



# Income Inequality in Guelph-Wellington: A Provincial Election Issue

PROVINCIAL  
ELECTION  
2014

## Vote Out Poverty

Income  
Inequality

### income inequality facts:

In Ontario, 371,000 children, or 1 in 7, still live in poverty.<sup>1</sup>

2 in 5 children living in poverty, or 40%, have at least one parent working full-time, full-year.<sup>2</sup>

12.1% of Guelph residents and 14% of children less than 6 years old were living in poverty in 2010. And 8.4% of Wellington County residents (excluding Guelph) and 15.1% of children less than 6 years old lived in poverty in 2010.<sup>3</sup>

The income of a single person on Ontario Works in Wellington County and Guelph is nearly \$12,000 a year below the poverty line while a single person on ODSP (Ontario Disability Support Program) is approximately \$6,000 below the poverty line (based on low-income measure after-tax).<sup>4</sup>

Between 2008 and 2013, the Ontario Works caseload in Guelph-Wellington increased by approximately 60% due to the economic recession of 2008 and the failure of the economic recovery to translate into a reduction in the caseload.<sup>5</sup>

Over half (54%) of the Ontario Works caseload in 2013 for Guelph-Wellington had graduated from high school and 22% had post-secondary education.<sup>6</sup>

The working poor, as a percentage of the working age population, increased by 15% across Canada and by 24% in Ontario, between 2000 and 2005.<sup>7</sup>



Income insecurity permeates all aspects of people's lives. With the rise of unstable (precarious) employment, paid work is no longer a guaranteed pathway out of poverty. The working poor, as a percentage of the working age population, increased by 15% across Canada and by 24% in Ontario, between 2000 and 2005.<sup>8</sup> In Ontario, approximately 22% of workers, more than 1 in 5, work at unstable (precarious) employment.<sup>9</sup>

The income inequality gap has grown by 47% in a generation. In Canada, inflation-adjusted earnings of the bottom 20% of workers fell by 21% between 1980 and 2005, while the earnings among the top 20% of workers increased by 16%.<sup>10</sup> And single people living on OW & ODSP live well below the poverty line. Children living in

poverty are more likely to suffer from malnutrition, have a disability, learning disability, and behavioural problems.<sup>11</sup> In short, perpetuating poverty costs us billions, hurts families and communities, erodes economic prosperity and adds significantly to the cost of government services. Eliminating it makes sense both socially and economically. It's time to act.

### How can the province address this issue?

Immediately increase social assistance rates so people can meet their basic needs

Implement a guaranteed annual income to lift all Ontarians out of poverty

Implement an Ontario Housing Benefit

Ensure universal health care covers dental, vision, and prescription drugs for all

Increase funding for social and affordable housing

Implement bold poverty reduction targets for adults as well as children

### Questions to ask your provincial candidates:

1. What will your party do to make sure that work is a pathway out of poverty?

2. Does your party support raising the minimum wage above the poverty line? How will you implement this?

3. Will your party commit to making sure people on OW & ODSP have incomes that lift them out of poverty?

Election Fact Sheets brought

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**Income Fact Citations:** 1. Campaign 2000 (2013). Beyond Austerity: Investing in Ontario's Future - 2013 Report Card on Child and Family Poverty in Ontario 2. Ibid; 3.

Statistics Canada (2011). National Housing Survey 4. Ellery, R. Murvi, W. (2013). A Living Wage for Guelph and Wellington, Guelph and Wellington Task Force for Poverty Elimination 5. Corporation of the County of Wellington (2013) Ontario Works Caseload Profile 6. Statistics Canada (2011). National Housing Survey 7. Ellery, R. Murvi, W. (2013). A Living Wage for Guelph and Wellington, Guelph and Wellington Task Force for Poverty Elimination 8. Ibid 9. Law Commission of Ontario (2012). Quick Facts About Vulnerable Workers and Precarious Work 10. Block, S. (2010) Work and Health: Exploring the impact of employment on health disparities. Wellesley Institute, Toronto 11. Campaign 2000 (2013). Beyond Austerity: Investing in Ontario's Future - 2013 Report Card on Child and Family Poverty in Ontario.

# Poverty is a serious issue in the province and we need solutions

## Eliminating poverty saves us money and benefits everyone

Ignoring poverty is simply too costly in economic and social terms. Poverty has significant costs for governments and private citizens. Poverty is linked to compromised health, lost opportunities, lower educational outcomes for children, early use of our health care facilities, lower life span, illiteracy, family violence and unemployment. Eliminating poverty has many benefits: better population health; huge cost savings to governments and tax payers; better jobs and a more productive workforce, increased prosperity and an expanded tax base; and improved health and education outcomes for children, which are essential for breaking the cycle of poverty.

