some communities have had success with the Housing First model to address homelessness and have adapted the model for other areas of poverty reduction. The Committee also heard about a variety of approaches being used by communities which could be used by other governments and communities, based on their respective needs.

- Adapting the Housing First Model for systems navigation: Medicine Hat has adapted the Housing First model and is using this approach for other programs, providing gateways in schools and piloting a program in their food bank to link individuals and families with supplementary services.⁴³⁷
- Community collaboration to pool resources: The Committee heard a number of examples of front-line organizations cooperating to more closely coordinate programs and actively avoid competing with each other for funding. Using this collective approach, they described examples where they returned monies in order to allow other organizations with greater needs or more expertise to use them. In Maple Ridge, one witness stated:

... we've made a commitment to each other not to compete for funding when there are those provincial or federal grant opportunities, but rather to partner to see which organization has the competency to do that well. We support each other. We partner. We have found that we serve far more citizens and we address far more needs in our community when we work collaboratively through that community network.⁴³⁸

434 Speaking Notes, Jeff Bisanz and Kate Gunn, EndPovertyEdmonton, 15 February 2017, p. 5

435 [Brief submitted by the Alberta Poverty Reduction Network](#).

436 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Nicole Read, Mayor, City of Maple Ridge).

437 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Alina Turner, Principal, Turner Strategies).

438 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017, 1200 (Vicki Kipps, Executive Director, Maple Ridge/Pitt Meadows Community Services).

Similar views were heard by the Committee in Medicine Hat:

What I think tells you that story the best here is agencies in Medicine Hat going to Jaime and saying, “We have too much money; we want you to cut our budget, because we think you should invest in prevention in another area.” That tells you that a level of community planning is now bought into throughout the system of care, that they’re moving forward along the same path, and that they trust that system planning is happening.⁴³⁹

- **Community systems planning and mapping**: The Committee heard several communities use similar approaches to maximize resources and target areas of greatest need. The City of Medicine Hat refers to this as “systems planning and mapping,” where a centralized administration pools funds and funnels them to those community organizations best suited to address the needed change.⁴⁴⁰ In Saint John, this function is carried out by United Way Saint John, Kings and Charlotte, which changed the way it funded community organizations in order to focus resources on organizations with capacity and a record of achieving outcomes. It also provides an overall coordination function to ensure organizations are trying to achieve the same goal but without overlap and duplication:

As funders, we need to create a greater discipline and a responsibility. Without innovation and discipline by funders and service providers, children will continue to go hungry and the fragile will continue to suffer indignities. We have to look at breaking the cycle. We have to stop driving projects that are independent of each other. We do not have the luxury to continue as though we are all on our own as funding partners. We must be interdependent if we are going to make any of these substantive changes. We have to align our efforts and our resources. We can leverage each other. We can leverage our money. We can leverage our expertise.⁴⁴¹

- **Community quarterbacks**: The Committee was interested to hear how the City of Medicine Hat’s representatives described the management and control of the system planning approach and the integration of community services, using the analogy of a quarterback, which could be one individual or a team of key resources in the community brought into a formal entity and given the necessary authority:⁴⁴²

... there needs to be a quarterback who mans the game, who has the strategy, who tells the players where to go. Sometimes we think that's the funder, the person giving out the dollars. The problem is that there are so many funders. There are sometimes as many funding pots in a community

439 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 0935 (Alina Turner, Principal, Turner Strategies).

440 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Celina Symmonds, City Councillor, City of Medicine Hat).

441 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017, 0835 (Wendy MacDermott, Executive Director, United Way Saint John, Kings and Charlotte).

442 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017 (Alina Turner, Principal, Turner Strategies).

as there are services, and sometimes there are as many services as there are clients. We have this mess of a patchwork approach to all of these integrated issues. [There needs to be] a designated poverty reduction quarterback at the community level whose sole responsibility is to make sure that players are doing what they're supposed to be doing....

There needs to be somebody who implements the strategy and these common objectives at the community level and who has some accountability and power to dictate how this funding is doled out and to what purpose.⁴⁴³

- Innovative financing for on-reserve infrastructure: The Committee heard of innovations in financing housing and infrastructure projects in Indigenous communities. Officials from INAC described the *First Nations Fiscal Management Act*, which provides First Nations control over fiscal areas including taxation and provides First Nations the means, through the First Nations Finance Authority, to raise money in capital markets. Since June 2014, this mechanism has raised approximately \$300 million in financing for housing and infrastructure projects for First Nations on reserve. INAC officials told the Committee that this Act could be a vehicle to help support more innovative financing structures for further infrastructure and housing projects.⁴⁴⁴
- Communications and NIMBYism: In their site visits, Committee members learned that two of the projects had resources dedicated to relations with the community. Both RainCity Housing, which manages a transitional housing facility known as the 3030 Gordon Project in Coquitlam, B.C., and the Christie Ossington Neighbourhood Centre, which operates a number of shelters and drop-in programs in Toronto, had staff members who were tasked with developing and maintaining relations with others in the community to overcome resistance, resolve problems and complaints, and address fears and concerns. In the case of 3030 Gordon, the organization was able to overcome community resistance to construction of their transition housing project in the neighbourhood. In the case of Toronto's Christie Ossington Neighbourhood Centre, most of the neighbouring residents and businesses are now advocates for the centre.
- Changing food banks: Committee members toured the food bank in Medicine Hat and were shown the community garden built beside the bank. Food bank representatives explained that the garden has provided food bank users with social connections, reduced isolation, improved access to healthy food, enhanced users' skills development, and been a source of pride, as participants grow their own food rather than accepting food donated by others. The food bank now provides cooking classes, as many of

443 Ibid., 0935 and 0955.

444 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 2 February 2017 (Allan Clarke, Director General, Economic Research and Policy Development, Lands and Economic Development, INAC).

the food bank users had no cooking or food preparation skills. The food bank is also serving as a hub where clients receive support and referrals to other services, such as housing or assistance with income tax preparation.

- Increased access for early learning centres: In Saint John, the early learning and child care centre is available for all neighbourhood parents, meaning parents who are not employed or attending school may send their children there. This ensures a larger number of neighbourhood children receive nutritious food, as well as social and cognitive skills development, and more parents are provided access to other supports and services.

CHAPTER 7: A NATIONAL POVERTY REDUCTION STRATEGY

[T]here's no silver bullet. There's no one sector. Government can't do it alone, and neither can the private sector or United Way. We're all part of the solution. Having a plan with a target helps us all push in the right direction.⁴⁴⁵

Over the course of its study, the Committee heard recommendations concerning the elements of a national poverty reduction strategy. Recommendations on specific aspects, such as the importance of linking the national poverty reduction strategy to the national housing strategy or the need for an early learning and child care framework have been addressed earlier in this report. However, a number of witnesses spoke about general features of a poverty reduction strategy as well as the unique policy levers for which the federal government is responsible.

A. Features of a National Poverty Reduction Strategy

1. Objective and focus

Several witnesses observed that the federal government has successfully reduced the rates of poverty among certain populations, noting in particular the significantly lower rate of poverty among seniors following the introduction of the GIS. Nonetheless, they indicated that little progress has been achieved for other vulnerable groups and recommended that a national poverty reduction strategy be focused on key sub-populations, such as working-age unattached individuals.⁴⁴⁶ However, most recommended a broad national poverty reduction strategy that supports all low-income populations.

In terms of principles to guide the national poverty reduction strategy, the Committee heard that the federal government should view all policies and programs related to poverty reduction with a lens for gender, age, disability, and mental health.⁴⁴⁷ Some witnesses recommended that the national poverty reduction strategy be grounded in human rights, stipulating that it make explicit reference to Canada's international human rights obligations,⁴⁴⁸ and that a human rights lens be applied to the strategy's elements.⁴⁴⁹

445 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 10 March 2017, 0835 (Pedro Barata, Senior Vice-President, Strategic Initiatives and Public Affairs, United Way Toronto and York Region).

446 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Randy Hatfield, Executive Director, Saint John Human Development Council); HUMA, [Evidence](#), 1st Session, 42nd Parliament, 14 February 2017 (Nicolas Luppans, Coordinator, Groupe actions solutions pauvreté); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 February 2017 (Shawn Pegg, Director, Policy and Research, Food Banks Canada).

447 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Stephen Elliott-Buckley, Simon Fraser University, Labour Studies Department, As an Individual).

448 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 1 November 2016 (Leilani Farha, Executive Director, Canada Without Poverty).

449 [Brief submitted by the PEI Working Group for a Livable Income](#), p. 3.

The timelines for a strategy were also considered by many. Witnesses commented that the government had to consider both short- and long-term measures and goals. While short-term emergency services such as shelters and food banks are unable to reduce poverty, they are critical for many and no witnesses proposed that they be eliminated. However, the Committee heard that in addition to addressing the immediate needs of those in poverty, the government needs to look at poverty reduction as a long-term effort with a 20-30 year timeline, focused on upstream measures that will help lift those with low incomes out of poverty and prevent others from falling into it.⁴⁵⁰

The Committee was also advised that the federal government should consider a pan-Canadian approach, with universal targets and financial supports to provinces and territories, in order to ensure consistent approaches to poverty reduction across jurisdictions.⁴⁵¹

2. Governance

Because of the long timeline that many suggested was necessary to successfully reduce poverty in Canada, the Committee was advised that the poverty reduction strategy should be grounded in legislation and overseen by an organization at arms-length from government, allowing the strategy to benefit from long-term leadership and insulation from shifts in policy priorities. This approach has been used by the government of New Brunswick, which set its poverty reduction strategy in legislation and established the Economic and Social Inclusion Corporation, a provincial Crown corporation to oversee the implementation of the strategy, in partnership with municipalities and stakeholders.⁴⁵²

3. Definition and measurement of poverty

Witnesses also addressed the issue of data on poverty among vulnerable groups. As there is no official standard of measuring poverty, the information provided to the Committee used the various measurements of LICO, LIM, and MBM. Several witnesses noted the limitations of such measures. Based on income, they fail to capture non-income based measures of poverty. Others did not advocate for specific measurement tools, but focused on the need for the federal government to develop a Canada-wide poverty measurement.⁴⁵³ Underlying this issue is the need to actually develop a common definition of poverty, which can then be measured. According to witness testimony, the lack of both a common definition and a common measurement of poverty hinders stakeholders' efforts to develop targets and conduct rigorous assessment. These elements are necessary if the

450 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (John Harvey, Director, Program Services, Covenant House Vancouver).

451 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (Stephen Elliott-Buckley, Simon Fraser University, Labour Studies Department, As an Individual).

452 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Althea Arsenault, Manager of Resources Development, Economic and Social Inclusion Corporation); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (John Harvey, Director, Program Services, Covenant House Vancouver).

453 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Althea Arsenault, Manager of Resources Development, Economic and Social Inclusion Corporation).

strategy is to be successful in achieving its objectives. The issue was summarized by John Harvey of Covenant House Vancouver:

... the federal government has endorsed no official measurement of poverty. The question then arises, how do we meaningfully talk about poverty if we don't have a common language around poverty and a set of metrics to measure the impact of any and all of our efforts toward reducing poverty?...

... Regardless of what methods we adopt, the axiom “you can't fix what you don't measure” rings true here.⁴⁵⁴

4. Leadership and communications

The Committee was advised that the federal government should assume a leadership role in reducing poverty, building upon the momentum created by provincial, territorial, and municipal poverty reduction strategies and using its ability to launch broad national communication initiatives. Federal leadership should extend beyond the coordination of programs with provinces and territories, to “collaboration, equity, flexibility and accountability for results”.⁴⁵⁵ There is also the need to inspire and motivate other levels of government, stakeholders and the public:

... I challenge you to end poverty and increase well-being. Be bold. Be bold with your message. Unless you are bold, municipal governments, provincial governments, and community will not be bold, so please take a leadership role and be that bold.⁴⁵⁶

Witnesses suggested that the federal government could champion a national strategy that integrates community economic development and social economy initiatives, thereby demonstrating the economic opportunities created by addressing poverty.⁴⁵⁷ Others agreed, while also advising that the cost of poverty for society and the consequences of maintaining the status quo should be weighed against the cost of poverty reduction measures.⁴⁵⁸ Indeed, several witnesses told the Committee that their communities had been spurred into developing their own poverty reduction strategies by the increasing and unsustainable costs of poverty for their health, judicial, and social systems.

5. Partnerships

The development of a national poverty reduction strategy will inevitably require close consultation and collaboration with numerous partners. This naturally includes provinces and territories, Indigenous peoples, as well as municipalities, to ensure that

454 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017, 1055 (John Harvey, Director, Program Services, Covenant House Vancouver).

455 Brief submitted by Campaign 2000, “[End Child and Family Poverty](#),” p. 5.

456 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 16 February 2017, 0910 (Jaime Rogers, Manager, Homeless and Housing Development Department, Medicine Hat Community Housing Society).

457 [Brief submitted by the Alberta Poverty Reduction Network](#), p. 1.

458 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 17 February 2017 (John Harvey, Director, Program Services, Covenant House Vancouver).

goals, policies, and programs are in alignment and do not duplicate, overlap, or contradict each other. The Committee heard repeatedly from witnesses that those with lived experience should be included in the development and implementation of a national poverty reduction strategy. Including these voices was identified as a critical factor in municipal and provincial strategies, enabling them to direct resources with the greatest effectiveness and ensuring those directly impacted have an opportunity to be heard. One witness quoted the saying of Halifax community groups: “Nothing about us without us.”⁴⁵⁹

The need for involvement of the private sector was another recurrent message. Many municipalities have developed and implemented their poverty reduction strategies in collaboration with their business communities. The Committee heard that in Saint John, New Brunswick, much of the impetus for their poverty reduction plan came from the private sector, which determined that the consequences of poverty in the community, such as low literacy levels, were hampering their ability to meet their labour needs.⁴⁶⁰ The Committee was also reminded of the power of large companies to reach a broad cross-section of society in support of social goals, such as Bell’s *Let’s Talk* campaign which is designed to increase awareness and acceptance of mental illness.⁴⁶¹

6. Funding: the Canada Social Transfer and a Social Care Act

In 2016-2017, total federal expenditure on the Canada Social Transfer (CST) is estimated to be \$13.4 billion. Because the CST rolls up various social supports into one block payment, there is no mechanism by which to allocate any specific portion of the CST to social services, social assistance, or child care. During the course of the study, various witnesses spoke of the lack of accountability mechanisms and standards to ensure that social assistance programs across the country meet the basic needs of Canadians.⁴⁶² Jennefer Laidley of the Income Security Advocacy Centre urged the government to introduce standards as a condition for receiving CST funding. She recommended an increase to CST funding specifically earmarked for poverty reduction, so that provinces and territories could support their own strategies and flow funding to municipalities. She also stated that such a renewed CST should include conditions for enhanced provincial and territorial social assistance programs.⁴⁶³

Finally, The Canadian Association of Social Workers proposed in its brief the creation of a Social Care Act for Canada, which would be guided by principles similar to those of the *Canada Health Act*, such as public administration, comprehensiveness,

459 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017, 0810 (Donna Gates, Executive Director, Living SJ).

