
2025 OPERATING BUDGET BRIEFING NOTE

Toronto Poverty Reduction Strategy

Issue/Background:

- In [2015](#), City Council approved the Toronto Poverty Reduction Strategy (PRS), a 20-year strategy to address immediate needs, create pathways to prosperity, and drive system change for those living in poverty in Toronto.
- As directed by Council in [2015](#), Social Development, Finance and Administration (SDFA) provides a yearly update on the PRS to Council through the budget process, identifying new and enhanced initiatives being recommended for approval, and informing Council about investments made in the base budget annually.
- The Poverty Reduction Strategy [Second Term Action Plan](#) has advanced the original 17 City Council-approved recommendations amongst six thematic areas to advance equity, opportunity, and prosperity for all Toronto residents: Housing Stability, Service Access and Coordination, Transportation Equity, Food Access, Quality Jobs & Liveable Incomes, and Systemic Change.
- Beginning with the 2022 Budget, the City began to identify and report on overall spending within the base operating budget on programs and initiatives that support low-income residents and advance poverty reduction goals.
- Coming out of the pandemic into the Third Term (2023-2026) of the Poverty Reduction Strategy, income inequality has continued to grow as Toronto becomes increasingly unaffordable for many residents, with approximately 700,000 more residents saying they are struggling to get by in 2024 versus 2023.
- Third Term actions are underway to tackle issues of affordability and support the immediate needs of those living in poverty, and those residents that are at risk of falling into poverty, in Toronto. These include:
 - Commitments to building more affordable housing.
 - Expansion of eviction protection.
 - Development of a universal student nutrition program.
 - Implementation of the Homelessness Services Capital Infrastructure Strategy to address the demand for shelter beds.
 - Expansion of mental health crisis support.
 - Implementation of the new Action Plan for Toronto's Economy.
 - Introduction of the Inclusive Economic Development Framework.

Key Points:

Current Context

- According to the Toronto Vital Signs Report (2024), more than 2.7 million people in the Toronto Census Metropolitan Area (CMA) say they are struggling to get by. That is an increase of close to 700,000 residents from 2023.
- Over half of Toronto tax filers are making less than \$38 thousand, significantly under the \$45 thousand considered a living wage.
- Prices have increased 18% Canada-wide, since the onset of the pandemic, with even larger increases in food prices (25%) and rent (23%). These increases, and particularly food and shelter costs, have a disproportionate impact on the most vulnerable¹.
- Poverty disproportionately affects Indigenous, Black, Arab, and other racialized, and equity-deserving communities, including women, 2SLGBTQ+, people with disabilities, people that experience homelessness, newcomers, and residents with precarious immigration status.
 - Statistics Canada (2021) data indicates that the prevalence of low income was higher among racialized populations (10.4%) compared to non-racialized populations (6.6%).
 - Similarly, immigrants in Toronto have a higher rate of low-income status (8.7%) than non-immigrants (6.3%) and newcomers (immigrants arriving in the period 2016-2021) have a higher rate than both (11.9%).

2025 Operating Budget

The investments identified below are aligned with the Third Term Actions presented above and the major themes of public input identified from public consultations as part of the 2025 Budget process: increased investment to support renters, people without homes, and low-income individuals and families, with wraparound community and social services to address food insecurity, improving access to school meal programs, more mental health supports, and business and employment opportunities amongst others.

To that effect, the 2025 Operating Budget contains \$36.471 million (gross) and \$29.920 million (net) in new and enhanced service priorities to advance Poverty Reduction Strategy goals. These are identified below in Table 1 and include investments such as:

- Supporting the development of new affordable housing.
- Increasing equitable access to recreation programs, and expanding the hours that pools are open during the summer.
- Providing nutritious food to children enrolled in City camps.
- Funding the Downtown East Action Plan to support low-income individuals and families.

¹ [Toronto Vital Signs](#)

- Investing in youth violence prevention by providing supports and opportunities for youth and their families.
- Implementing an Indigenous Youth Fellowship Program within Members of Council Offices to provide career pathways for Indigenous youth.
- Expanding the City’s financial commitment to the Student Nutrition Program and leveraging new federal funding commitments, as it becomes available, to make the program universal.
- Advancing the Action Plan for Toronto’s Economy.
- Increasing the number of hours that libraries are open.
- Investing in the services provided at libraries such as the Social Service Team, Financial Empowerment Programs, Digital Innovation Hubs and Youth Hubs.
- Enhancing services to people who are unhoused or lacking permanent housing.
- Supporting tenants to maintain their housing, and in a good state of repair.

