



Partnering for Impact: Human Services as Essential Social Infrastructure for Poverty Reduction

SUBMISSION TO ONTARIO'S CONSULTATION ON THE POVERTY REDUCTION STRATEGY

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Executive Summary

Poverty continues to threaten the social and economic prosperity of communities across the province by impacting residents' health and well-being, reducing economic growth potential, and increasing costs for governments and society.

Given the concern about this from our memberships, the Association of Municipalities of Ontario and the Ontario Municipal Social Service Administrators Association are jointly submitting a proposal to increase municipal capacity, with provincial support, to act to reduce the impact of poverty on people and communities.

The current strategy has not addressed the root cause of poverty in a meaningful way to break the cycle of poverty. It needs to evolve to meet the realities of the post COVID-19 pandemic. Progress had been made to reduce poverty following the introduction of the initial Poverty Reduction Strategy in 2009. However, poverty has again begun increasing following the pandemic. The current economic uncertainty may lead to further increases.

We can do better in a province as prosperous as Ontario. To address poverty, we need to tackle the systemic issues that are at its root. Despite the best efforts of municipalities and District Social Service Administration Boards to integrate local service delivery on the ground in communities and collaborate with other provincial systems, government programs to reduce poverty are fragmented and operating in Ministry silos that require better integration.

A comprehensive human services response for those living in poverty makes both good social and economic sense for the government, workers, and employers. Treating human services as essential social infrastructure and partnering with municipalities and District Social Service Administration Boards for impact will result in meaningful poverty reduction. This will further governments' human rights obligations and should serve as a critical component of the Protect Ontario Strategy amidst the current economic uncertainty.

We urge the government to address the root causes of poverty with measurable outcomes, and undertake the following targeted actions on an urgent basis to alleviate the impacts of poverty in Ontario:

1. Expand supply of deeply affordable non-market housing.
2. Improve social assistance and employment programs.
3. Continue investments in child care.
4. Invest in transportation.

Introduction

This is a joint submission from the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Social Services Association (OMSSA). AMO represents 444 municipalities in Ontario with a mandate to strengthen local government and address shared challenges. OMSSA represents all 47 of Ontario's Service Managers responsible for housing, homelessness, children's services, and social assistance. Our municipal members are the provincial partners on the ground in the fight against poverty.

In addition to consideration of this proposal and from others, AMO and OMSSA encourage the government to listen and learn directly from people with lived experience of poverty.

The Impact of Poverty in Ontario

Poverty threatens the economic and social prosperity of communities.

It does this in several ways. First, poverty impacts residents' health and well-being. It leads to public disorder and social unrest concerns on a larger scale. Poverty also serves to lower workforce participation. This reduces contributions to local businesses and the economy. Of significant concern to communities, poverty exacerbates the homelessness crisis.

Poverty costs municipalities, people, and communities.

Many services funded and operated by municipalities and District Social Service Administration Boards are under financial and capacity pressure (e.g., police, paramedics, social housing, homelessness prevention programs). Income security programs do not adequately support people in Ontario and are contributing to increasing municipal costs. There is not enough non-market housing supply to meet the demand in Ontario, including community and supportive housing; this perpetuates the cycle of poverty and hinders the ability to prevent and reduce homelessness.

Poverty exists across all areas of Ontario amid an affordability crisis, the economic uncertainty from the onset of tariffs and other factors and the enduring impacts of the COVID-19 pandemic.

While progress was made to reduce poverty with successive government strategies at both the provincial and federal levels, it has increased following the COVID-19 pandemic. The poverty rate in Ontario decreased by almost half between 2015 (15.1%) and 2021 (7.7%). However, with the onset of the COVID-19 pandemic the rate increased to 10.9% in 2022.ⁱ In 2023, this translated into 1.9 million Ontarians who live below the poverty line.ⁱⁱ Since 2020, the number of children in poverty in Ontario has more than doubled.ⁱⁱⁱ

There are various factors that could be pointed to explain why poverty has risen since COVID-19. This includes the expiration of pandemic-era relief programs, leaving many vulnerable individuals and families without crucial support. Other contributing factors include economic disruptions caused by the pandemic, and the disproportionate impact on marginalized groups, such as the Indigenous population, who experienced a significant increase in poverty during this time.