460 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Erin Schryer, Executive Director, Elementary Literacy Inc., As an Individual).

461 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Wendy MacDermott, Executive Director, United Way Saint John, Kings and Charlotte).

462 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016 (Jennefer Laidley, Research and Policy Analyst, Income Security Advocacy Centre); and HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Sally Guy, Director of Policy and Strategy, Canadian Association of Social Workers).

463 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016 (Jennefer Laidley, Research and Policy Analyst, Income Security Advocacy Centre).

universality, portability, accessibility, fairness, effectiveness, accountability and transparency, rights and responsibility, as well as comparability.⁴⁶⁴ The objective of a Social Care Act for Canada so developed would be as follows:

Such an Act would help guide the provinces and territories in developing policies that best fit their unique needs, while helping the federal government better understand where dollars are being spent – and, in turn, where more targeted investment might be needed. This would help not only to foster dialogue around shared issues, best practices, and evidence-based programs, but also aid in producing comparable outcomes across Canada. Without federal leadership guiding social transfers and investments, dialogue on progressive social policy stagnates.⁴⁶⁵

In her appearance before the Committee, Ms. Guy suggested that a Social Care Act for Canada be a component of a national poverty reduction strategy.⁴⁶⁶

7. Research and experimentation

We are not going to solve poverty with the status quo. We've tried that, and it did not work.⁴⁶⁷

The federal government has directed significant resources to research, but several witnesses noted gaps in research and information related to poverty and the dynamics within certain vulnerable populations. For instance, the Committee heard that there is a need for more studies on issues such as housing, poverty, and labour dynamics and that more frequent and more in-depth studies prepared by Statistics Canada and other government agencies would help stakeholders to continue to recalibrate programs and identify emerging trends more quickly.⁴⁶⁸ The need for more research on mental health and measures to support those with mental disorders in the workplace was also identified.⁴⁶⁹

Witnesses also described new approaches and success stories from all levels of government, including innovative transit fee structures and the elimination of homelessness at the municipal level and a pilot project for a basic income at the provincial level.

464 Brief submitted by the Canadian Association of Social Workers, "[From Aspiration to Implementation: End Poverty by Putting People First](#)," September 2016.

465 Ibid., p. 2.

466 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2017 (Sally Guy, Director of Policy and Strategy, Canadian Association of Social Workers).

467 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 9 February 2017 (Anthony Dickinson, President, The ONE Change Inc.).

468 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 27 October 2016 (James Hughes, Senior Fellow, The J.W. McConnell Family Foundation, As an Individual).

469 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 8 December 2016 (Ed Mantler, Vice-President, Programs and Priorities, Mental Health Commission of Canada).

However, there is no centralized information source to share new research, best practices, or to test new ideas. The sharing of such ideas is a means for the federal government to facilitate collaboration and to enable stakeholders to benefit from lessons learned and encourage adoption of successful models.⁴⁷⁰

The research hub developed in the United Kingdom was described as a best practice by James Hughes of the McConnell Family Foundation. According to Mr. Hughes, the British have developed What Works Centres, a network of seven arms-length centres, based on themes that include aging, local economic development, and poverty reduction. The centres are funded by government and other donors and provide stakeholders with domestic and international information and research that enables them to make informed decisions. Mr. Hughes stated:

I would suggest the committee consider a federal role in creating a centre such as they've created in the U.K. on a number of other thematics around poverty reduction.... That would be a place to turn to establish what works in the poverty reduction file from an evidentiary point of view, including what quality of evidence or reliability of evidence is actually available.⁴⁷¹

[What Works Centres] can then determine whether they can use that specific evidence to create trials or pilot projects, or not pursue it because it has not worked elsewhere.⁴⁷²

8. Taxation

The Committee heard several recommendations intended to improve the *Income Tax Act* in order to support poverty-related organizations and the communities they serve. One witness told the Committee that the *Income Tax Act* is outdated, as it does not include a definition of “charitable” nor a definition of “poverty,” preventing some organizations focused on poverty alleviation activities from obtaining charitable status.⁴⁷³ The Committee was interested to hear that changes to the *Income Tax Act* to remove the capital gains tax on charitable gifts of private company shares and real estate could increase charitable donations by as much as \$200 million annually.⁴⁷⁴ Others advised the federal government to consider converting non-refundable tax credits to refundable ones. This measure could be a relatively straightforward and cost-effective means of reducing the rate and depth of poverty, particularly among non-elderly singles.⁴⁷⁵

470 Brief submitted by the Alberta Poverty Reduction Network.

471 HUMA, *Evidence*, 1st Session, 42nd Parliament, 27 October 2016, 0850 (James Hughes, Senior Fellow, The J.W. McConnell Family Foundation, As an Individual).

472 Ibid, 1000.

473 HUMA, *Evidence*, 1st Session, 42nd Parliament, 15 February 2017 (Allan Wise, Executive Director, Central Neighbourhoods Development Corporation).

474 HUMA, *Evidence*, 1st Session, 42nd Parliament, 10 March 2017 (Don Johnson, Member, Advisory Board, BMO Capital Markets, As an Individual).

475 Brief submitted by Harvey Stevens, “[A Modest Proposal for Reducing the Rate and Depth of Poverty in Canada](#),” 27 February 2017, p. 4; and [Brief submitted by Face of Poverty Consultation](#), 3 March 2017, p. 1.

CHAPTER 8: CONCLUSIONS AND RECOMMENDATIONS

A. Introduction

Just as there is no single cause of poverty, there is no single means to address it. Throughout the study, the Committee heard that poverty was not simply a matter of income, although insufficient income was certainly a key issue. The Committee gained insight into the current state of poverty in Canada, measures used to address it, and recommendations on how all levels of government can do better. It heard a wide range of views from government officials, community advocates, provincial and municipal leaders, researchers, academics, front-line service providers, and those with lived experience of poverty.

The Committee found that across all sectors there are a multitude of programs and services assisting those living in poverty. The federal, provincial, and territorial governments already have an established system of measures that encompass income supports, education and training, physical and social infrastructure development, and housing. The Committee finds it frustrating that after so many programs and years of funding by all levels of government, such little progress has been made in reducing child poverty and poverty among persons with disabilities and that the rate of poverty among unattached working age adults is increasing.

The following recommendations are not intended to comprise a national poverty reduction strategy. However, while the federal government prepares its strategy, the Committee makes the following recommendations to strengthen measures that are currently in place and to provide its conclusions on what key elements a national poverty reduction strategy should include.

The Committee is aware of the Budget 2017⁴⁷⁶ measures announced shortly after the completion of this study that address some of these issues. The Committee is interested in monitoring those measures and how they align with the following recommendations.

B. Recommendations Regarding Income Security

1. Income support programs

The Committee heard that some of the most important risk factors contributing to poverty are inadequate or unstable income. Those with inadequate income are unable to meet their basic needs, such as housing and food security. Witnesses also called for income support programs to be well coordinated and application and reporting processes to be simple and client centred. It was noted that the Guaranteed Income Supplement had

476 Government of Canada, [Building a Strong Middle Class](#), Budget 2017, 22 March 2017.

significantly reduced the level of poverty among seniors and yet poverty among seniors is still an issue. Witnesses also told the Committee of efforts to develop a price index for seniors that would better reflect the cost of those goods and services that significantly affect the standard of living of this demographic. The Committee also welcomes Budget 2017 announcements related to Employment Insurance. Recognizing the concerns and suggestions made by witnesses the Committee recommends:

RECOMMENDATION 1

That Employment and Social Development Canada work with Finance Canada and the Canadian Revenue Agency to strengthen existing federal income support programs with a view to establishing a system that prevents people from falling into poverty. In strengthening existing programs, the Committee recommends that the federal government make the following changes:

Review coverage, eligibility and duration of Employment Insurance benefits to address the reality of Canadians who are in precarious, part-time, and temporary work situations. Further, that the federal government allow for greater flexibility for recipients of parental and maternity benefits and for beneficiaries who want to attend education and work program while on claim, so that they remain attached to the workforce.

Amend the Working Income Tax Benefit to expand eligibility, increase the level of benefits and reduce claw backs so that low-wage, low-income workers are lifted out of poverty.

Increase the amount of Canada Pension Plan – Disability benefits so that it provides adequate income for those clients with little or no other means of income support.

Index the Canada Child Benefit to inflation. Further, that the federal government work with the provinces and territories to ensure it is not effectively clawed back by reduced provincial social assistance supports. The relevant departments must also work with Indigenous and Northern Affairs Canada to ensure that the Canada Child Benefit reaches Indigenous families.

Increase the Guaranteed Income Supplement and ensure that it reaches all low-income seniors. Further, that the federal government implement a seniors' price index that will inform future increases in the Guaranteed Income Supplement.

RECOMMENDATION 2

That Indigenous and Northern Affairs Canada review social assistance rates for First Nations peoples on reserve in light of higher costs of living and limited employment opportunities so that recipients are ensured an adequate income.

2. Making life better for the working poor

During the course of the study the Committee heard about the importance of paid employment. It is not only an important source of income, but it is also a means by which Canadians contribute to their communities and derive meaning and dignity in their lives. In order to encourage and support workers the Committee recommends:

RECOMMENDATION 3

That Finance Canada and the Canada Revenue Agency review taxes for low-income workers to ensure that no families are forced into poverty as a result of taxes.

RECOMMENDATION 4

That Employment and Social Development Canada, Finance Canada and the Canada Revenue Agency work with provinces and territories to strengthen and coordinate income support program policies so that participants do not face marginal effective tax rates that discourage labour force participation.

3. High cost of basic necessities

The cost of many basic necessities is a critical issue facing many Canadians with low-incomes. The Committee learned that food insecurity is especially acute in the North due to the high cost of nutritious foods. The high cost of prescription medications was also brought to the Committee's attention, costs that prevent many Canadians with lower incomes from getting the medications they need. The Committee acknowledges Budget 2017 announcements related to improving access to prescription medications, lowering drug prices and appropriate prescribing. As well, the Committee acknowledges Budget 2017 announcements related to funding for the Non-insured Health Benefits Program for First Nations and Inuit. To address the high cost of basic necessities, the Committee recommends:

RECOMMENDATION 5

That Indigenous and Northern Affairs Canada, in collaboration with Indigenous and northern communities, develop and implement a system of food security programs to complement or enhance Nutrition North. These programs must address, comprehensively, the extremely high cost of nutritious foods in remote, northern and Indigenous communities. They must also recognize the importance of traditional “country foods” and encourage community initiatives that support local harvesting and production.

C. Recommendations Regarding Education, Skills Training and Employment

1. Early learning and childhood development

The Committee heard that building the skill set required for success must start early in life, and is key to breaking the cycle of multigenerational poverty. These skills include literacy and numeracy, critical thinking, problem solving, goal-setting, and skills in the STEM fields. However, the Committee also learned that children and youth who live in poverty face unique challenges on a daily basis that prevent them from improving educational attainment, that schools alone cannot supply what every child needs, and that greater resources are needed in this regard.

The Committee is aware of investments announced in Budget 2017 with regards to early learning and child care, which would support and create more high-quality, affordable child care spaces across the country. It is also aware of the federal government’s commitment to develop a national framework on early learning and child care, which would include a separate Indigenous component. The Committee believes that children and youth are the cornerstone of Canadian society and therefore recommends:

RECOMMENDATION 6

That Employment and Social Development Canada, in collaboration with other federal departments as well as provincial and territorial stakeholders, ensure that the national framework on early learning and child care provide short- and long-term solutions to improving the well-being of children in Canada by, for example, increasing the quality and accessibility of early learning and child care spaces, as well as promoting research into continued improvements in early learning and child care.

RECOMMENDATION 7

That Employment and Social Development Canada, Health Canada, and the Public Health Agency of Canada explore avenues to provide greater supports towards early learning and child care in Indigenous communities, either within the context of the federal Aboriginal Head Start programs or the Indigenous framework on early learning and care.

RECOMMENDATION 8

That Employment and Social Development Canada, in collaboration with the provinces and territories, invest in and promote programs that support children and youth along their pathway towards higher levels of educational attainment, such as after-school programs in impoverished communities, being mindful that children and youth who live in poverty face unique challenges and require additional resources in order to succeed in the educational system.

RECOMMENDATION 9

That, in implementing measures announced in Budget 2017, Employment and Social Development Canada explore ways to develop not only skills of the future, but also instill a strong sense of inquisitiveness and a life-long approach to learning. In addition to promoting the importance of reaching higher levels of proficiency in basic skills, such as literacy and numeracy skills, the Committee recommends promoting the development and adoption of coding and other digital skills that will support the application of knowledge and ideas and foster problem-solving techniques.

2. Savings programs and the cost of post-secondary and postgraduate education

The Committee heard about the importance of education and skills training for reducing poverty, especially given the links between higher levels of education, lower unemployment rates, and greater earning potential. In testimony to the Committee, however, witnesses outlined multiple challenges along the pathway to improving educational attainment, including the rising cost of post-secondary and postgraduate education, inadequate funding in relation to the Post-Secondary Student Support Program, lack of awareness or understanding of financial tools like RESPs, as well as lack of sufficient resources to invest into RESPs.