Table 1. 2025 Operating Budget New and Enhanced Services Priorities

Service	In \$ Thousands		
	Gross	Revenue	Net
City Manager's Office	5,000.0		5,000.0
Youth Violence Prevention Program	5,000.0		5,000.0
Economic Development & Culture	1,724.4	89.8	1,634.6
Strong Main Streets	1,224.4	89.8	1,134.6
Globally Competitive Economy	500.0		500.0
Environment & Climate	200.0		200.0
Climate Adaptation - Cooling for Low-Income/Vulnerable Individuals	200.0		200.0
Housing Secretariat	3,621.6	299.2	3,322.4
TCHC/TSHC New/Enhanced Operating Subsidy related to: Integrated Service Model (ISM), Enhancing Frontline Services, and Building Tenant Trust	1,172.4		1,172.4
Rent Bank Increase	1,000.0		1,000.0
Eviction Prevention in the Community (EPIC) - Interim Rent Relief Fund Pilot	800.0		800.0
Toronto Tenant Support Program (TTSP) Enhancement	350.0		350.0
Housing Development, Renewal, and Improvement	299.2	299.2	
Legal Services	516.6	516.6	
Additional Legal Support for Capital Housing Projects	516.6	516.6	
Parks and Recreation	4,817.2	1,293.4	3,523.8
Encampment Office Expansion - Parks Impact	1,343.4	1,343.4	
Expand Outdoor Pool Hours by 2 Hours Core Season	1,243.8		1,243.8
Camp Nutrition Program - Breakfast at 45 Camp Locations NIA	1,016.7		1,016.7
Outdoor Pool (10 locations) and Wading Pools (10 locations) Season Extension	448.9		448.9
Early Local Registration Pilot at Select Free Centres	300.0		300.0
Outdoor Pool and Wading Pools Season Extension - Additional 5 Outdoor Pools and 5 Wading Pools locations	286.7		286.7

Service	In \$ Thousands		
	Gross	Revenue	Net
Waterfront Beach Season Extension	177.7		177.7
\$0 Park Booking category for Community-led Activities		(50.0)	50.0
Social Development, Finance and Administration	3,576.1	2,480.3	1,095.8
Youth Violence Prevention Previously Federally Funded	2,480.3	2,480.3	
Downtown East Action Plan 2025 - 2030	756.8		756.8
Indigenous Youth Fellowship Program	339.0		339.0
Toronto Building	1,438.4	1,058.0	380.4
Rental Renovation License Program	1,438.4	1,058.0	380.4
Toronto Public Health	6,000.0		6,000.0
Expansion of Student Nutrition Program	6,000.0		6,000.0
Toronto Public Library	4,955.7	813.0	4,142.7
Open Hours Implement Plan - Sunday Service Expansion	1,946.7		1,946.7
Open Hours Implementation Plan - Phase 2	1,675.2		1,675.2
Social Service Team - Service Expansion	565.0	565.0	
Youth Hub Expansion - 3 Additional Branches	443.7		443.7
Financial Empowerment - Service Expansion	248.0	248.0	
Digital Innovation Hub Expansion - 1 Additional Branch	77.1		77.1
Toronto Shelter and Support Services	4,620.7		4,620.7
Encampment Office Expansion	1,790.9		1,790.9
Enhancements to the Streets to Homes TTC Program	1,000.0		1,000.0
Staff Equity and Wellness Initiatives	568.0		568.0
Specialized Program to Support Service Users with Complex Needs	400.0		400.0
Winter Plan - Enhanced Drop-in Hours	380.5		380.5
New and Enhanced Positions for Data Strategy	356.3		356.3
Service User Advisory Group - Establishment	125.0		125.0
Grand Total	36,470.7	6,550.3	29,920.4

2025 Base Budget Investments in Poverty Reduction and Amelioration

Beginning with the 2022 Budget, the City began to identify and report on overall spending within the annual base budget on programs and initiatives that support low-income residents and advance poverty reduction goals. To accomplish this, the City collects data on the amount of spending directed to support residents experiencing poverty in two distinct categories:

Core Poverty Reduction Programs: Systems, programs and support that have a direct impact on whether and how residents experience poverty in Toronto.	Other Poverty Reduction Actions: Programs that provide broad services to the public but have specific programs and supports that have an explicit intention to support residents experiencing poverty in Toronto.
Examples include, <ul style="list-style-type: none"> • Children’s Services (Childcare subsidy) 	Examples include, <ul style="list-style-type: none"> • Association of Community Centres (Access to subsidized space)

<ul style="list-style-type: none">• Economic Development and Culture (Community Economic Development Toolkit)• Housing Secretariat (Rent Bank)• Toronto Shelter and Support Services (Shelter beds)• Social Development, Finance and Administration (Toronto Community Crisis Services)• Toronto Employment Services (Pathways to financial empowerment)	<ul style="list-style-type: none">• City Manager's Office (Indigenous PRS)• Parks and Recreation (Welcome Policy)• Toronto Fire Services (Multi-Tenant Housing Regulatory Program)• Toronto Paramedic Services (Community Paramedicine Program)• Toronto Public Library (Community librarian team)
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Data collection and analysis reveal that the 2025 Base Operating Budget collectively invests \$5.004 billion (gross) and \$1.202 billion (net) in core programs related to poverty amelioration, and \$613.1 million (gross) and \$208.1 million (net) in other programs that support residents in poverty. Significant proportions of these programs are mandated and funded by other orders of government.

Summary

The Poverty Reduction Strategy combines the ideas from communities with the City's levers into a 20-year plan of action. Since 2015, the City has advanced numerous investments to improve the quality of life for low-income Toronto residents including: making transit free for children 12 and under, introducing the Fair Pass Discount Program, expanding access to student nutrition programs, creating new affordable and supportive housing, creating spaces for youth in libraries and community centres, expanding childcare spaces and subsidies, increasing hours that libraries are open and providing enhanced financial empowerment programs.

Going into the 10th year of the Poverty Reduction Strategy, the City continues to invest in improving opportunities for Toronto residents to thrive.

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