

Paul Johnson  
Deputy City ManagerSocial Development, Finance and  
Administration  
100 Queen St. West  
Toronto, ON M5H 2N2Tel: (416) 392-5207  
Fax: (416) 392-8403  
[DeniseAndreaCampbell@toronto.ca](mailto:DeniseAndreaCampbell@toronto.ca)  
[www.toronto.ca](http://www.toronto.ca)


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## 2022 OPERATING BUDGET BRIEFING NOTE

### Toronto Poverty Reduction Strategy

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#### Issue/Background:

- In 2015, City Council approved the Toronto Poverty Reduction Strategy, a 20-year strategy to address immediate needs, create pathways to prosperity, and drive system change for those living in poverty in Toronto.
- The Poverty Reduction Strategy has 17 recommendations linked to a set of actions to be carried out over consecutive four-year terms of Council. In November 2019, City Council approved the 2019-2022 Term Action Plan which consisted of 32 Actions to be carried out over the course of the term, some of which require new investments.
- The Poverty Reduction Strategy focuses action on Housing Stability, Service Access and Coordination, Transportation Equity, Food Access, Quality Jobs & Liveable Incomes, and Systemic Change to advance equity, opportunity and prosperity for all Toronto residents.
- In 2022, the City of Toronto will begin development of the next Poverty Reduction Strategy Action Plan, covering the period of 2023 to 2026. This will be the 3<sup>rd</sup> Action Plan and cover years seven through ten in the City's 20 year commitment to addressing poverty under TO Prosperity.
- This briefing note highlights the operating investments supporting the Poverty Reduction Strategy Action Plan.

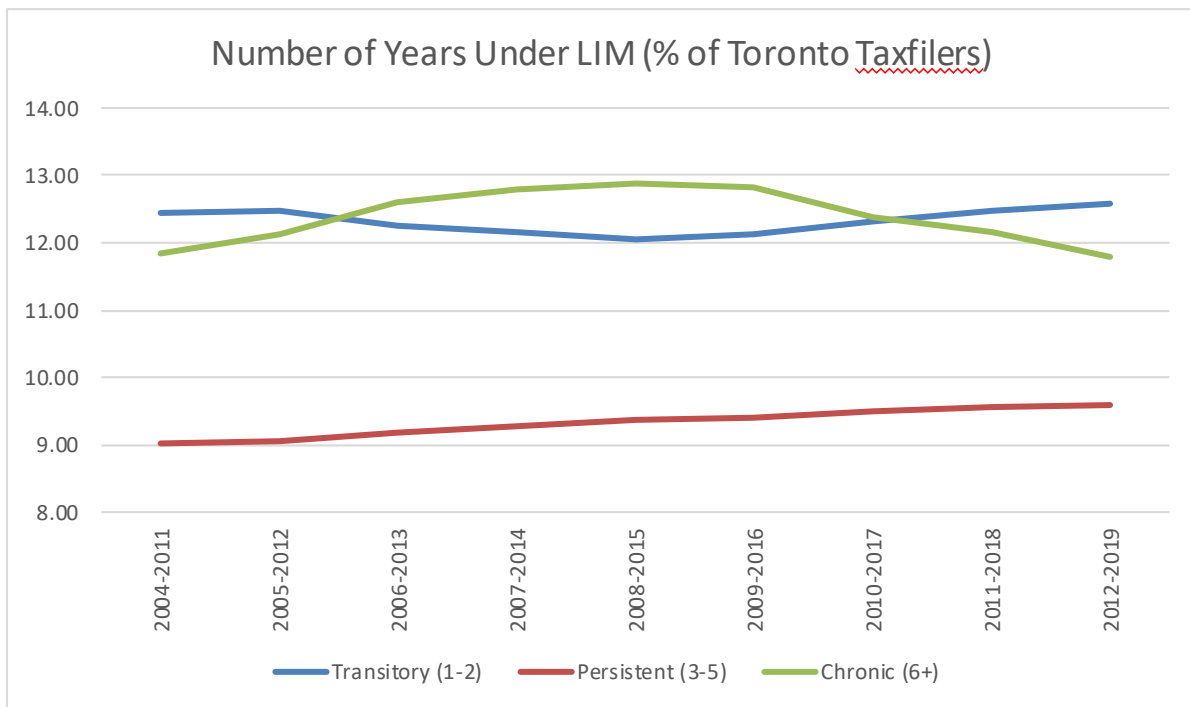
#### Key Points:

##### *Current Context*

As of the most recently available data for 2019, overall levels of poverty in Toronto remain consistent, with approximately one in five Torontonians in low-income. Approximately one-third of Torontonians have been in low-income at least once in the last 8 years.

The nature of poverty in Toronto, however, is changing. Since the adoption of poverty reduction strategies at all three orders of government, chronic poverty (in low-income for 6 years or more) has declined. However there are increases in the number of residents dipping into and out of poverty, which suggests a continued struggle for residents to make ends meet.