The Committee is aware of investments announced in Budget 2017 towards improving access to the Canada Learning Bond as well as in relation to the Canada Student Loans and the Canada Student Grants programs. The Committee also acknowledges increased funding announced in Budget 2017 towards the Post-Secondary Student Support Program. In order to further aid Canadians along the pathways to improving educational attainment, the Committee recommends:

RECOMMENDATION 10

That Employment and Social Development Canada, in collaboration with stakeholders, review the policy and funding mechanisms associated with the Registered Education Savings Plan and savings incentives such as the Canada Learning Bond, to ensure increased accessibility to these programs by low-income families. Further, that the Department explore avenues to better promote the Registered Education Savings Plan and savings incentives linked to it, especially to vulnerable groups.

RECOMMENDATION 11

That Indigenous and Northern Affairs Canada explore options to increase access to the Post-Secondary Student Support Program and other federal initiatives aimed at fostering the education of First Nations and Inuit students.

3. Financial literacy and vulnerable groups

During the course of the study, the Committee heard that financial literacy is also pivotal to ensuring the well-being of vulnerable Canadians and to reducing poverty rates, especially given the existence of payday loans that charge exorbitant interest rates and financial planners that are not properly regulated. Particular challenges also exist with regards to financial literacy programming as it impacts Indigenous peoples. The Committee acknowledges the important role played by organizations that offer financial empowerment programs, and recognizes efforts by the federal government to improve the financial literacy of Canadians, such as “Count me in, Canada.” The Committee notes the concerns and suggestions outlined by witnesses in this regard and recommends:

RECOMMENDATION 12

That the Financial Consumer Agency of Canada, in collaboration with other federal and provincial stakeholders, explore the option of providing funding towards strengthening the financial literacy and well-being of Canadians who are most in need.

4. Recognition of foreign credentials

The Committee was also told that skilled immigrants to Canada face specific challenges related to education, including inequitable licensing processes as well as lack of access to financial resources for training and certification. Combined, witnesses noted, these factors are contributing to high poverty rates among recent immigrants. The Committee acknowledges Budget 2017 announcements regarding a targeted employment strategy for newcomers, which would offset the cost of the credential recognition process as well as allow for this process to start prior to a person’s arrival in Canada. The Committee also recognizes the many valuable contributions made by immigrants to Canada, and therefore recommends:

RECOMMENDATION 13

That Immigration, Refugees and Citizenship Canada and Employment and Social Development Canada work with regulatory agencies and other provincial and territorial stakeholders to establish a harmonized system for the assessment and recognition of international qualifications.

RECOMMENDATION 14

That Employment and Social Development Canada explore ways to enable skilled immigrants to continue to access income support programs at the same time as grants and lending programs for training to acquire Canadian credentials.

5. The gap between education and employment and the rise of precarious employment

In their appearance before the Committee, witnesses spoke about gaps in the transition from school to employment. These include inadequate career services, the growing trend towards requiring job experience as a prerequisite for employment, as well as low training rates among employers. Some witnesses also spoke about the rise of precarious forms of employment, which, the Committee learned, has greater impacts on individuals from vulnerable groups. Witnesses also identified challenges faced by small businesses when hiring new untrained employees, including the costs of training as well as federal programs that do not always match the skills training employers need.

The Committee acknowledges investments announced in Budget 2017 with regards to the Labour Market Development Agreements. The Committee also acknowledges the proposal to make the transfers to the provinces and territories “simpler and more flexible” through the new Workforce Development Agreements, which would consolidate the existing Canada Job Fund Agreements with other federal initiatives for individuals facing barriers to skills training and employment. In order to further aid Canadians in their transition from school to work and ultimately to job security, the Committee recommends:

RECOMMENDATION 15

That Employment and Social Development Canada, in collaboration with the provinces and territories, develop a “national school-to-work transition strategy,” modeled after successful initiatives in place in Canada as well as the European Youth Guarantee program, with the objective of ensuring youth have access to continuing education, apprenticeships and/or employment after leaving formal education, thereby bridging their transition into the workforce.

RECOMMENDATION 16

That Employment and Social Development Canada explore ways to create work experience opportunities for students and recent graduates in in-demand sectors of the economy.

RECOMMENDATION 17

That Employment and Social Development Canada work with the provinces and territories to review the policies regarding the Canada Job Fund Agreements and the Canada Job Grant such that resources are specifically allocated towards the training of individuals facing multiple challenges to skills training and employment as well as towards the upskilling of those who are already employed.

RECOMMENDATION 18

That Employment and Social Development Canada develop greater financial incentives for employers, with the objective of creating more employment opportunities for youth.

RECOMMENDATION 19

That Employment and Social Development Canada review the changing nature of work, including the “gig economy,” precarious employment, and new forms of working conditions brought on by technology, and take action to ensure employment standards, and in particular employment insurance and related benefits, are modernized.

6. The impact of child care on the employment of women

The Committee also learned that, in addition to having an impact on early learning and childhood development, lack of affordable and accessible child care can have significant repercussions for the employment of women and can affect women’s financial stability throughout their lives. The Committee agrees that further measures need to be taken in this regard in order to safeguard the well-being of Canadian families, and therefore reinforces the importance of recommendations 6 and 7.

7. The employment of people with disabilities

Witnesses also told the Committee about employment-related challenges faced by people with disabilities, owed to a complex array of misconceptions on the part of employers and society as a whole, as well as to ineffective programs meant to assist them. In this regard, the Committee heard from entrepreneurs who shared their success stories as inclusive employers. The Committee acknowledges measures announced in Budget 2017 to support Canadians with disabilities, such as those relating to the Labour Market Agreements for Persons with Disabilities and the new planned federal accessibility legislation. In order to further aid people with disabilities to overcome barriers to employment, the Committee recommends:

RECOMMENDATION 20

That Employment and Social Development Canada review and revise the policy associated with the Opportunities Fund for Persons with Disabilities in order to explore the feasibility of allocating funds towards employer awareness programs without decreasing the funding available to Canadians with disabilities.

RECOMMENDATION 21

That Employment and Social Development Canada, with a whole-of-government approach and in collaboration with provinces and territories, review and revise income support programs for Canadians with disabilities, with the objective of harmonizing programs and eliminating claw backs and other financial barriers that prevent this talent pool from fully participating in the workforce, while ensuring that programs are meeting their intended objectives.

8. Innovative approaches linked to education, skills training and employment

During the course of the study, witnesses shared various innovative ideas and projects touching upon the issues of education, skills training, and employment with the Committee. These ideas and projects were often portrayed as innovative models that could be implemented at a larger scale to alleviate poverty rates. The Committee greatly appreciates and acknowledges the talent and motivation of the people and organizations behind these approaches, as well as the focus of Budget 2017 on the topic of innovation, and therefore recommends:

RECOMMENDATION 22

That Employment and Social Development Canada work with Public Services and Procurement Canada, as well as with other federal departments, to require that “community benefit/social benefit clauses” be included within federal public tender agreements, where possible, with the objective of encouraging the engagement of social enterprises, thereby increasing the training and employment opportunities of individuals from vulnerable groups.

RECOMMENDATION 23

That Employment and Social Development Canada work with the provinces and territories to ensure that, in reviewing and revising the policy with regards to the Canada Job Fund Agreements and the Canada Job Grant, greater resources be allocated towards social enterprise initiatives.

RECOMMENDATION 24

That Employment and Social Development Canada explore avenues to establish a “social innovation fund” to encourage innovative approaches emerging in the social enterprise realm, while supporting locally based implementation.

D. Recommendations Regarding Mental Health

Canadians with mental illness are more likely to live in poverty. The Committee heard that, like other Canadians with disabilities, most people with mental illness can and want to work. People with mental illness who work are healthier and less likely to use high cost health and social services. However, those with mental disorders face challenges finding and keeping employment, due to stigma and discrimination, lack of supportive work environments, and inflexible income security policies. The Committee also learned of the mental disorders caused or exacerbated by being poor and heard of the cost burden that mental illness places on individuals, families, employers and society.

Of particular concern is the strong link between mental disorders in children and youth and mental illness among adults, as most adults with mental disorders began their mental illness symptoms in childhood. The Committee also heard about the mental health needs among Indigenous populations, particularly among Indigenous youth, and of the tragedy of suicides among youth in Indigenous communities across the country. While the Committee heard that immigrants generally have lower rates of mental illness than people born in Canada, recent immigrants, refugees in particular, are at higher risk of experiencing poverty, homelessness and mental health problems. Moreover, much of mental illness is directly correlated with substance abuse, and harm reduction sites are not widely available. Accordingly, the Committee recommends:

RECOMMENDATION 25

That the Government of Canada show leadership to other employers by supporting initiatives to assist people with mental illness to find and keep employment in federal workplaces and encourage other employers to increase workplace accommodations for those with mental illness.

RECOMMENDATION 26

That Health Canada and the Public Health Agency of Canada, with Employment and Social Development Canada, fund research and pilot projects to understand best practices regarding mental illness in the workplace and what workplaces should be doing to better accommodate those with mental illness.

E. Recommendations Regarding Housing

1. Social and affordable housing

The Committee heard considerable testimony in support of the federal government's plans to develop a national housing strategy. The absence of the federal government from the social and affordable housing sector for the past 25 years has had significant consequences. The stock of social and affordable housing has shrunk steadily as long-term operating agreements expire, enabling affordable housing to become regular rental stock or converted into condominiums. Escalating housing prices in recent years

have pushed even middle-income individuals and families in Toronto and Vancouver into financial stress. What social housing remains is aging and in serious need of maintenance and repair. Moreover, the repair and construction of housing stock must accommodate the particular needs of seniors, as well as marginalized populations who face barriers, including discrimination. The Committee heard a number of suggestions about the level of funding required to rebuild the stock of social and affordable housing and repair existing stock to meet current and future demand. Also, witnesses suggested that the infusion of funding into the housing sector provides opportunities to multiply the benefits for low-income Canadians by providing opportunities for training and employment. The Committee also acknowledges Budget 2017 announcements to increase investments in social and affordable housing. In order to reflect the concerns expressed to it, the Committee makes the following recommendations:

RECOMMENDATION 27

That the federal government commit to a long-term (10-year) housing construction and repair program, with a focus on social housing.

RECOMMENDATION 28

That Canada Mortgage and Housing Corporation ensure that planning of social and affordable housing construction and repairs include those living in poverty in order to best address the needs of the residents and that Canada Mortgage and Housing Corporation, when making decisions related to affordable housing investments, consider housing solutions for: seniors; Lesbian, Gay, Bisexual, Trans and Queer individuals; veterans; previously incarcerated individuals; and individuals with developmental disabilities.

RECOMMENDATION 29

That the federal government consult with provinces and territories to ensure that social enterprises be permitted to stack monies received from the federal government with allowances provided through provincial or territorial government programs.

2. Funding mechanisms

The Committee heard several options regarding how the federal government could regenerate the social and affordable housing stock in Canada. Some proposed direct funding by the federal government, while other witnesses recommended new funding mechanisms or other supports that the federal government could develop. Several witnesses proposed that the revenues flowing to CMHC should be used to fund social housing stock. While these are interesting ideas, the Committee felt that there was no single option that provided a comprehensive solution for addressing both the need to increase the supply of social and affordable housing and the shorter-term needs of those currently living in poverty on waiting lists for social housing. For this reason, the Committee recommends that the national housing strategy include the following funding options:

RECOMMENDATION 30

That the Canada Mortgage and Housing Corporation explore additional funding mechanisms to partner with communities and the private sector to invest in development of affordable housing.

RECOMMENDATION 31

That the Canada Mortgage and Housing Corporation create a separate long-term housing financing authority that is scalable so that smaller providers are eligible for funding, with loans guaranteed by the federal government.

RECOMMENDATION 32

That Employment and Social Development Canada and the Canada Mortgage and Housing Corporation create a portable housing benefit, in consultation and collaboration with provinces and territories to ensure there are no overlaps or duplications with provincial or territorial portable housing benefits or other rent supplement benefits.

RECOMMENDATION 33

That the Canada Mortgage and Housing Corporation, as part of its investments in affordable housing, renew existing operating agreements and invest in new co-op housing agreements and programs, particularly in areas with extreme affordability crises.

3. Role of Canada Mortgage and Housing Corporation

Several witnesses spoke of the unique role of CMHC and how its expertise could be of benefit to Indigenous and rural communities, which often lack sufficient skilled workers to build and maintain housing. Having CMHC play a more direct role would also ensure the quality of construction and provide skills training and upgrading for other workers, thereby supporting employment opportunities for vulnerable populations.

RECOMMENDATION 34

That the Canada Mortgage and Housing Corporation take a more active role by providing expertise in building housing, including helping community-based organizations in rural areas.

4. Homelessness and Housing First

The Committee heard consistent testimony that while the Housing First model is an effective program to address homelessness in many communities, greater flexibility in the program or parallel programs would help communities to address other needs as well, including those of homeless youth, women, seniors and the lack of funding for shelters. Witnesses told the Committee that because of the unique needs of homeless youth, the necessary supports and services would be provided more effectively through a parallel homelessness strategy for this population. The Committee also learned of the general enthusiasm for the Housing First model, which has been largely embraced by most communities, but heard of its inflexibility for community-based organizations which are unable to roll over unused funds from one year to another or use such funds for other supports needed by their clients. The inflexibility of the Housing First model also negatively affects those who continue to be served by shelters on a long-term basis because they do not meet the criteria for transitional housing or because such housing is not available in their community. Based on these findings, the Committee recommends:

RECOMMENDATION 35

That Employment and Social Development Canada, within the Homelessness Partnering Strategy, redefine the definition of “shelter” to allow funding for shelters that serve as longer-term residences for those who cannot successfully move into transitional housing or where transitional housing is not available in the community.

RECOMMENDATION 36

That Employment and Social Development Canada make Housing First more flexible in order to address gaps in the areas of youth homelessness, and the needs of seniors and women, and the inability to roll over unused funding from year to year.

RECOMMENDATION 37

That Employment and Social Development Canada and the Canada Mortgage and Housing Corporation work with provincial and territorial strategies to address youth homelessness and cooperatively fund long-term youth shelters and housing for youth.

