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Poverty Reduction Strategy Hindered By Revenue Gap, Say Community Groups

Community groups across Toronto expressed concern today that Mayor John Tory's signature initiative "*TO Prosperity*" has been hampered by the absence of the revenue tools that would allow for investments that can help Toronto's most vulnerable, strengthen our neighbourhoods and make the city a better place to live and work in. Groups praised efforts to move forward on systemic and structural pillars of poverty reduction, such as social procurement, resident engagement and community benefits, but lamented the limited investments in new services and programs.

"Poverty reduction has been built into the work planning of City Divisions and funding has been protected against cuts in key areas like housing," said Leila Sarangi, Manager of Community programs at Women's Habitat of Etobicoke. "Last month, the United Way Toronto & York Region, Toronto Region Board of Trade and 50 other community organizations called for a \$75 million investment in new programs and services. With a budget that shows \$6 million in new investments, we're well short of that goal."

"Thousands of people participated in the consultations supporting the Poverty Reduction Strategy and their priorities were clear. They called for new supportive housing and increases in affordable childcare, but the City has not been able to address those issues," said Adina Lebo of the seniors group CARP, Toronto.

Community groups note that Toronto has the highest rate of child poverty (29%) and overall poverty (23%) of large cities in Canada. With tens of thousands of people waiting for affordable housing, childcare subsidies and accessible transit, these investments are badly needed. For many people living in poverty, getting on their feet, getting jobs, and getting real opportunity depends on expanding those services, but Council lacks the tools to support these investments, community groups said.

Council needs to move forward quickly to employ available revenue tools so it can make the critical investments that increase prosperity for all Torontonians," said Kevin Vuong, engaged citizen and participant in CivicAction's DiverseCity Fellows program. "We will certainly continue to work with the City to make that happen."

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Poverty Reduction in the 2016 Budget: Good News, Bad News, What's Next?

Good News

- Investment in Toronto Community Housing improvements and new efforts to improve oversight of repairs to TCHC units
- Reallocations that offset loss of provincial funding cuts to social housing
- Expansion of student nutrition programs to 49 new schools serving over 15,000 additional students
- Ongoing work by the PRS advisory groups including the creation of Lived Experience Advisory Group and other changes to make poverty reduction part of day-to-day business of city
- Hiring of staff to move ahead with city-wide social procurement strategy to increase job opportunities for underemployed populations

Bad News

- Does not invest much needed \$5 million in new childcare subsidies despite waitlist of 12,000 children
- Does not invest \$14.5 million in new rent supplements despite city plan to create 70,000 new subsidies over 10 years
- Does not invest \$15.6 million in supportive housing funded despite city plan to create 10,000 supportive housing spaces over 10 years
- Implementation of only one of three youth spaces planned for 2016 to build life skills and employment readiness
- Fare increase of \$17.4 million for adult TTC riders.
- No expansion of after school programs
- Proposed services increases like financial literacy programs and Investing In Families abandoned

What's Next?

- Over \$400 million of available revenues have been left untapped. A discussion of revenue tools can no longer wait.
- Current property tax rates cannot address funding gap for basic city services. There needs to be a discussion about realistic funding for City services.
- Continued reliance on less progressive revenue sources like user fees, Land Transfer Tax and Residential Property Tax leave lower-income families with a higher burden of costs
- Negotiating with the province for powers to implement fairer taxes such as sales tax or income tax has to begin soon