While the specific economic impacts of the COVID-19 pandemic on poverty are still being measured, recent Labour Force Survey data suggests that the economic impact is being disproportionately experienced by Indigenous, Black and other racialized communities. In November 2021, Canadians who identified as a visible minority had an unemployment rate that was 1.6 times higher than those who did not. Black Canadians, specifically, had an unemployment rate that was 1.8 times higher than non-visible minorities. Analysis from [Canadian Centre for Policy Alternatives](#) furthermore shows that the employment impacts were disproportionately borne by Indigenous and racialized communities. [Around 28% of Indigenous Peoples and 30% of racialized households in Canada lived with economic insecurity between July 2020 and June 2021, compared to 16% of white households](#). The same analysis also shows that job losses in Canada were concentrated in sectors in which low-income Torontonians are concentrated: accommodation and food services; information, culture and recreation; and wholesale and retail trade.



Source: Statistics Canada T1 Taxfiler Data

### Current Status

The operational and financial pressures that the City of Toronto is currently facing are significant. As emphasized in the [recommendations of the Toronto Office of Recovery and Rebuild](#) (2020.EX17.1), an equitable and inclusive approach to recovery and rebuild is both necessary and possible.

In June 2021, City Council received a mid-term Poverty Reduction Strategy Update ([2021.EX24.8](#)). This update highlighted the ways in the City of Toronto is adjusting to respond the current social and economic context. For example, many City programs

and services have been restarted with a renewed emphasis on equitable and inclusive recovery and rebuild.

Also of significance to efforts to advance an inclusive recovery and develop the most impactful PRS Action Plan, is a review of the City's equity strategies aligned with poverty reduction to identify ways to improve coordination and maximize impact.

Planning is also currently underway to initiate the development of the 2023-2026 Poverty Reduction Strategy Action Plan next year.

### *2022 Operating Budget*

The staff recommended 2022 Operating Budget adds new investments of \$71.0M towards equity and reconciliation, which has been a focus of the budget process. This includes \$49.9M (gross), \$3.6M (net) in new and enhanced investments to support the 2019-2022 Poverty Reduction Strategy Action Plan (see Table 1). These investments are primarily related to supporting emergency housing and eviction prevention programs, with expenses offset by one-time funding from the federal Community Homelessness Prevention Initiative. Additional investments include funding for grants that support an inclusive economic recovery and the elimination of Toronto Public Library fines.

**Table 1. New and Enhanced Services in Staff Recommended 2021 Operating Budget**

Service	In \$ Thousands	
	Gross	Net
<b>Children's Services</b>		
Divisional Confronting Anti-Black Racism and Indigenous Strategies	217.7	
Federal Child Care and Early Years Workforce Funding	30,653.6	
<b>Economic Development &amp; Culture</b>		
Increase to Toronto Arts Council Grants	500.0	500.0
Start-up and On-going Funding for Indigenous Centre for Innovation and Entrepreneurship	700.0	700.0
Black Food Sovereignty Report and Plan Initiatives	250.0	250.0
Youth Services Review	83.3	83.3
<b>Housing Secretariat</b>		
Housing Secretariat Transformation	3,122.4	998.2
<b>Seniors Services and Long-Term Care</b>		
Expand Seniors Services Unit	421.3	421.3
<b>Shelter, Support &amp; Housing Administration</b>		
IPAC Standards for Purchase of Service Shelters & Respite	2,604.0	
COCHI Program Delivery Team Enhancement	974.1	
Shelter Ops. and Support Functions - Workforce Stabilization	2,322.4	
Confronting Anti-Black Racism and Indigenous Program Teams	289.9	

Street Outreach, Shelter & Respite New Shelter Service Model	402.8	
IPAC Team for Directly Operated Shelters (DOS)	132.0	
SSHA Administration	687.6	
Homelessness Prevention Workforce Stabilization	1,367.4	
Social Housing Management Transition	553.6	
Streets to Homes Assessment & Referral Centre Workforce Stabilization	485.2	
Streets to Homes Assessment & Referral Centre - Foreperson	35.3	
Eviction Prevention in the Community(EPIC) Program Expansion	1,055.2	
Central Intake Call Centre Workforce Stabilization	720.2	
<b>Social Development, Finance &amp; Administration</b>		
Support for Inclusive Economic Development	142.7	41.7
<b>Toronto Employment &amp; Social Services</b>		
Investing In Families Tuition Benefit	2,000.0	
<b>Legal Services</b>		
Additional Support for COCHI and Tenant's First	145.5	2.8
<b>Toronto Public Library</b>		
Fines Elimination – Adults & Teens		600.0
<b>Total</b>		
	<b>49,866.2</b>	<b>3,597.3</b>

These strategic investments contribute to an overall base budget of \$3,283.9M (gross), \$1,239.8M (net) in core programs related to poverty amelioration and \$453.5M (gross) and \$166.3M (net) in other programs that support residents in poverty. Significant proportions of these programs are mandated and funded by other orders of government.

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**Prepared by:** Wayne Chu, Manager, Poverty Reduction Strategy Office, 416-392-5397, wayne.chu@toronto.ca

**Further information:** Sarah Blackstock, Director (Acting), Social Policy, Analysis and Research, 416-392-8614, [Sarah.Blackstock@toronto.ca](mailto:Sarah.Blackstock@toronto.ca)

Denise Andrea Campbell, Executive Director, Social Development, Finance and Administration, [DeniseAndrea.Campbell@toronto.ca](mailto:DeniseAndrea.Campbell@toronto.ca)

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