RECOMMENDATION 38

That Employment and Social Development Canada amend the policy and/or increase funding for the Homelessness Partnering Strategy to allow funding for shelters, with support systems, targeted to youth, women and seniors.

RECOMMENDATION 39

That Employment and Social Development Canada make the Homelessness Partnering Strategy a regular, on-going program.

5. Other federal government actions to support affordable housing

The Committee understands that the costs of land transfer taxes, permit costs and other fees inhibit the construction of affordable housing and increase rental and purchasing costs. While many of these fees are levied by municipal governments, witnesses suggested that the federal government has the authority to implement several measures to alleviate the costs related to housing. The Committee heard that land costs are a significant contributor to the high cost of housing construction and that some municipal governments had encouraged the construction of affordable housing in their communities by contributing municipal land. The Committee was reminded that the federal government's Surplus Federal Real Property for Homelessness Initiative provides an existing vehicle for providing surplus federal real property to communities. Throughout its study, the Committee also heard of the lack of governmental data and research gaps related to housing, which limits the ability of governments, communities, and stakeholders to create a detailed comprehensive picture of housing and homelessness across Canada. The Committee thereby recommends:

RECOMMENDATION 40

That Employment and Social Development Canada expand the Surplus Federal Real Property for Homelessness Initiative.

RECOMMENDATION 41

That the federal government make federal lands available where suitable for community land trusts to develop new housing.

RECOMMENDATION 42

That the Canada Mortgage and Housing Corporation create a national housing research hub to develop indicators, conduct research, define gaps, and innovate and report on housing and homelessness indicators on a national level in collaboration with Statistics Canada.

6. Housing needs of Indigenous communities

The Committee heard about the poor housing conditions experienced by many Indigenous people as well as recommendations on how to address these housing needs. The substandard housing conditions of many Indigenous communities, both for First Nations on reserve and in northern and remote Inuit communities, is not a new crisis. The Committee heard of the inadequate size and cultural suitability for Indigenous families, as well as the health consequences of the inadequate housing suffered by many Indigenous peoples. Because of the unique needs faced by Indigenous and northern communities, the Committee heard that a distinct housing strategy should be developed, which would include funding mechanisms to address the circumstances of First Nations, Inuit and northern communities. To address these issues, the Committee recommends:

RECOMMENDATION 43

That Indigenous and Northern Affairs Canada and the Canada Mortgage and Housing Corporation fund significant investments in on-reserve housing in partnership with First Nations, and engage in consultations with Indigenous peoples as they plan housing infrastructure to ensure the cultural and lifestyle needs of community members are addressed.

F. Recommendations Regarding Communities

1. Physical and social infrastructure needs of communities

The Committee heard about the need to involve communities in planning and implementing poverty reduction measures. There was a common theme in much of the testimony that services and supports, such as transit, primary health care, mental health services, youth wellness centres, child care, schools, employment and training supports, and community centres were not physically or systemically coordinated. As well, the Committee heard that many low-income groups had challenges navigating service and support systems, because of physical, language, educational or other barriers.

In addition to physical infrastructure, the social infrastructure needs of communities are equally important. Service gaps or poorly laid out networks of support force low-income individuals and families to travel from one place to another, increasing the risk that some may be unable to access needed services. Lack of coordination and integration is a fundamental barrier for those with physical or mental disabilities, low literacy or language skills, seniors, and those with family care responsibilities. Many communities have recognized the need for integrating and developing hubs located within low-income neighbourhoods, including the creation of system navigators to provide one-on-one guidance to vulnerable populations on how to access services and supports. However, communities are often constrained by lack of physical infrastructure as well as inadequate and inflexible funding mechanisms that impose significant and inefficient paper burdens on community-based organizations.

The Committee heard many voices calling for direct community access to stable long-term funding and for flexibility and autonomy for communities to address their unique poverty-related needs. There were many insights as to how such funding could be delivered most effectively. Some witnesses proposed that funds could be channeled through the CST, with federal monitoring and control to ensure that such funds would not be absorbed into other provincial and territorial funding priorities. Others advocated for more direct channels and the Committee heard of examples of community-based organizations that oversee and distribute funds to other organizations with the capacity, skills, and expertise to deliver measurable results, a system that provides accountability to funders while ensuring that multiple organizations do not duplicate services. The Committee heard that a local innovation fund could be created, allowing for the pooled resources of all levels of government, the private sector and communities to be

used for flexible innovative and experimental initiatives that would not be bound by jurisdictional constraints or bureaucratic silos. Accordingly, the Committee recommends:

RECOMMENDATION 44

That Employment and Social Development Canada consider implementing portions of the community-led model of the Homelessness Partnering Strategy when supporting communities with funding, working to reduce the paper reporting burden and provide for additional local autonomy around local decisions.

2. Indigenous communities

The Committee heard that community-based services were also needed by Indigenous populations, both within their own communities and in urban centres. Many First Nations people leave reserves, often to escape the lack of adequate housing and employment opportunities, and arrive in urban centres without a social support network or experience in accessing the services they need to become established. Some transition back to their home communities and fail to find a pathway out of poverty in either location. Witnesses describing the concept of community hubs with navigators to help individuals and families, suggested that navigator services tailored to the linguistic and cultural needs of Indigenous peoples would be particularly helpful.

Beyond the profound need for housing, the Committee heard that infrastructure for Indigenous communities and northern regions, supported by flexible programs tailored to meet the cultural and social fabrics of communities, is also urgently required. The lack of adequate health care facilities, educational facilities, and community centres inhibits Indigenous communities from enjoying health and safety conditions, educational opportunities and social connections that are fundamental to their well-being. The Committee heard that an Arctic infrastructure strategy would serve to allow for a more cohesive approach to strengthening the social infrastructure of Indigenous and northern communities, as opposed to the more ad hoc piecemeal approach that has characterized many previous infrastructure projects. To address the infrastructure needs of Indigenous communities, the Committee recommends:

RECOMMENDATION 45

That Employment and Social Development Canada work in collaboration with Indigenous and Northern Affairs Canada to provide support to community-based services that can support Indigenous peoples who transition between reserves and rural communities and urban centres but lack the resources and skills to navigate access to housing, training and income supports.

RECOMMENDATION 46

That Indigenous and Northern Affairs Canada and Health Canada, in collaboration with First Nations communities, ensure that the physical and social infrastructure deficit on reserves is addressed by funding housing, schools, health care facilities and community centres.

G. Recommendations Regarding a National Poverty Reduction Strategy

1. Objective and focus of a national poverty reduction strategy

Several witnesses observed that, despite some success, little progress had been achieved in addressing poverty among certain vulnerable groups and recommended that a national poverty reduction strategy be focused on key sub-populations. Other witnesses recommended a national poverty reduction strategy be implemented broadly for all low-income populations. In order to address the needs of the various vulnerable groups living in poverty, the Committee recommends:

RECOMMENDATION 47

That Employment and Social Development Canada develop and implement a national poverty reduction strategy with a focus on alleviating suffering and ensuring that funding is directed towards the programs that have the greatest benefit for the greatest number of people, examining all vulnerable populations over-represented among those living in poverty, without a specific focus on only one single group, and that the strategy establish poverty reduction targets and measure progress based on a national definition of poverty and metrics.

2. Definition and measurement of poverty

The Committee heard that the absence of a common definition of poverty and the lack of agreement with respect to how poverty is measured hinders the development of poverty reduction targets. Further, the Committee heard that rigorous measurement and assessment of programs was critical to reduce poverty in Canada. The Committee acknowledges the importance of clear measurable goals as well as rigorous assessment of government programs and therefore recommends:

RECOMMENDATION 48

That Statistics Canada, in consultation with provinces and territories, develop an official measure of poverty that includes elements of the low income cut-off, the low income measure, and the market basket measure, as well as indicators of the homeless population in Canada, and that Employment and Social Development Canada develop a national definition of poverty based on the official measure.

3. Federal leadership and communications

The Committee also heard from witnesses that the federal government should assume a leadership role in reducing poverty, building upon the momentum created by provincial, territorial and municipal poverty reduction strategies and using its ability to launch broad national communication initiatives. To help guide the communications that the federal government will undertake in relation to a national poverty reduction strategy, the Committee recommends:

RECOMMENDATION 49

That Employment and Social Development Canada develop a business case that can be used to mobilize stakeholders, including provinces and territories, communities, the private sector, research organizations, non-government organizations and citizens that shows the cost of poverty to Canadian governments and businesses, and explains the need for further research, the need to renew efforts to address poverty, and the need to explore new innovative ways to achieve better results.

RECOMMENDATION 50

That Employment and Social Development Canada, in collaboration with employers with proactive hiring policies for persons with disabilities, initiate a communications strategy for employers to encourage the employment of persons with disabilities, including those with mental illness.

4. Research and experimentation

The federal government has significant resources directed to research, but several witnesses noted gaps in research and information related to poverty and the dynamics within certain vulnerable populations. Moreover, there is no centralized information source to share new research, best practices or new innovative approaches to poverty reduction. The Committee therefore makes the following recommendations:

RECOMMENDATION 51

That Statistics Canada, following consultations with stakeholders, develop more studies on poverty-related issues including homelessness and provide information related to poverty and homelessness with greater frequency and deeper analysis.

RECOMMENDATION 52

That Employment and Social Development Canada create a learning hub, which will collect data and gather pertinent information from the provinces and territories, as well as internationally. The learning hub should identify what is working, support rigorous evaluation and research, and create a connected community of Canadians committed to poverty reduction.

RECOMMENDATION 53

That Employment and Social Development Canada explore the possibility of developing a federal innovation fund to support poverty reduction projects that develop new approaches, test new concepts and face a higher risk of failure.

LIST OF RECOMMENDATIONS

RECOMMENDATION 1

That Employment and Social Development Canada work with Finance Canada and the Canadian Revenue Agency to strengthen existing federal income support programs with a view to establishing a system that prevents people from falling into poverty. In strengthening existing programs, the Committee recommends that the federal government make the following changes:

Review coverage, eligibility and duration of Employment Insurance benefits to address the reality of Canadians who are in precarious, part-time, and temporary work situations. Further, that the federal government allow for greater flexibility for recipients of parental and maternity benefits and for beneficiaries who want to attend education and work program while on claim, so that they remain attached to the workforce.

Amend the Working Income Tax Benefit to expand eligibility, increase the level of benefits and reduce claw backs so that low-wage, low-income workers are lifted out of poverty.

Increase the amount of Canada Pension Plan – Disability benefits so that it provides adequate income for those clients with little or no other means of income support.

Index the Canada Child Benefit to inflation. Further, that the federal government work with the provinces and territories to ensure it is not effectively clawed back by reduced provincial social assistance supports. The relevant departments must also work with Indigenous and Northern Affairs Canada to ensure that the Canada Child Benefit reaches Indigenous families.

Increase the Guaranteed Income Supplement and ensure that it reaches all low-income seniors. Further, that the federal government implement a seniors' price index that will inform future increases in the Guaranteed Income Supplement. 112

RECOMMENDATION 2

That Indigenous and Northern Affairs Canada review social assistance rates for First Nations peoples on reserve in light of higher costs of living and limited employment opportunities so that recipients are ensured an adequate income. 113

RECOMMENDATION 3

That Finance Canada and the Canada Revenue Agency review taxes for low-income workers to ensure that no families are forced into poverty as a result of taxes..... 113

RECOMMENDATION 4

That Employment and Social Development Canada, Finance Canada and the Canada Revenue Agency work with provinces and territories to strengthen and coordinate income support program policies so that participants do not face marginal effective tax rates that discourage labour force participation..... 113

RECOMMENDATION 5

That Indigenous and Northern Affairs Canada, in collaboration with Indigenous and northern communities, develop and implement a system of food security programs to complement or enhance Nutrition North. These programs must address, comprehensively, the extremely high cost of nutritious foods in remote, northern and Indigenous communities. They must also recognize the importance of traditional “country foods” and encourage community initiatives that support local harvesting and production. 114

RECOMMENDATION 6

That Employment and Social Development Canada, in collaboration with other federal departments as well as provincial and territorial stakeholders, ensure that the national framework on early learning and child care provide short- and long-term solutions to improving the well-being of children in Canada by, for example, increasing the quality and accessibility of early learning and child care spaces, as well as promoting research into continued improvements in early learning and child care. 114

RECOMMENDATION 7

That Employment and Social Development Canada, Health Canada, and the Public Health Agency of Canada explore avenues to provide greater supports towards early learning and child care in Indigenous communities, either within the context of the federal Aboriginal Head Start programs or the Indigenous framework on early learning and care..... 114

RECOMMENDATION 8

That Employment and Social Development Canada, in collaboration with the provinces and territories, invest in and promote programs that support children and youth along their pathway towards higher levels of educational attainment, such as after-school programs in impoverished communities, being mindful that children and youth who live in poverty face unique challenges and require additional resources in order to succeed in the educational system..... 115

RECOMMENDATION 9

That, in implementing measures announced in Budget 2017, Employment and Social Development Canada explore ways to develop not only skills of the future, but also instill a strong sense of inquisitiveness and a life-long approach to learning. In addition to promoting the importance of reaching higher levels of proficiency in basic skills, such as literacy and numeracy skills, the Committee recommends promoting the development and adoption of coding and other digital skills that will support the application of knowledge and ideas and foster problem-solving techniques. 115

RECOMMENDATION 10

That Employment and Social Development Canada, in collaboration with stakeholders, review the policy and funding mechanisms associated with the Registered Education Savings Plan and savings incentives such as the Canada Learning Bond, to ensure increased accessibility to these programs by low-income families. Further, that the Department explore avenues to better promote the Registered Education Savings Plan and savings incentives linked to it, especially to vulnerable groups. 116

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That the Canada Mortgage and Housing Corporation explore additional funding mechanisms to partner with communities and the private sector to invest in development of affordable housing. 122

RECOMMENDATION 31

That the Canada Mortgage and Housing Corporation create a separate long-term housing financing authority that is scalable so that smaller providers are eligible for funding, with loans guaranteed by the federal government. 122

RECOMMENDATION 32

That Employment and Social Development Canada and the Canada Mortgage and Housing Corporation create a portable housing benefit, in consultation and collaboration with provinces and territories to ensure there are no overlaps or duplications with provincial or territorial portable housing benefits or other rent supplement benefits..... 122