### THE FACTS:

- In Ontario, the federal and provincial government lose approximately \$10.4 billion to \$13.1 billion annually due to poverty, a loss equal to 10.8%-16.6% of the provincial budget.<sup>1</sup>
- Child poverty costs Ontario \$4.6 to \$5.9 billion annually.<sup>2</sup>
- Approximately \$2.9 billion is spent annually on poverty-induced health care costs, in Ontario.<sup>3</sup>
- Of 27 factors identified as having an impact on child development, up to 80% were seen to improve as family income increases.<sup>4</sup>

### THE FACTS:

- The first Poverty Reduction Strategy focused on poor children. It demonstrated that well designed social policy works. From 2008-2011, child poverty in Ontario declined by 9.2%, despite the worst economic recession since the 1930s.<sup>5</sup>
- Investments in reducing child poverty lifted 40,000 children out of poverty and prevented 60,000 children from falling into poverty.<sup>6</sup>
- During the mid-1970s, the poverty rate of seniors fell from 30% to 5% as a result of the introduction of an income top-up for seniors who were living below the poverty line.<sup>7</sup>
- A guaranteed annual income and minimum wage levels that lift people out of poverty, would ensure that all individuals and families are able to afford the basic necessities of shelter, food, clothing and basic living for themselves and their children.<sup>8</sup>

## Everyone should have enough money to meet their basic needs

In Ontario, the current minimum wage is not enough to ensure that full-time work is a pathway out of poverty. Many full-time low-wage workers in Ontario live in poverty and do not have access to prescription, dental and vision care benefits. As low-wage and unstable employment increases in Ontario, those working full-time and living in poverty will increase. Likewise, individuals and families in receipt of social assistance (Ontario Works and Ontario Disability Support Program) live well below the poverty line and have to make the difficult choice between buying food and other monthly necessities, and paying the rent.

### THE FACTS:

- The working poor, as a % of the working-age population, increased by 15% across Canada and by 24% in Ontario, between 2000 and 2005.<sup>9</sup>
- In Ontario, approximately 22% of workers, more than 1 in 5, work at unstable (precarious) employment.<sup>10</sup>
- The living wage (hourly rate at which a household can meet its basic needs) has been calculated at \$15.95 in Guelph & Wellington, nearly \$5/hour more than the new \$11/hour minimum wage.<sup>11</sup>
- An individual earning the full-time living wage earns over \$9,000 more than an individual earning minimum wage.<sup>12</sup>

## Poverty can be eliminated

Poverty is not inevitable. It is a matter of ill conceived public policy. We all benefit from good social and economic policy and well designed social programs. Make no mistake, eliminating poverty requires political commitment, collaboration and investment in vital services such as housing, health and dental benefits, adequate social assistance incomes, and early learning and child care. When governments enact the right policies and support them with the right mix of investments, the lives of all vulnerable Ontarians can be changed dramatically, we all benefit.

### The Poverty Task Force is calling on the provincial government to:

- Support a Guaranteed Annual Income to lift all people out of poverty
- Introduce an Ontario Housing Benefit to all people living on low-income
- Ensure universal health care covers dental, vision, and prescription drugs for all
- Increase rates for Ontario Works and ODSP so that people can meet their basic needs

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**Citations:** 1. Robson, (2011). Guelph Wellington Task Force for Poverty Elimination – Research Report: The Cost of Poverty citing Laurie (2008). The Cost of Poverty: An Analysis of the Economic Cost of Poverty in Ontario. Ontario Association of Food Banks. Toronto. 2. Laurie, N. (2008). The cost of poverty: An analysis of the economic cost of poverty in Ontario. Ontario Association of Food Banks, Toronto. 3. Robson, (2011). Guelph Wellington Task Force for Poverty Elimination – Research Report: The Cost of Poverty. 4. Ibid 5. Campaign 2000, (2013) Beyond Austerity: Investing in Ontario's Future. 2013 Report Card on Child and Family Poverty in Ontario. 6. (Campaign 2000 – Responding to the Poverty Reduction Strategy April 2014). 7. Segal, H. (2013). Why Guaranteeing the Poor an Income Will Save Us All in the End in Huffington Post. Retrieved from [http://www.huffingtonpost.ca/hugh-segal/guaranteed-annual-income\\_b\\_3037347.html](http://www.huffingtonpost.ca/hugh-segal/guaranteed-annual-income_b_3037347.html) 8. Ibid 9. Ibid 10. Law Commission of Ontario (2012). Quick Facts About Vulnerable Workers and Precarious Work. Block, S. (August 15, 2012). Precarious Work, health and income inequality. Wellesley Institute. Retrieved at: <http://www.wellesleyinstitute.com/economics/precarious-work-health-and-income-inequality/> 11. Ellery, R., Murvi, W. (2013) A Living Wage for Guelph & Wellington. Guelph & Wellington Task Force for Poverty Elimination.