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Food insecurity has also worsened since the pandemic accompanying the increased levels of poverty. Increasing grocery costs and corresponding foodbank usage increasing with over 760,000 unique individuals accessed food banks monthly in Ontario between 2023 and 2024, which marks a 125 per cent increase in food bank use since 2019.^{iv} About one in five households experienced food insecurity in 2023.^v Food bank usage is a proxy indicator for people at risk of homelessness, choosing to pay rent or buy food.

Homelessness, the most extreme form of poverty, is increasing in scale and complexity across Ontario including encampments arising in public spaces.

Ontario at a tipping point, with over 80,000 people experiencing homelessness in 2024. 1400 encampments were identified in Ontario the same year. A significant portion are chronically homeless (50%) and stuck in the system and poverty. Homelessness is projected to continue to grow without further government intervention and investment. In an economic downturn it could more than triple to 300,000 people within ten years. This was the stark conclusion of a report commissioned by AMO, OMSSA and the Northern Ontario Service Deliverers Association (NOSDA) titled [Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis](#).

Addressing Root Causes of Poverty with Measurable Outcomes

Concerns about public disorder and social unrest resulting from poverty, including homelessness, cannot be solved primarily by enforcement; rather, a human services response to address the root causes is required. This includes a range of interventions that address the social determinants of health from income security, mental health and addictions and housing that is affordable. Increasing human services for those living in poverty makes both good social and economic sense for the government, workers, and employers. There is a return on investment to a comprehensive human services response through cost-avoidance savings to other systems including health, emergency services, and justice.

Getting a job for the unemployed is a path but needs to be supported with a strong social safety net and services while as this search process can take time to achieve results. We ask the government to focus on programs and measures that will assist all households living in poverty, including vulnerable individuals such as those with disabilities that who require life stability supports, when employment is not a feasible option in the short-term, or at all.

We recommend that the new strategy be evaluated and held to account through measurable outcomes, rather than just the current reliance on program outputs and socio-economic indicators. This should include a target for poverty and homelessness reduction with progress assessed annually.

Of paramount importance, a commitment to action is required to address the disproportionate impact of poverty on Indigenous People given the colonial legacy, and to empower Indigenous-led solutions. This needs to be distinct and interwoven into the ministry responses throughout the strategy.

Targeted Actions

We call on the government to invest in solutions to the root causes of poverty throughout the strategy, and undertake the following urgent, targeted actions to alleviate poverty's impacts in Ontario:

#1 – Expand supply of deeply affordable non-market housing

Non-market housing can ease the affordability crisis for those living in poverty. At the same time, improved housing stability outcomes lead to better employment outcomes for people. It can be provided in a few ways:

a. Grow the supportive housing system to improve housing stability, better health outcomes, and reduced use of more expensive institutional care.

Supportive housing is an effective way to house homeless people with complex needs and high acuity health conditions, many of which live unsheltered outdoors, and it is a viable alternative to living in encampments. According to studies, for every \$1 invested, it results in approximately \$2 in savings to provincial systems (health care, justice) as well as municipal emergency services (paramedic, police).^{vi}

b. Increase the capacity of low-income households to afford their rent through enhancements of portable housing benefits as it is targeted, high impact measure to address housing affordability.

Housing benefits are effective tools. They help low-income renter households and provide landlords a reliable income stream for tenants to pay their rent. Housing stability leads to improved employment outcomes and produces healthcare savings.

c. Invest to increase the capacity of the community housing system to meet the housing stability needs of low-income Ontarians, boosting economic productivity at the same time resulting in increased GDP which will assist to protect Ontario amidst the economic uncertainty with tariffs and other factors.

There are 240,000 households waiting years to access community housing in Ontario. Not only would these non-market housing types improve affordable housing stability outcomes, a Deloitte [study](#) commissioned by the Canadian Housing and Renewal Association (CHRA), supported by AMO, shows that increasing community housing in Canada is directly linked to improved economic productivity. In [Ontario](#), 143,225 units of deeply affordable community housing are needed to meet the OECD average. Investments in this housing would result in a projected 5.8% to 9.5% increase in productivity. This would also result in a \$23.3 to \$50.3 billion increase in GDP.