RECOMMENDATION 33

That the Canada Mortgage and Housing Corporation, as part of its investments in affordable housing, renew existing operating agreements and invest in new co-op housing agreements and programs, particularly in areas with extreme affordability crises. 122

RECOMMENDATION 34

That the Canada Mortgage and Housing Corporation take a more active role by providing expertise in building housing, including helping community-based organizations in rural areas. 122

RECOMMENDATION 35

That Employment and Social Development Canada, within the Homelessness Partnering Strategy, redefine the definition of “shelter” to allow funding for shelters that serve as longer-term residences for those who cannot successfully move into transitional housing or where transitional housing is not available in the community..... 123

RECOMMENDATION 36

That Employment and Social Development Canada make Housing First more flexible in order to address gaps in the areas of youth homelessness, and the needs of seniors and women, and the inability to roll over unused funding from year to year. 123

RECOMMENDATION 37

That Employment and Social Development Canada and the Canada Mortgage and Housing Corporation work with provincial and territorial strategies to address youth homelessness and cooperatively fund long-term youth shelters and housing for youth..... 123

RECOMMENDATION 38

That Employment and Social Development Canada amend the policy and/or increase funding for the Homelessness Partnering Strategy to allow funding for shelters, with support systems, targeted to youth, women and seniors. 123

RECOMMENDATION 39

That Employment and Social Development Canada make the Homelessness Partnering Strategy a regular, on-going program. 123

RECOMMENDATION 40

That Employment and Social Development Canada expand the Surplus Federal Real Property for Homelessness Initiative. 124

RECOMMENDATION 41

That the federal government make federal lands available where suitable for community land trusts to develop new housing..... 124

RECOMMENDATION 42

That the Canada Mortgage and Housing Corporation create a national housing research hub to develop indicators, conduct research, define gaps, and innovate and report on housing and homelessness indicators on a national level in collaboration with Statistics Canada..... 124

RECOMMENDATION 43

That Indigenous and Northern Affairs Canada and the Canada Mortgage and Housing Corporation fund significant investments in on-reserve housing in partnership with First Nations, and engage in consultations with Indigenous peoples as they plan housing infrastructure to ensure the cultural and lifestyle needs of community members are addressed..... 125

RECOMMENDATION 44

That Employment and Social Development Canada consider implementing portions of the community-led model of the Homelessness Partnering Strategy when supporting communities with funding, working to reduce the paper reporting burden and provide for additional local autonomy around local decisions..... 126

RECOMMENDATION 45

That Employment and Social Development Canada work in collaboration with Indigenous and Northern Affairs Canada to provide support to community-based services that can support Indigenous peoples who transition between reserves and rural communities and urban centres but lack the resources and skills to navigate access to housing, training and income supports. 126

RECOMMENDATION 46

That Indigenous and Northern Affairs Canada and Health Canada, in collaboration with First Nations communities, ensure that the physical and social infrastructure deficit on reserves is addressed by funding housing, schools, health care facilities and community centres..... 126

RECOMMENDATION 47

That Employment and Social Development Canada develop and implement a national poverty reduction strategy with a focus on alleviating suffering and ensuring that funding is directed towards the programs that have the greatest benefit for the greatest number of people, examining all vulnerable populations over-represented among those living in poverty, without a specific focus on only one single group, and that the strategy establish poverty reduction targets and measure progress based on a national definition of poverty and metrics. 127

RECOMMENDATION 48

That Statistics Canada, in consultation with provinces and territories, develop an official measure of poverty that includes elements of the low income cut-off, the low income measure, and the market basket measure, as well as indicators of the homeless population in Canada, and that Employment and Social Development Canada develop a national definition of poverty based on the official measure. 127

RECOMMENDATION 49

That Employment and Social Development Canada develop a business case that can be used to mobilize stakeholders, including provinces and territories, communities, the private sector, research organizations, non-government organizations and citizens that shows the cost of poverty to Canadian governments and businesses, and explains the need for further research, the need to renew efforts to address poverty, and the need to explore new innovative ways to achieve better results. 128

RECOMMENDATION 50

That Employment and Social Development Canada, in collaboration with employers with proactive hiring policies for persons with disabilities, initiate a communications strategy for employers to encourage the employment of persons with disabilities, including those with mental illness..... 128

RECOMMENDATION 51

That Statistics Canada, following consultations with stakeholders, develop more studies on poverty-related issues including homelessness and provide information related to poverty and homelessness with greater frequency and deeper analysis. 128

RECOMMENDATION 52

That Employment and Social Development Canada create a learning hub, which will collect data and gather pertinent information from the provinces and territories, as well as internationally. The learning hub should identify what is working, support rigorous evaluation and research, and create a connected community of Canadians committed to poverty reduction. 128

RECOMMENDATION 53

That Employment and Social Development Canada explore the possibility of developing a federal innovation fund to support poverty reduction projects that develop new approaches, test new concepts and face a higher risk of failure. 128

APPENDIX A

BUDGET 2016 ANNOUNCEMENTS

Announcement	Details	Budget 2016 - 2016–2017 Expenditure Estimates in millions	Budget 2016 - 2017–2018 Expenditure Estimates in millions
Affordable and seniors' housing	Increased housing as well as support for renovations and retrofits	875	490
Northern and on-reserve housing	New investments to address urgent housing needs on-reserve	356.2	383
Homelessness	New targeted investments	58	54
Other housing measures	Support for victims of violence and affordable rental housing	74	43
Public transit	Investments	852	1,696
Canada Child Benefit	Total investment - Replaces the Canada Child Tax Benefit, and the Universal Child Care Benefit	17,355	22,875
Early learning and child care for First Nations	New investments targeted to First Nations on-reserve	29.4	100
Early learning and child care	New investments establishing a national framework on early learning and child care	0	400
Measures for lower-income seniors	Increases the Guaranteed Income Supplement top-up benefit by up to \$947 annually for the most vulnerable single seniors starting in July 2016	479	672
Employment Insurance measures	New investments: expanding access to benefits, reduced waiting period, extending benefits, expanding work sharing and working on claim, service improvements, system integrity	602	384
Skills training	Enhanced investments in Canada Job Fund and Labour Market Development Agreements	175	0

Announcement	Details	Budget 2016 - 2016–2017 Expenditure Estimates in millions	Budget 2016 - 2017–2018 Expenditure Estimates in millions
Aboriginal skills training	New investments in Aboriginal Skills, and Employment Training Strategy	5	10
Measures for young Canadians	New investments in Student Grants and Loans, Work Experience Programs, Youth Employment Strategy	232	21

Source: [Budget 2016](#), Table A2.2 p. 255, Table 1.1 pp.83-84, Table 2.1 p. 98, Table 2.2 p. 129

APPENDIX B

**ESTIMATED COST OF A WEEKLY FOOD BASKET
FOR A FAMILY OF FOUR:
SELECTED COMMUNITY COMPARISONS FOR 2015**

Communities Receiving Nutrition North Subsidy	Cost of Food Basket w/subsidy
Hopedale, NL	\$333.83
St. Theresa Point, MB	\$422.33
Iqaluit, NU	\$405.90
Fort Severn, ON	\$423.60
Kuuujuaq, QC	\$374.82
Old Crow, YK	\$503.54
Nutritious Food Basket	Market Price
Ottawa, ON	\$192.84

Source: Statistics Canada, [Revised Northern Food Basket](#), Ottawa Public Health, [The Price of Eating Well](#).

APPENDIX C LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p>Canada Mortgage and Housing Corporation</p> <p>Carla Staresina, Vice-President Affordable Housing</p> <p>Michel Tremblay, Senior Vice-President Policy, Research and Public Affairs</p>	2016/10/04	20
<p>Department of Employment and Social Development</p> <p>Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development</p> <p>Louise Levonian, Deputy Minister</p> <p>Kathryn McDade, Senior Assistant Deputy Minister Income Security and Social Development</p> <p>Jacques Paquette, Senior Assistant Deputy Minister Strategic and Service Policy Branch</p> <p>Paul Thompson, Senior Assistant Deputy Minister Skills and Employment Branch</p>		
<p>Department of Employment and Social Development</p> <p>Nancy Milroy-Swainson, Director General Seniors and Pensions Policy Secretariat, Income Security and Social Development Branch</p> <p>Barb Schwartz, Director Program Integrity, Canada Education Savings Program</p> <p>James Van Raalte, Director General Office for Disability Issues</p>	2016/10/18	22
<p>Department of Finance</p> <p>Galen Countryman, Director, Social Policy Federal-Provincial Relations and Social Policy Branch</p> <p>Pierre LeBlanc, Director, Personal Income Tax Division Tax Policy Branch</p>		
<p>Statistics Canada</p> <p>Andrew Heisz, Assistant Director Income Statistics Division</p> <p>Tracey Leesti, Director Income Statistics Division</p>		
<p>As individuals</p> <p>Allan Moscovitch, Professor Emeritus School of Social Work, Carleton University</p>	2016/10/20	23

Organizations and Individuals	Date	Meeting
<p>As individuals</p> <p>Geranda Notten, Associate Professor Graduate School of Public and International Affairs, University of Ottawa</p> <p>Richard Shillington</p>	2016/10/20	23
<p>Canadian Poverty Institute</p> <p>Derek Cook, Director</p>		
<p>Macdonald-Laurier Institute</p> <p>Philip Cross, Senior Fellow</p>		
<p>As individuals</p> <p>Brad Brain, Registered Financial Planner Brad Brain Financial Planning Inc.</p> <p>Gwendolyn Piller</p>	2016/10/25	24
<p>Canadian Association of Retired Persons</p> <p>Wanda Morris, Chief Operating Officer Vice-President of Advocacy</p>		
<p>Canadian Taxpayers Federation</p> <p>Aaron Wudrick, Federal Director</p>		
<p>Working Canadians</p> <p>Catherine Swift, President</p>		
<p>As an individual</p> <p>James Hughes, Senior Fellow The J.W. McConnell Family Foundation</p>	2016/10/27	25
<p>Community Society to End Poverty - Nova Scotia</p> <p>Stella Lord, Voluntary Coordinator</p>		
<p>Income Security Advocacy Centre</p> <p>Jennefer Laidley, Research and Policy Analyst</p>		
<p>South Asian Legal Clinic of Ontario</p> <p>Khadeeja Ahsan, Barrister and Solicitor / Staff Lawyer</p>		
<p>Women's Centres Connect</p> <p>Georgia Barnwell, Coordinator</p>		
<p>As an individual</p> <p>Ian Lee, Associate Professor Carleton University</p>	2016/11/01	26
<p>Canada Without Poverty</p> <p>Leilani Farha, Executive Director</p> <p>Harriett McLachlan, President Board of Directors</p>		

Organizations and Individuals	Date	Meeting
West Coast LEAF Kendra Milne, Director Law Reform	2016/11/01	26
Department of Employment and Social Development Monika Bertrand, Director General Employment Program Policy and Design Directorate Jessica Kerr, Director General Canada Education Savings Program Mary Pichette, Director General Canada Student Loans Program	2016/11/15	28
Department of Indian Affairs and Northern Development Jonathan Allen, Deputy Director Education and Social Development Programs and Partnerships Paula Isaak, Assistant Deputy Minister Education and Social Development Programs and Partnerships		
Financial Consumer Agency of Canada Julie Hauser, Officer Partnership and Stakeholder Engagement Jérémie Ryan, Director Financial Literacy and Stakeholder Engagement		
Statistics Canada Heather Dryburgh, Director Tourism and Centre for Education Statistics Klarka Zeman, Senior Analyst Tourism and Centre for Education Statistics		
Boys and Girls Clubs of Canada Achan Akwai Cham, Volunteer Rachel Gouin, Director Research and Public Policy	2016/11/17	29
Canadian Council for Career Development Lynne Bezanson, Executive Board Member		
Canadian Labour Congress Emily Norgang, Senior Researcher		
Canadian Teachers' Federation Robert McGahey, Director of Advocacy and Labour Rights Heather Smith, President		
Pathfinder Youth Centre Society Orville Lee, President and Co-Founder Ruth Lee, Executive Director and Co-Founder		

Organizations and Individuals	Date	Meeting
Actua Jennifer Flanagan, Chief Executive Officer As an individual Danielle Levine, Executive Director Aboriginal Social Enterprise Program Canadian Federation of Independent Business Monique Moreau, Director of National Affairs Momentum Courtney Hare, Manager of Public Policy As an individual	2016/11/22	30
Mark Wafer, President Megleen operating as Tim Hortons Canadian Federation of Students Bilan Arte, Chairperson Metcalf Foundation John Stapleton, Fellow Meticulon Joy Hewitt, Chief Employment Coach Garth Johnson, Chief Executive Officer Peel Poverty Reduction Strategy Committee Sonia Pace, Co-Chair Adaoma C. Patterson, Advisor As an individual	2016/11/24	31
Randy Lewis, Former Senior Vice-President Walgreens C.D. Howe Institute Alexandre Laurin, Director of Research Hamilton Roundtable for Poverty Reduction Laura Cattari, Campaign Co-ordinator Keewatin Tribal Council George Neepin, Executive Director Kikinaw Energy Services Kory Wood, President Regroupement québécois des organismes pour le développement de l'employabilité Valérie Roy, Director General	2016/11/29	32

Organizations and Individuals	Date	Meeting
<p>Centre for Addiction and Mental Health Vicky Stergiopoulos, Physician-in-Chief</p> <p>City of Toronto Kelly Murphy, Policy Development Officer Social Development, Finance and Administration Ricardo Tranjan, Manager, Poverty Reduction Strategy Social Development, Finance and Administration</p> <p>Mental Health Commission of Canada Ed Mantler, Vice President Programs and Priorities</p> <p>Working for Change Michael Creek, Director Strategic Initiatives Lubna Khalid, Coordinator Women Speak Out</p>	2016/12/08	35
<p>As an individual Timothy Diette, Redenbaugh Associate Professor of Economics Washington and Lee University</p> <p>McMaster Children's Hospital Peter Fitzgerald, President Ellen Lipman, Medical Doctor Child and Youth Mental Health Program</p> <p>Pauktuutit Inuit Women of Canada Tracy O'Hearn, Executive Director</p>	2016/12/13	36
<p>Department of Employment and Social Development Doug Murphy, Director General Social Development Policy</p> <p>Department of Health Sony Perron, Senior Assistant Deputy Minister First Nations and Inuit Health Branch Patricia Wiebe, Medical Specialist in Mental Health Population Health and Wellness Division, First Nations and Inuit Health</p> <p>Public Health Agency of Canada Anna Romano, Director General Centre for Health Promotion, Health Promotion and Chronic Disease Prevention Branch</p>	2017/01/31	37

