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## 2026 OPERATING BUDGET BRIEFING NOTE

### Toronto Poverty Reduction Strategy

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#### 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 systemic change for those living in poverty in Toronto.
- As directed by Council in [2015](#), Social Development 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](#) (2019-2022) furthered 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 and Liveable Incomes, and Systemic Change. Together, these themes, and actions taken within them, constitute the City's PRS goals.
- 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.
- Increasing economic uncertainty resulting from the trade dispute between the governments of Canada and the United States of America, along with the lingering effects of the COVID-19 pandemic, have contributed to income inequality continuing to rise as Toronto becomes increasingly unaffordable for many residents.
- Poverty Reduction investments, committed in previous years, have tackled issues of affordability and supported the immediate needs of residents living in poverty, and residents 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.
- While Third Term actions were not shared through the same format as the first two terms, via an Action Plan, the Poverty Reduction Office will continue to communicate ongoing and new PRS actions and impacts to City Council and Toronto residents.

## Key Points:

### *Current Context*

- Poverty in Toronto continues to rise and now impacts many Torontonians that were previously financially secure. For many residents, having a job no longer guarantees access to housing, food, or other essentials. As the gap between income and expenses continues to widen, more households are having to make difficult choices; for instance, between paying rent or buying groceries.
- Over half of Toronto tax filers are making less than \$38,000, significantly under the \$45,000 considered a living wage ([Toronto Vital Signs](#)).
- Poverty disproportionately affects Indigenous, Black, and other racialized, and equity-deserving communities, including women, 2SLGBTQ+, people with disabilities, people that experience homelessness, newcomers, and residents with precarious immigration status.
  - In 2023, prevalence of low income was higher among racialized populations (15.2%) compared to non-racialized populations (8.9%) ([Statistics Canada](#)).
  - In 2022, 14.0% of immigrants who arrived within the last 10 years and 16.4% of those who arrived within the last 5 years lived in poverty, compared to 8.6% of Canadian-born residents aged 15 and older ([Statistics Canada](#)).
- Homelessness continues to rise in Toronto, impacting more than 15,000 people in 2024 ([City of Toronto Street Needs Assessment](#)).
- Food insecurity is rising at an alarming rate, with 24.9% of Torontonians experiencing food insecurity in 2024 ([Public Health Ontario](#)).
- Since 2020, the number of children in poverty in Ontario has more than doubled with approximately one quarter of Toronto's children now living in poverty ([Social Planning Toronto](#)).

While the City of Toronto cannot resolve the issues of growing income inequality alone, the City does continue to make investments to improve the lived experience of low-income residents as described below.

### *2026 Operating Budget*

The investments identified below are aligned with the objectives of the Toronto Poverty Reduction Strategy and from what was identified from public consultations as part of the 2026 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 and camp meal programs, more mental health supports, and more affordable transit amongst others.

To that effect, the Operating Budget contains \$15.095 million (gross) and \$15.570 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:

- Expanding the Air Conditioner Assistance for Low-Income Seniors pilot program in advance of the 2026 summer season.
- Enhancing the Rent Bank program to address the growing demand for financial support from renters.

- Introducing new coloured-coded RentSafeTO rating signs for apartment buildings to increase accountability and keep buildings clean, safe and well-maintained.
- Creating a universal nutrition program at 185 camp locations (from current 89 camp locations) supporting children and youth over the summer and holiday seasons.
- Providing dedicated Toronto Community Crisis Service resources within 15 TTC stations to enhance community safety and to provide meaningful supports for individuals experiencing a mental health crisis using a trauma-informed, harm reduction and consent-based approach.
- Expanding the Student Nutrition Program to include all Toronto schools, and all students.
- Enhancing programming and supports at the Toronto Public Library, including a new program providing library services in community-based locations for seniors to remain independent and connected, expanding financial empowerment services to two additional library branches, and expanding essential mental health and crisis supports to vulnerable library users in Scarborough and in branches outside of the downtown core.
- Introducing Fare Capping on the Toronto Transit Commission to enhance the affordability of transit service for frequent riders.
- Allowing more children and youth to experience the Toronto Zoo by removing the entry fee for school trips for Toronto students (pilot will be launched in Fall 2026).

**Table 1. 2026 New and Enhanced Service Priorities**

Service	In \$ Thousands		
	Gross	Revenue	Net
<b>Environment Climate and Forestry</b>	<b>1,000.0</b>		<b>1,000.0</b>
Air Conditioner Pilot Expansion	1,000.0		1,000.0
<b>Housing Secretariat</b>	<b>2,600.0</b>		<b>2,600.0</b>
Rent Bank Program Enhancement	2,600.0		2,600.0
<b>Municipal Licensing and Standards</b>	<b>996.5</b>	<b>996.5</b>	
Resources for RentSafeTO Team (Colour-coded ratings)	996.5	996.5	
<b>Parks and Recreation</b>	<b>500.0</b>		<b>500.0</b>
Universal Camp Nutrition Programs at 185 Camp Locations	500.0		500.0
<b>Social Development</b>	<b>1,803.5</b>		<b>1,803.5</b>
Toronto Community Crisis Service - TTC Pilot	1,803.5		1,803.5
<b>Toronto Public Health</b>	<b>6,000.0</b>		<b>6,000.0</b>
Expansion of Student Nutrition Program	6,000.0		6,000.0
<b>Toronto Public Library</b>	<b>2,239.0</b>	<b>1,674.0</b>	<b>565.0</b>
Reducing Seniors Social Isolation	1,426.0	1,426.0	
Financial Empowerment Service Expansion	248.0	248.0	
Social and Crisis Support Service Expansion	565.0		565.0
<b>Toronto Transit Commission - Conventional</b>	<b>(144.3)</b>	<b>(3,145.6)</b>	<b>3,001.3</b>
Fare Capping	(144.3)	(3,145.6)	3,001.3
<b>Toronto Zoo</b>	<b>100.0</b>		<b>100.0</b>
Complimentary Zoo School Trips for Toronto Students - Pilot	100.0		100.0
<b>Grand Total</b>	<b>15,094.7</b>	<b>(475.1)</b>	<b>15,569.8</b>

## 2026 Base Budget Investments in Poverty Reduction and Mitigation

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:

<b>Core Poverty Reduction Programs:</b> Systems, programs and supports that have a direct impact on whether and how residents experience poverty in Toronto.	<b>Other Poverty Reduction Actions:</b> 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, but not limited to: <ul style="list-style-type: none"><li>• Children’s Services (Childcare subsidy)</li><li>• Economic Development and Culture (Community Economic Development Toolkit)</li><li>• Housing Secretariat (Rent Bank)</li><li>• Toronto Shelter and Support Services (Shelter beds)</li><li>• Social Development (Toronto Community Crisis Services)</li><li>• Toronto Employment and Social Services (Pathways to financial empowerment)</li></ul>	Examples include, but not limited to: <ul style="list-style-type: none"><li>• Association of Community Centres (Access to subsidized space)</li><li>• Parks and Recreation (Welcome Policy)</li><li>• Toronto Paramedic Services (Community Paramedicine Program)</li><li>• Toronto Public Library (Community librarian team)</li></ul>

Data collection and analysis reveal that the 2026 Base Operating Budget collectively invests \$4.816 billion (gross) and \$1.272 billion (net) in core programs related to poverty mitigation, and \$696 million (gross) and \$283 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 11<sup>th</sup> year of the Poverty Reduction Strategy, the City continues to invest in improving opportunities for Toronto residents to thrive.

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