AMO has provided a clear [business case](#) showing how community housing investments can enhance economic strength and resilience. These investments are a proven and effective stimulus measure and have been an important element of past responses to downturns. Investments in housing are critical right now, both to address the housing affordability crisis and to support the economy.

These are necessary housing investments to fight the homelessness crisis in Ontario for those experiencing homelessness, or at risk of homelessness from living in housing precarity. An overall

government strategy to address homelessness, including prevention, could guide action. For example, an approximate investment of \$2 billion over 8 years could help resolve homelessness encampments, as costed out in the AMO/OMSSA/NOSDA [Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis](#) report.

#2 – Improve social assistance and employment programs

- a. *Increase social assistance incomes in a targeted way that will improve employment and housing stability outcomes. These measures can help achieve this:*
- Increase the amount of money individuals on Ontario Works (OW) can earn without impacts to monthly benefits (i.e., “earnings exemptions”).
 - Provide basic shelter amount to unhoused people on Ontario Disability the Support Program (ODSP) and Ontario Works (OW) to help them get out of homelessness.
 - Index OW social assistance benefit rates at least to inflation annually.
 - Facilitate more transitions from OW to the ODSP for eligible clients.
- b. *Provide more client life stability supports through municipal case management to achieve better life stability, housing, and employment outcomes for people.*

Evolving the municipal role with increased capacity would fulfill the promise of the government’s Social Assistance Transformation Vision, which AMO and OMSSA [support](#). Municipal case managers currently work with people to assess their needs and help them navigate to non-municipal social and health services. However, it must be recognized that there is generally limited support available from community and health services for successful referrals (e.g., mental health and addictions), with capacity varying regionally. Addressing this service gap is critical and requires responses from the various ministries within the strategy.

- c. *Work with Municipal Service System Managers that administer Ontario Works to improve the Employment Services Transformation initiative with a goal of increasing exits from social assistance to employment.*

An integral part of the solution emanating from the evolution of the municipal case management role is to achieve integrated case management between municipal service managers and Employment Ontario providers. Ongoing evaluation is needed for continuous improvement.

#3 – Continue investments in child care

Sustain the necessary investments for childcare and early years programming as it facilitates child development and labour market participation for parents.

The government should continue its participation in the Canada-Wide Early Learning and Child Care initiative (CWELCC) to benefit children and families and achieve the \$10 day affordability goal together with a combined federal and provincial investment. Additional investment for more space creation to meet the demand is needed.

#4 – Invest in transportation

Invest more in transportation options to provide people better access to human services, training, education, and jobs.

Building on ongoing government efforts, more progress on improving transportation as a lack of affordable and accessible transport options isolates people and communities. It increases the cost of living, and limits access to essential services like jobs, education, and healthcare. This could include transit, community, and inter-regional transportation. In northern and rural areas, there should be stronger links between urban centres with rural and remote communities, including First Nations communities.

Conclusion

Poverty is a pressing issue that requires urgent action. The success of a provincial strategy needs to support the municipal and non-profit partners on the ground in communities. AMO and OMSSA welcome further engagement on program design and service planning with the provincial ministries for each of the targeted actions. Together we can partner for impact to deliver the critically needed social infrastructure for a comprehensive human services response to poverty in Ontario.

ⁱ National Advisory Council on Poverty. (2024) [A Time for Urgent Action: The 2024 Report of the National Advisory Council on Poverty](#)

ⁱⁱ Statistics Canada. [Table 11-10-0135-01 Low income statistics by age, sex and economic family type](#)

ⁱⁱⁱ Statistics Canada. [Table 11-10-0135-01 Low income statistics by age, sex and economic family type](#)

^{iv} Feed Ontario. (2024). [Hunger Report 2024: Unravelling at the Seams](#)

^v Statistics Canada. [Table 13-10-0834-01 Food insecurity by economic family type](#)

^{vi} Addictions and Mental Health Ontario. (2025) [Unlocking Solutions: Understanding and Addressing Ontario's Mental Health and Addictions Supportive Housing Needs](#)