Organizations and Individuals	Date	Meeting
<p>Statistics Canada</p> <p>Jennifer Ali, Chief Health Statistics Division</p> <p>François Nault, Director Health Statistics</p>	2017/01/31	37
<p>Canada Mortgage and Housing Corporation</p> <p>Charles MacArthur, Senior Vice President Regional Operations and Assisted Housing</p> <p>Michel Tremblay, Senior Vice President Policy, Research and Public Affairs</p>	2017/02/02	38
<p>Department of Employment and Social Development</p> <p>Catherine Scott, Director General Community Development and Homelessness Partnerships Directorate</p>		
<p>Department of Indian Affairs and Northern Development</p> <p>Lynda Clairmont, Senior Assistant Deputy Minister Regional Operations</p> <p>Allan Clarke, Director General Economic Research and Policy Development, Lands and Economic Development</p> <p>Daniel Leclair, Director General Regional Infrastructure Delivery, Regional Operations</p> <p>David Smith, Acting Director General Community Infrastructure, Regional Operations</p>		
<p>Department of Indian Affairs and Northern Development</p> <p>Stephen Van Dine, Assistant Deputy Minister Northern Affairs Organization</p>	2017/02/07	39
<p>Office of Infrastructure of Canada</p> <p>Jeff Moore, Assistant Deputy Minister Policy and Communications</p>		
<p>As individuals</p> <p>Jody Kliffer</p> <p>Erin Schryer, Executive Director Elementary Literacy Inc.</p> <p>Daniel Shoag, Assistant Professor Harvard Kennedy School</p>	2017/02/09	40
<p>Economic and Social Inclusion Corporation</p> <p>Althea Arsenault, Manager of Resources Development</p>		

Organizations and Individuals	Date	Meeting
Housing Alternatives Inc. Kit Hickey, Executive Director	2017/02/09	40
Living SJ Penni Eisenhauer, Community Organizer Donna Gates, Executive Director		
Saint John Human Development Council Randy Hatfield, Executive Director		
The ONE Change Inc. Anthony Dickinson, President		
United Way Saint John, Kings and Charlotte Wendy MacDermott, Executive Director		
YMCA of Greater Saint John Shilo Boucher, President and Chief Executive Officer		
Canadian Housing and Renewal Association Stéphan Corriveau, Board President Jeff Morrison, Executive Director	2017/02/14	41
City of Prince George Chris Bone, Manager Social Planning Lyn Hall, Mayor		
Fraser Institute Kenneth Green, Senior Director Natural Resources Studies		
Front d'action populaire en réaménagement urbain Émilie E. Joly, Community Organizer		
Groupe actions solutions pauvreté Nicolas Luppens, Coordinator		
Nunavut Roundtable for Poverty Reduction Aqattuaq Kiah Hachey, Acting Assistant Director Department of Social and Cultural Development, Nunavut Tunngavik Inc. Aluki Kotierk, President Nunavut Tunngavik Inc.		
Central Neighbourhoods Development Corporation Allan Wise, Executive Director	2017/02/15	42
City of Edmonton Kate Gunn, Director Community Inclusion and Investment, Citizen Services		

Organizations and Individuals	Date	Meeting
EndPovertyEdmonton Jeffrey Bisanz, Co-Chair	2017/02/15	42
Ma Mawi Wi Chi Itata Centre Inc. Diane Redsky, Executive Director		
Right to Housing Coalition Clark Brownlee, Member Federal Working Group, Manitoba Tyler Pearce, Chair Federal Working Group, Manitoba		
Social Planning Council of Winnipeg Josh Brandon, Community Animator		
University of Winnipeg Jino Distasio, Vice-President, Research and Innovation Institute of Urban Studies		
City of Medicine Hat Ted Clugston, Mayor Celina Symmonds, City Councillor	2017/02/16	43
Immigrant Access Fund Canada Vanessa Desa, Vice-Chair Board of Directors Dianne Fehr, Executive Director		
Medicine Hat College Kristen Desjarlais-deKlerk, Instructor of Sociology Division of Art, Education and Business Denise Henning, President and Chief Executive Officer Executive Office		
Medicine Hat Community Housing Society Robin Müller, Chief Administrative Officer Jaime Rogers, Manager Homeless and Housing Development Department		
Miywasin Friendship Centre Jeannette Hansen, Executive Director		
Prairie Rose School Division Reagan Weeks, Assistant Superintendent Alberta Education		
Turner Strategies Alina Turner, Principal		

Organizations and Individuals	Date	Meeting
University of Calgary John L. Brown, Associate Dean Faculty of Environmental Design	2017/02/16	43
As an individual Stephen Elliott-Buckley Labour Studies Department, Simon Fraser University	2017/02/17	44
City of Maple Ridge Nicole Read, Mayor		
City of New Westminster Lorrie Williams, Councillor		
Community Education on Environment and Development Centre Society Christian Cowley, Executive Director Teesha Sharma, Youth Services Director		
Co-operative Housing Federation of British Columbia Thom Armstrong, Executive Director		
Covenant House Vancouver John Harvey, Director Program Services		
Maple Ridge/Pitt Meadows Community Services Vicki Kipps, Executive Director		
Multicultural Helping House Society Marius Alparaque, Program Coordinator Pre-Arrival and Post-Arrival Programs		
Township of Langley William R. Storie, Senior Advisor to Council Corporate Administration		
As an individual Gavin Still, MNP LLP, Fort St. John	2017/02/21	45
Canadian Association of Social Workers Sally Guy, Director of Policy and Strategy		
Canadian Home Builders' Association Kevin Lee, Chief Executive Officer		
Food Banks Canada Shawn Pegg, Director Policy and Research		
Macdonald-Laurier Institute Sean Speer, Munk Senior Fellow		

Organizations and Individuals	Date	Meeting
Reena Gary Gladstone, Head of Stakeholder Relations	2017/02/21	45
Kativik Municipal Housing Bureau Linda Roy Makiuk, Administrative Technician Marie-Christine Vanier, Communications Officer	2017/03/07	47
Nunavik Regional Board of Health and Social Services Françoise Bouchard, Director Public Health		
Advocacy Centre for Tenants Ontario Magda Barrera, Housing and Economics Policy Analyst Mary Todorow, Research and Policy Analyst	2017/03/10	48
As an individual Donald K. Johnson, Member, Advisory Board BMO Capital Markets		
Canadian Association for Community Living Michael Bach, Executive Vice-President		
City of London Sandra Datars Bere, Managing Director, Housing, Social Services and Dearness Home		
City of Toronto Pamela McConnell, Deputy Mayor		
Good Shepherd Alan Whittle, Director, Community Relations and Planning		
Parkdale Activity-Recreation Centre Victor Willis, Executive Director		
Social Planning and Research Council of Hamilton Alana Baltzar, Volunteer Hamilton Organizing for Poverty Elimination Deirdre Pike, Senior Social Planner		
United Way Toronto and York Region Pedro Barata, Senior Vice-President Strategic Initiatives and Public Affairs		

APPENDIX D LIST OF BRIEFS

Organizations and Individuals

Alberta Poverty Reduction Network
Basic Income Canada Network
BC Poverty Reduction Coalition
Bell, Tammy
Boys and Girls Clubs of Canada
Brown, John L.
BUILD Inc.
Callahan, Kathryn
Camosun College
Campaign 2000
Canada Without Poverty
Canadian Alliance of Student Associations
Canadian Association of Social Workers
Canadian Council on Social Development
Canadian Federation of Apartment Associations
Canadian Federation of Independent Business
Canadian Home Builders' Association
Canadian Medical Association
Canadian Mental Health Association - Toronto
Canadian Poverty Institute
Canadian Teachers' Federation
Canadian Union of Public Employees

Organizations and Individuals

Canadians for Tax Fairness
Centre for Addiction and Mental Health
Christian Jewish Dialogue of Toronto
Christie Ossington Neighbourhood Centre
Chronic Disease Prevention Alliance of Canada
Citizens for Public Justice
Colleges and Institutes Canada
Comité des 12
Danese, Tina
Dietitians of Canada
Dryfhout, Ken
Dussault, Bernard
EndPovertyEdmonton
Every Canadian Counts
Face of Poverty Consultation
Fédération des cégeps
Freake, Megan
Front d'action populaire en réaménagement urbain
Government of Ontario
Groupe actions solutions pauvreté
Harvey, Sabrina
Holland College
Horodecki, Brittany
Immigrant Access Fund Canada

Organizations and Individuals

Income Security Advocacy Centre
Interfaith Social Assistance Reform Coalition
Khamo, Doreen
Kingston Action Group for Basic Income Guarantee
Kwantlen Polytechnic University
Lambton College
Larkin, Patricia
Living SJ
Makivik Corporation
Maytree
McCredie, Brynn
Medicine Hat College
Mendelson, Michael
Metis Urban Housing Association of Saskatchewan inc.
Mitchell, Dorraine
Miywasin Friendship Centre
Mohawk College of Applied Arts and Technology
Momentum
Multiple Sclerosis Society of Canada
National Association of Friendship Centres
New Brunswick Community College
North West College
Notten, Geranda
Nunavik Regional Board of Health and Social Services

Organizations and Individuals

Nyaupane, Binaya

Pathfinder Youth Centre Society

PEI Working Group for a Livable Income

Piller, Gwendolyn

Portage College

Réseau québécois des OSBL d'habitation

South Asian Legal Clinic of Ontario

Stevens, Harvey

Tamarack Institute

Women's Centre of Calgary

Worifah, Anna Ettah Epse

Workers' Action Centre

YMCA of Greater Saint John

YWCA Canada

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 20, 22-26, 28-32, 35-45, 47-49, 55-58 and 59](#)) is tabled.

Respectfully submitted,

Bryan May
Chair

First, Do No Harm

**If governments want to reduce poverty,
they should stop doing things that make people poor**

Dissenting Report
By Her Majesty's Loyal Opposition
Standing Committee on Human Resources, Skills and Social Development,
And the Status of Persons with Disabilities

Report on Poverty Reduction

Background

From October 2016 to May 2017, the House of Commons' human resources committee studied poverty reduction strategies. The government has now produced a majority report chronicling its hearings and recommending policies to address the subject. With our dissenting report, the Conservative members build on the success of the previous government of Stephen Harper, whose policies helped usher in the largest decline in the poverty rate and the lowest levels of poverty ever recorded in Canada (see appendix 1).

Members of the Official Opposition thank the committee chair, members, and support staff for their good faith and diligent work on this study. The majority report contains very valuable information and many good recommendations. Still, practical and philosophical differences with the committee's majority report necessitated a dissenting report from the Conservative Party.

Primum non nocere — First, Do No Harm

Doctors practice medicine with the overriding principle: "first, do no harm." In other words, the doctor's intervention must not harm the patient more than it helps. Unfortunately, when it comes to the condition of Canada's less fortunate, government actions are doing plenty of harm.

Witness testimony (see appendix 2) found a growing list of government actions that impoverish people and widen the gap between rich and poor. They include regressive consumption taxes which disproportionately burden low-income people to fund complex "green" programs for the rich; inflated electricity costs to subsidize the profits of well-connected, so-called "green energy" investors; building restrictions and "snob zoning" that block affordable housing construction; high marginal effective tax rates that punish poor and disabled people for working; rules forbidding aboriginals from owning homes; and corporate welfare programs that transfer scarce resources from the poor and middle class to politically-connected plutocrats. These are mistakes of commission, not omission. They are the result of government *action*, not *inaction*.

Ironically, governments routinely offer themselves as solutions to the problems governments cause. Municipal red tape stops affordable housing construction and then municipal politicians demand more federal money for affordable housing, for example. It is like a doctor who poisons a patient and declares himself a savior for later administering a life-saving antidote. Likewise, problems of government's making are not solved through more government action. The government should instead commit itself to "first, do no harm." To that end, this dissenting report offers practical steps to stop government from doing harm to those less fortunate.

This minority report rests on the belief that people in poverty desperately want to escape it. They work hard and sacrifice daily to do so. If governments would stop holding them down, many of Canada's poorest people could achieve their dreams of self-reliance and prosperity. It is time the government stood by their side, rather than in their way.

Appendix 1: The Facts

Policies like raising the personal exemption limit, lowering the tax burden, reducing harmful consumption taxes, and reducing the overall cost of the federal government had a direct impact on lowering the poverty rate to its lowest levels in recorded history under Prime Minister Stephen Harper's government. These are the facts:

- The basic needs poverty line declined to a record-low 4.2%, declining by a third over the course of the previous government.¹
- The low income cut-off (LICO) fell to a record-low 8.8%. In fact, it dropped more under the previous government than under any other Prime Minister in recorded history (more than 40 years).²
- Middle class incomes rose 11% during the previous government's time in office.³
- The previous government's spending on government dropped to 14.2% of GDP, the lowest in a half-century.⁴
- By raising the personal income exemption, the previous government removed one million low-income Canadians from the tax roll.⁵
- On average, federal income tax on families earning less than \$30,000 dropped by more than 90% over the course of the previous government.⁶

If the government wants to reduce poverty, it must recognize what government actions make a real, positive difference in lowering the poverty rate.

Appendix 2: Quotes from Witnesses

The following witnesses gave testimony that helped us reach the conclusions noted above:

The Carbon Tax

When asked "how [would] you like to see carbon pricing come back to people in need?" the Mayor of Medicine Hat, Ted Clugston, replied flatly: "Don't charge it in the first place. Sorry."⁷

Mayor Clugston on how keeping utility rates low will be a challenge thanks to the carbon tax: "We also own our own utilities and are able to boast some of the lowest utility rates in the country, and the lowest in the province. However, moving forward, this will be a major challenge, as we have a carbon tax that we have to collect on behalf of the other levels of government and it will be passed on to our ratepayers."⁸

¹ Statistics Canada, <http://pierremp.ca/wp-content/uploads/2016/08/CanadaPovertyRatesProvinceYear.xlsx>

² Statistics Canada, <http://pierremp.ca/wp-content/uploads/2016/08/CanadaPovertyRatesProvinceYear.xlsx>

³ Finance Canada, <http://www.budget.gc.ca/2016/docs/plan/budget2016-en.pdf#page=13>

⁴ Finance Canada, <http://www.fin.gc.ca/frt-trf/2015/frt-trf-1502-eng.asp#tbl8>

⁵ Finance Canada, <http://www.budget.gc.ca/2015/docs/plan/budget2015-eng.pdf#page=242>

⁶ Finance Canada, <http://www.budget.gc.ca/2015/docs/plan/ch4-1-eng.html>

⁷ Medicine Hat mayor Ted Clugston, February 16, 2017 meeting.

⁸ Medicine Hat mayor Ted Clugston, February 16, 2017 meeting.

Gavin Still on the hidden, direct, and indirect expenses of the carbon tax: “the issue with any carbon tax is that there would be so many layers of costs built into the lifestyle, and certainly there would be an impact to low-income people... First, it affects the industries that feed and clothe the people here, and which people come to work for either directly or indirectly. Second, the cost of transportation, the cost of building, and any kind of additional levy that goes into that becomes almost a layered cost and builds on incrementally in each step through the supply process... It probably decreases the likelihood of investment in the area and the natural resource industry in general.”⁹

Clawbacks due to income

Doctor Ian Lee on the disincentives to return to school or work due to social assistance clawbacks: “If someone is on social assistance, they cannot go back to school. They will be cut off. Can you imagine?... We prevent people who are receiving social assistance or unemployment insurance from going back to school because we threaten to cut them off. We should be saying, ‘We encourage you and we will shout from the mountaintops to have you go back to school while you're on social assistance or on unemployment insurance,’ but we don't. We put these huge barriers in to prevent them from becoming educated, and that is really bad. That's wrong.”¹⁰

Alana Baltzar about the massive clawbacks disabled people face when they start working: “With the Ontario Disability Support Program, they're a bit better when it comes to reductions in welfare, but you only get [\$]200. Once you hit the 200 point, they start deducting from you. Once you start making set amounts of money, you are no longer eligible for your medical, your dental, and that is a problem. It is a barrier.”¹¹

Brad Brain, Registered Financial Planner: “With the Canada Pension Plan, the problem is that it doesn't directly target low-income seniors. The guaranteed income supplement is the program we have now that's targeting low-income seniors. The problem is that it's clawed back, as somebody mentioned, at a 50% rate that starts really early. Anything above \$3,500, you start losing your GIS. That's a real conundrum for somebody of modest means. If they go and maybe take on a little part-time work or maybe they get a bit of investment income coming in, they're looking at reducing their government benefits.”¹²

Brad Brain: “The way I look at the guaranteed income supplement is that this is the benefit that brings people “up” to the poverty line. These are exactly the types of people I think you guys would be focused on. What we have is a situation right now where the benefit is quickly clawed back and eliminated at a fairly low hurdle rate. If what we want to do is specifically target seniors poverty, then some ideas would be maybe to have the clawback start a little later, so, let's just say, for the sake of discussion, at \$5,000 rather than \$3,500. Maybe they don't get eliminated completely at such a low rate, so perhaps rather than \$17,000 maybe a person could make \$20,000 before they lose their benefit

⁹ Gavin Still, February 21, 2017 meeting.

¹⁰ Ian Lee, November 1, 2016 meeting.

¹¹ Alana Baltzar, March 10, 2017, meeting.

¹² Brad Brain, October 25, 2016 meeting.

completely. Perhaps it doesn't get clawed back at a 50% rate. Right now, if you make two dollars, you lose one dollar in benefits. Maybe a person could address that.”¹³

John Stapleton, fellow, Metcalf Foundation, on clawbacks: “When you have taxation at the federal and provincial levels that combines benefit clawbacks that reduce every dollar that people get—especially from earnings... that result in clawbacks and taxes of over a dollar on a dollar—something is wrong; something is broken. I think it's only the federal government that can actually convene all of the provinces and municipalities and those various programs that do that.”¹⁴

John Stapleton, on how the previous government's leadership ensured that federal programs were not subject to clawbacks: “I'll give a plug to the late Mr. Flaherty, who made sure by talking to the provinces that the RDSP, the registered disability savings plan, was not clawed back by other social assistance programs. The same is true of the working income tax benefit that was brought in in 2007, so you see good examples where care was really taken to do this. For those who believe that the federal government can't have influence, there are two particular, pungent examples of where the federal government did lean on the provinces and made sure that those clawbacks did not take place.”¹⁵

Government policy that makes sense

Brad Brain on how Tax-Free Savings Accounts help all Canadians, regardless of income, shelter their savings from being taxed: “For people who do not have an abundance of resources to work with, the Tax-Free Savings Account is a beautiful tool that allows them to be a little more self-sufficient.”¹⁶

Philanthropist Don Johnson on how changing the *Income Tax Act* could substantially increase donations to charities: “Our recommendation is that the government remove the capital gains tax on charitable gifts of private company shares and real estate... The case for [this] is compelling. First, the forgone capital gains tax on these donations is only \$50 million to \$60 million a year, and the charitable donation tax credit is the same as for gifts of cash. Second, because the donor must sell the asset to an arm's-length party, this ensures that he or she receives fair market value for the sale and addresses any concern about valuation abuse. Third, introducing this measure addresses a current inequity in the *Income Tax Act*. It provides the same tax treatment for donations of private company shares and real estate that currently applies to gifts of other appreciated capital assets and listed securities. Entrepreneurs who keep their company private would be treated the same as entrepreneurs who take their company public. Finally, the vast majority of these donations would be incremental, and would not be a substitution for cash donations.”¹⁷

¹³ Brad Brain, October 25, 2016 meeting.

¹⁴ John Stapleton, November 24, 2016 meeting.

¹⁵ John Stapleton, November 24, 2016 meeting.

¹⁶ Brad Brain, October 25, 2016 meeting.

¹⁷ Don Johnson, March 10, 2017 meeting.

Don Johnson on the impact this change could have: “I'd like to share with you how United Way in Toronto has benefited from the removal of the capital gains tax on gifts of listed securities. From 1956 to 1996, the total gifts of listed securities to United Way of Toronto amounted to only \$44,000—that's over 40 years. From 1997, when the capital gains tax was cut in half, to 2016, gifts of listed securities to United Way in Toronto totalled over \$176 million, as a result of the removal of the capital gains tax on gifts of listed securities. United Way Toronto and York Region provides crucial funding for over 200 agencies in the GTA and the York region. This is a measure that can help significantly in skills and social development.”¹⁸

More government money is NOT needed

Small business owner and employer of disabled people Mark Wafer on how new government money is not needed, what is needed is the funding to be tied to specific outcomes: “[Another witness] said, ‘We don't want to go back to taxpayers and ask them for more money.’ We don't need to do that. The resources are already there. The money that's being used for wage subsidies right now should be used for those engagement programs instead of having social service agencies take a cheque for \$5,000 and give it to an employer to hire somebody with a disability. That is a very dangerous thing to do. Yes, it gets that person in the door, but it's not sustainable. The attitude of the employer has not changed. He or she still sees that person as somehow broken, not whole.”¹⁹

Mark Wafer: “It's very important that the federal government set the tone and set the intent of what these monies [job training funds that are transferred to the provinces] are to be used for, and how we do interviews and how we educate employers, so that when we do shut down the sheltered workshops, 50% of people who are in sheltered workshops today, who are employable, actually find a job. We can only do that if we open doors. We can't do it by increasing social services or increasing taxpayers' money. None of that will have any effect on this. The only thing that is going to work is if employers see that there's a valid reason to open their doors.”²⁰

Aboriginal business leader Kory Wood on employment opportunities for aboriginal youth: “I never felt, through my four years working with first nations youth, that money was an issue. I thought there was plenty of funding available out there. It was more focusing on the quality of opportunities, not the quantity of opportunities.”²¹

The best way out of poverty is a job

Monique Moreau, Canadian Federation of Independent Business, on the best way out of poverty: “the best way to lift people out of poverty is with a job.”²²

Monique Moreau on how the cost of government prevents businesses from hiring more people: “Red tape certainly impacts all business owners. We know from our research

¹⁸ Don Johnson, March 10, 2017 meeting.

¹⁹ Mark Wafer, November 24, 2016 meeting.

²⁰ Mark Wafer, November 24, 2016 meeting.

²¹ Kory Wood, November 29, 2016 meeting.

²² Monique Moreau, November 22, 2016 meeting.

that the impact on the Canadian economy was pegged at about \$39 billion a year. That can be anything from filling out a complicated form to bad customer service or waiting on the phone trying to get through to call centres, for example. Any small business owner will tell you that they do the vast majority of that work very late at the end of the day or first thing in the morning, when they could be looking into opportunities to hire from various groups that require jobs, advertising for new positions, or looking at reinvestment in their business.”²³

Housing red tape and “snob zoning” makes housing unaffordable

Doctor Ken Green on the \$20,000 to \$60,500 per-unit cost of housing red tape, in order to satisfy government paperwork requirements: “We were looking at the value of permitting, the cost to get a building permit, after going through things like rezoning, getting a building permit, waiting a certain amount of time to get the permit. You pay a certain amount in that process, and it varies very widely. In the aggregate, the delays in getting building permits, the higher costs of building permits, and opposition, particularly from councils and community groups, to new housing in their area—the not-in-my-backyard kind of opposition... All of this raises the cost of building new housing units and suppresses the supply. We know that when you have a suppressed supply and you have a high demand, prices go up even higher than they would if you had enough housing to meet demand.”²⁴

Economist Daniel Shoag on the prevalence of “snob zoning,” the creation of artificial red tape requirements in order to prevent housing development or prevent certain types of housing from being built: “When prices are rising and the quantity is static or falling, it’s a supply issue, and when you look at the data it’s pretty clear that there are restrictions in place. Construction costs actually don’t differ that much. Brick prices don’t differ that much city to city, and cities like Boston, where I live, are not actually that much more densely-populated than the cheaper places like Houston, or in fact not at all. So it’s not the physical space that limits. The culprit is really regulations and restrictions that prevent development.”²⁵

Kevin Lee, Canadian Home Builders’ Association, on how land use regulations can restrict housing supply and drive up prices: “Right now, the way secondary suites are assessed for GST purposes, it’s not just the construction cost; they incorporate the value of the land. A secondary suite is on land that’s already owned by somebody, so in the assessment process they’ll include the land to create a value for the property, which obviously—especially in an infill situation in an urban environment where property values are very high—will dramatically increase the taxation on that house, making it very undesirable or expensive. The result is either not building the suite, or often, building the suite in the underground economy for cash, which is a whole other story unto itself, which is a problem.”²⁶

²³ Monique Moreau, November 22, 2016 meeting.

²⁴ Ken Green, February 14, 2017 meeting.

²⁵ Daniel Shoag, February 9, 2017 meeting.

²⁶ Kevin Lee, Canadian Home Builders’ Association, February 21, 2017 meeting.

Appendix 3: Recommendations

Stop Taxing the Poor

- Recommendation: that the government fully release all data it has on the impact of the carbon tax on the poverty rate, the gap between rich and poor, median incomes, the number of people living below the low-income cut off line, and the cost to a family of a “Market Basket,” as defined by Employment and Social Development Canada and Statistics Canada.
- Recommendation: While we remain opposed to a carbon tax, we believe that, if the government insists on charging it, anyone making less than \$50,000 per year should be exempt from paying it.
- Recommendation: that the government recognize that Tax-Free Savings Accounts protect low-income seniors from taxes and Old Age Security claw backs, while allowing renters to enjoy the same tax-free capital gains as homeowners.

Less Red Tape – More Housing

- Recommendation: that the Canadian Mortgage and Housing Corporation produce an annual report on the total cost of taxes, fees, permits, delays, and red tape per unit of housing in each major market across Canada.
- Recommendation: that the Canadian Mortgage and Housing Corporation work with willing band councils to allow aboriginals to access private sector mortgages on the same commercial terms available to every other Canadian.

Less Government and More Community

- Recommendation: that the government remove all capital gains tax on private company shares and real estate donated to charity.

No More Welfare for the Wealthy

- Recommendation: that the government end corporate welfare, and other programs that transfer scarce funds to the rich from the rest.

Make Work Pay

- Recommendation: that the government shift taxpayer dollars away from sheltered workshops towards helping people with disabilities work in private sector jobs with competitive wages.
- Recommendation: that all employment agencies be funded based on the number of people they connect with jobs or pay increases.
- Recommendation: that the government task the Parliamentary Budget Officer with reporting annually on the marginal effective tax rates (METRs) that low-income disabled people pay in each province.
- Recommendation: that, at the next meeting of the federal-provincial Finance Ministers, all governments agree on a coordinated plan to cap METRs at a maximum 50% for all disabled Canadians, and that the \$222 million the federal government transfers to the provinces each year under the Labour Market Agreements for Persons with Disabilities should be conditional on meeting this cap.

- Recommendation: that the federal government lower the clawback rate on the Working Income Tax Disability Supplement.
- Recommendation: that Parliament adopt a “Make Work Pay Act” that caps clawbacks and taxes so that every Canadian is better off financially when they work.
- Recommendation: that the Parliamentary Budget Officer report on whether the government is complying with this Act.

Supplementary Opinion of the New Democratic Party (NDP)

The report presented by the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities concludes several months of studying the federal role in poverty reduction in Canada.

At the outset of our study, we made it clear that we were not interested in producing yet one more in a long series of reports on how much poverty there is in Canada. Thanks to hundreds of witnesses and briefs by municipalities, individuals as well as local, regional and national organizations we have in this report a current, updated profile of the face of poverty in Canada. Several witnesses told us just how much of an impact social determinants of health have on poverty. Our report must serve as the foundation for a master plan in building a just and inclusive country.

Recommendations

Although we agree with the entire report, the NDP believes that the recommendations should serve as calls for government action, since time has run out for more study and consultations. We have studied the issue long enough. It is now time to act as quickly as possible to make a positive impact in the daily lives of those who are struggling. There is urgency to act in order to have positive impacts in the lives of people living in a precarious situation.

The NDP believes that the Committee's recommendations could have gone further. We would like to have seen the following recommendations:

Income security

- That the federal government develop an income security architecture to provide all Canadians with a guaranteed basic income.
- That the federal government study the feasibility of providing Canadian families with a guaranteed basic income so that vulnerable households can access adequate support to meet their basic needs.
- That the government reinstate the federal minimum wage and that it be set at \$15 an hour.
- That the Disability Tax Credit (DTC) become fully refundable.
- That Health Canada work with provinces and territories to put in place a universal medicare system to provide access to all Canadians to prescription drugs that they need.
- That in the development of its food strategy the government should include measures to fight the growing food insecurity for vulnerable children, seniors and citizens of remote communities.

- That the government increase the guaranteed income supplement to ensure our seniors doesn't live in poverty.

Education, skills training and employment

- That the government, considering student debt levels, study the possibility of reviewing the \$25,000 income threshold for loan repayment to bring it closer to the poverty line and that it provide postsecondary students with interest-free loans.

Mental health

- That Health Canada work with the provinces and territories to ensure that all Canadians have access to the prescription drugs they need, regardless of their ability to pay.
- That Health Canada and Immigration, Refugees and Citizenship Canada work with the provinces and territories to ensure that Indigenous people as well as newly arrived immigrants and refugees have access to culturally appropriate mental health services.
- That Health Canada lead the way by supporting the creation of drug harm reduction sites in both urban and rural communities.
- That Health Canada and the Public Health Agency of Canada invest in research to produce evidence related to innovative approaches to supporting those with mental illness and understanding which practices are effective.
- That Health Canada and the Public Health Agency of Canada in collaboration with provinces and territories ensure that all our seniors have access to mental health care that they need.
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Housing, communities and neighbourhoods

- That the government introduce a national housing strategy that recognizes Canada's obligations with respect to the right to housing and that provides massive immediate, recurring and long-term investments and measures to ensure that this right is respected.
- That the government maintain its long-term subsidies for existing social housing, whether under the direct responsibility of the Canada Mortgage and Housing Corporation (CMHC) or of the provinces/territories or municipalities, and that it reinstate the funding that expired at the end of the long-term operating agreements.

- That the government reinstate the community-based approach to the Homelessness Partnering Strategy (HPS) to develop a variety of housing and community-support interventions.
- That the government index funding for the Homelessness Partnering Strategy (HPS) in order to maintain services.
- That the government make the Homelessness Partnering Strategy (HPS) permanent.
- That the government provide dedicated funding specifically to support the development of new social and community housing.
- That the government allocate dedicated funds to support the development of new social and community housing for seniors.
- That the government provide massive and recurrent funding specifically for the renovation of existing social housing.
- That the Canada Mortgage and Housing Corporation create sustainable development incentives for the renovation of existing housing units and the construction of new units.
- That the Canada Mortgage and Housing Corporation create incentives for the construction of truly affordable housing.
- That the Government review the mandate, policies and programs of the Canada Mortgage and Housing Corporation to ensure safe and adequate housing for Canadians, by focussing on social and community housing and by implementing measures to counter real estate speculation.

However, the NDP believes that some of the report's recommendations go too far, because they interfere with provincial and territorial jurisdiction. These recommendations should be either amended or withdrawn to avoid this interference:

- That Employment and Social Development Canada, in collaboration with the provinces and territories, invest in and promote programs that support children and youth along their pathway towards higher levels of educational attainment, such as after-school programs in impoverished communities, being mindful that children and youth who live in poverty face unique challenges and require additional resources in order to succeed in the educational system.
- That, in implementing measures announced in Budget 2017, Employment and Social Development Canada explore ways to develop not only skills of the future, but also instil a strong sense of inquisitiveness and a life-long approach to learning. In addition to promoting the importance of reaching higher levels of proficiency in basic skills, such as literacy and numeracy skills, the committee recommends promoting the development and

adoption of coding and other digital skills that will support the application of knowledge and ideas and foster problem-solving techniques.

Furthermore, the first two recommendations in the report as currently written do not commit the government to making the necessary changes to support workers struggling after job loss.

For example, in the first recommendation, it would have been crucial to call on the federal government to expand, rather than study, coverage, eligibility and duration of Employment Insurance benefits to address the reality of Canadians. A study would be pointless, because we are all aware of the reality: we already know that over 60% of workers who lose their jobs do not qualify for employment insurance benefits. We know that the number of hours worked needs to be decreased so that more workers who lose their jobs can qualify for employment insurance. The government also needs to act now to help workers in the EI gap.

It is also important to note that the consumer price index does not reflect consumer spending, unlike the cost of living index.

The same applies for the second recommendation: Indigenous and Northern Affairs should increase, not just study, social assistance rates for First Nations peoples on reserve in response to the requests made by the witnesses we heard from.

Adequate housing as recognized internationally

The NDP believes that a major segment is missing from the report and should have been included in Chapter 5, “Housing” – specifically, Canada’s international commitments concerning the right to adequate housing:

KEY INTERNATIONAL TREATIES RELATED TO THE RIGHT TO ADEQUATE HOUSING

Canada has ratified two UN treaties that directly refer to the right to adequate housing:

Article 25 (1) of the Universal Declaration of Human Rights states:

1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

Article 11(1) of the International Covenant on Economic, Social and Cultural Rights states:

1. The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.

In 2007, in the final report of his mission to Canada, former UN Special Rapporteur on adequate housing Miloon Kothari noted that Canada is one of the few countries without a national housing strategy. Mr. Kothari recommended, among other things, that Canada should:

- (a) recognize the right to adequate housing by all levels of Government;
- (b) adopt or amend legislation to protect the right to adequate housing;
- (c) commit to a comprehensive national housing strategy with stable and long-term funding;
- (d) adopt a comprehensive and coordinated national strategy for the reduction of homelessness and poverty;
- (e) address the situation of Aboriginals in and off reserves through a comprehensive and coordinated housing strategy.

The Special Rapporteur also noted that there is no recognition of the right to adequate housing in Canadian law, either under the *Canadian Charter of Rights and Freedoms*, under federal or provincial human rights legislation, or under housing legislation. The report states:

“The rights contained in international human rights treaties ratified by Canada are not directly enforceable by domestic courts unless they have been incorporated into Canadian law by parliament or provincial legislatures. As such, the right to adequate housing as codified in article 11(1) of the [International Covenant on Economic, Social and Cultural Rights Convention] cannot be claimed on its own.”

Further information regarding the right to adequate housing and the obligations of governments is contained in the Office of the UN High Commissioner for Human Rights' report *The Adequate Right to Housing*.

The NDP recommends that Canada comply with its international commitments and the recommendations of the UN Special Rapporteur on adequate housing by

incorporating the right to housing in Canadian law, particularly human rights legislation and legislation to establish a nationwide housing strategy, in order to make this right enforceable.

The NDP's recommendations on housing and homelessness reflect a desire to take immediate action and introduce measures to ensure Canada lives up to its international commitment to respect this basic right.

The NDP believes that social and community housing must be at the core of an anti-poverty strategy.

In our view, steps must be taken to maintain the current supply of social and community housing, and build new units to increase the availability of this type of housing and reduce waiting lists.

To achieve this goal, we believe that the government must allocate massive funding dedicated to developing new social and community housing, and that it must establish a recurring envelope for renovating existing social housing.

We also recommend that the government maintain its long-term subsidies for existing social and community housing, whether under the direct responsibility of the Canada Mortgage and Housing Corporation (CMHC) or of the provinces, territories or municipalities, and that it reinstate the funding that expired at the end of the long-term operating agreements.

The NDP recommends that the government review the CMHC's policies and programs so that the agency can play a greater role in the housing market, especially by focusing on social and community housing.

In our view, the CMHC must help to regulate the housing market, particularly by countering real estate speculation and creating incentives to encourage sustainable development and build truly affordable housing. With regard to homelessness, the NDP recommends a return to the broad, community-based approach of the Homelessness Partnering Strategy (HPS) in order to fund a variety of interventions, including homelessness prevention and investment in capital assets, and to tailor responses to meet the needs of communities across the country.

In addition, we recommend that the government agree to fund the HPS permanently and that it index this funding to maintain services in the years to come.

Leadership and partnership

Above all, the report captures a chorus of voices from coast to coast calling for national leadership to reduce poverty. The Government of Canada must take the lead role, in partnership with the provinces, territories, cities and Indigenous communities.

Before the study began, the NDP MP for Saint-Hyacinthe–Bagot, Brigitte Sansoucy, introduced Bill C-245, An Act concerning the development of a national poverty reduction strategy in Canada.

The bill provided for the development and implementation of a national strategy to reduce poverty in Canada and the appointment of an independent poverty reduction commissioner.

Bill C-245 also would have amended the *Canadian Human Rights Act* to add social condition as a prohibited ground of discrimination.

Lastly, it would have amended the *Department of Employment and Social Development Act* to establish the National Council on Poverty Elimination and Social Inclusion. Unfortunately, the majority Liberals voted against the bill at second reading.

The federal government must show leadership on reducing poverty. Canada has signed international treaties on human rights that require us to make very clear commitments to guarantee each and every Canadian citizen the right to a decent standard of living. Reducing poverty is a non-partisan issue. Every member of Parliament represents a riding affected by poverty. We see poverty on the faces of all kinds of people, including children, families, people living alone, and seniors. When we meet with anti-poverty organizations, we see how hard they are working on the ground to distribute food and clothing to help all families in need.

In 1989, the House unanimously adopted a motion to eliminate child poverty. In 2009, the House reaffirmed its commitment to reducing poverty. We are now at the point where we need more than empty words. We need to come up with a real strategy. Coming up with a strategy means setting targets: where do we want to be in five or ten years when it comes to reducing poverty? We also need mechanisms to measure poverty. Currently, in Canada, we have still not agreed on an official definition of poverty; we hope that the government will look into this problem by following the recommendation in this report. We still have not

established how to measure poverty. If we want to see how well programs are working from year to year, we have to have mechanisms to measure progress and determine, year after year, whether poverty has been reduced or not.

Let us develop mechanisms for measuring poverty so that, year after year, we can take steps toward reducing it. We know that poverty is a ground for discrimination, but right now it is not in the list of prohibited grounds of discrimination.

In our communities

It costs more to do nothing about poverty than it does to address it. We can do something to reduce poverty. Poverty greatly hinders both individual and community development. The growing gap between the rich and the poor is a concern. When wealth is concentrated in the hands of one group, the purchasing power of regular Canadians keeps diminishing. Store owners are saying that they are still struggling to recover from the 2008 economic crisis because too many people continue to get poorer.

Take the example of food banks and soup kitchens who currently can cope with the high demand for their services, the government must work with them to ensure that they have the necessary resources to help people in need.

Municipalities also need to be part of the strategy to reduce poverty. The services they provide to their citizens, the work they do for access to social housing, the funding community organizations ensure municipalities are key players to reduce poverty in Canada.

Another growing problem these days is that some people are working 40 hours a week and are still poor. Youth employment is increasingly precarious. A third of all young people have part-time employment. The use of food banks is the ultimate proof. A growing number of workers must resort to using food banks, which is unacceptable. More and more workers need food aid. We also see many immigrants using food aid.

In some Canadian communities the cost of living, including rent and food, is high. There needs to be a strong social and economic safety net because poverty affects everyone. We should all be concerned by the fact that, in a country as rich as ours, inequality is growing and worrisome.

Let us work together

As we heard from many witnesses, we all need to work together, rather than separately as individuals, organizations or as municipal, provincial or federal governments. The various orders of government need to work together. Within the federal government, poverty is not the responsibility of just one department or minister. It is crucial that all departments work together if we want to truly reduce poverty in Canada and improve the day-to-day lives of the too many men, women and children who are struggling to get by.

Community organizations in our ridings are doing what needs to be done. They are also working to tackle poverty at its roots because we have to focus not just on the consequences, but also on the causes. We have to work with these organizations and truly partner with them.

Municipalities have to be partners in this poverty reduction strategy too. We know they are responsible for providing social housing. Food banks and soup kitchens cannot meet the demand. Municipalities are putting strategies in place to ensure that their services and activities are available to everyone.

We have to partner with the provinces too. Many provinces, including Quebec, already have poverty elimination strategies. Other provinces tell us that Quebec's strategy is a model. Provinces that do not have strategies are thinking of adopting them, and all provinces are urging the federal government to develop its own poverty reduction strategy so we can coordinate our efforts and work better together. That is what it will take to reduce poverty.

Education is a big part of the conversation about poverty, so the provinces are involved at that level too. No child should come to school with an empty stomach. Children's academic performance should not suffer because they move too often or are worried about a parent having lost a job. Such children are less likely than others to graduate or go on to university. Those are some of the effects of poverty, and we have to work with the provinces to tackle the causes of poverty.

Children raised in poverty require more support, and there are costs associated with that. It will be more expensive in the long run to not address poverty and let it persist. Poverty also means more health care costs, as many studies have shown. People living in poverty are ill more often and have a hard time paying for their medication.

Conclusion

There are too many statistics right now that should frighten us. Having one in seven people living in poverty in Canada is unacceptable. We have a duty to act. The poverty rate is higher in Canada than in the other Organisation for Economic Co-operation and Development (OECD) countries.

When talking about poverty rates, we need to see the face of poverty. For instance, one out of every two Indigenous children lives in poverty. In addition, 6% of seniors in Canada live in poverty, and 63% of low-income, single seniors are women. In Quebec, the median income for seniors aged 65 to 74 is \$20,200, and for those 75 or over it is less than \$20,000. Lastly, the median income for indigenous people is even less. As for immigrants, they are twice as likely to find themselves living in poverty. There are real people behind the statistics.

“Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life.”

- Nelson Mandela