

The Honourable Peter Bethlenfalvy
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, ON M7A 1Z1

Re: 2025 Budget Consultation

Daily Bread Food Bank Pre-Budget Submission

Thank you for the opportunity to share our ideas for the 2025 Ontario budget.

Founded in 1983, Daily Bread Food Bank is a member-based organization comprised of over 130 member agencies who operate 205 food banks and meal programs across Toronto. We believe that access to food is a basic human right, not a privilege. Our mission is to collaborate with all to eliminate food insecurity and advocate for solutions to end poverty.

Over the past years, our network of food banks has been under incredible strain as we face record growth in demand for our services month after month. Before the pandemic, we were seeing an average of 65,000 food bank visits per month, and in May 2024, we were at over 350,000.

More and more Ontarians are falling into an economic crisis, with more than 1 in 10 Torontonians relying on food banks to put food on their table. And now more than ever, we are seeing individuals who had never considered using food banks walking through our doors to use our services for the first time.

Sadly, we have seen firsthand how this rapid increase is putting food banks under extreme stress. This is not an issue that uniquely affects Toronto—across Ontario and the country, food banks are at a breaking point as more individuals fall into food insecurity and poverty without an adequate social safety net to support them.

Poverty crisis

On November 12, 2024, Daily Bread Food Bank and North York Harvest Food Bank released the [2024 Who's Hungry](#) report,¹ a profile of poverty and food insecurity in the City of Toronto. This report paints a grim picture of a city trapped in poverty after years of skyrocketing rent and food prices and an unsustainable cost of living.

¹ Daily Bread & North York Harvest. (2024). *Who's Hungry 2024: Trapped in Poverty - Unprecedented Hunger in Toronto*. Available at <https://www.dailybread.ca/research-and-advocacy/research/whos-hungry-report/>

In the last year, Toronto food banks served a record-breaking 3.49 million client visits—almost 1 million more than the year prior, and a 273% increase since pre-pandemic. More than one in ten Torontonians are making use of food banks to make ends meet.

The numbers are staggering, with 154,748 new individuals using food bank services for the first time this past year. This is a shocking 222% increase compared to just two years ago and over four times pre-pandemic levels.

The main reason for over half of clients visiting a food bank is the high the cost of living. While the province has taken helpful, initial steps in addressing the affordability issues facing Ontarians, the rising costs of rent, food, and other necessities—combined with inadequate wages and income supports—have left far too many people trapped in poverty.

We commend the Ontario government for demonstrating that keeping costs down remains a fundamental priority in your *Plan to Build Ontario*. As the provincial government considers new affordability measures for the 2025 Ontario budget, Daily Bread Food bank has outlined recommendations below that take a targeted approach to address affordability by supporting our most vulnerable Ontarians during these unaffordable times.

A targeted approach with a focus on stronger policies around affordable housing, stronger supports for families, higher social assistance rates, and decent wages will help to ensure that every Ontarian is able to live a life of dignity and realize their right to food.

Ontario Budget 2025 Recommendations

Lift people with disabilities out of poverty

1. Raise Ontario Disability Support Program (ODSP) rates above the poverty line

Our 2024 *Who's Hungry* report found that nearly 3 in 10 food bank clients (29%) rely on social assistance as their primary source of income, leaving them \$1000 or more below the poverty line. The Ontario Disability Support Program (ODSP) is meant to be an income support program for people with a disability that face barriers in securing gainful employment, however, its current rates are keeping recipients in deep levels of poverty.

While the government's recent policies that introduced a 5% increase to the ODSP benefit amount in 2022 and annual inflation-related increases were important steps to support recipients, these measures still only provide \$1,368 per month for a single individual. This amount falls far below the poverty line of \$2,397 and even the deep poverty line of \$1,798 in Toronto, which does not include the additional costs of living with a disability.

Moreover, social assistance recipients lose their shelter allowance if they become homeless (amounting to a reduction of \$582 for ODSP recipients), leading to a vicious cycle of deep poverty and homelessness. Over the past two years, these policy gaps—coupled with rising costs of housing and food—have

resulted in the near doubling of homelessness rates among social assistance recipients across Ontario.² The provincial government needs to do more.

Increasing ODSP rates to above the poverty line will help improve the daily lives of people with disabilities. We recommend that the Ontario government raise ODSP rates above the poverty line to ensure people with disabilities can live a dignified life where their basic needs are met.

2. No provincial claw backs with the forthcoming Canada Disability Benefit

In April 2024, the federal government announced historic funding of \$6.1 billion over six years to deliver a new Canada Disability Benefit (CDB). However, as disability rights advocates note, the Benefit is narrowly focused and insufficient. Only 600,000 of over one million working-age Canadians with disabilities will be eligible, and support is limited to a maximum of \$200 per month, or \$6.66 a day. This will keep eligible people with disabilities \$800 below the poverty line in Ontario.

Additionally, instead of providing automatic eligibility to people already receiving provincial disability supports like ODSP, the federal government is using the Disability Tax Credit (DTC) to determine eligibility for the CDB. The DTC relies on a cumbersome and costly application that amounts to 3 hours of a doctor's time per visit—and this at a time when the Ontario Medical Association is warning that over 2.5 million Ontarians lack a family doctor, a figure expected to double within two years. This will therefore create an administratively burdensome and expensive process for applicants while adding pressure to our already-strained health care system in Ontario.

What is more problematic is that because of its status as a tax reportable benefit rather than a refundable tax credit, recipients of the Canada Disability Benefit may lose other income-tested federal, provincial, and municipal benefits, including subsidized rental housing. While the federal government's latest Fall Economic Statement commits to introducing new legislation that would exempt the CDB from being report as income under the Income Tax Act, this legislation has not yet been introduced, and there are provincial programs that could still be affected by claw backs even if this legislation were passed.

As we continue to work with coalition partners to ensure the Federal Government rectifies these issues, we ask Ontario to **exempt the forthcoming Canada Disability Benefit from claw backs to ODSP, Rent-Geared-to-Income calculations, and other government and private insurance benefits to avoid penalizing people with disabilities for receiving this new Benefit.** A public commitment to no claw backs would demonstrate provincial leadership and ensure meaningful improvements to the lives of people with disabilities living in poverty.

² The Trillium. (2024). *Number of homeless OW, ODSP recipients has almost doubled in two years: government data.* Available at <https://www.thetrillium.ca/news/social-services-and-society/number-of-homeless-ow-odsp-recipients-has-almost-doubled-in-two-years-government-data-9577826>

Support children and families

3. Invest in children's meals

Over 100,000 children across more than 220 public schools do not have access to good food at school³—and we know that students being left behind are disproportionately low-income, racialized, newcomer, or disabled.

With 23% of Toronto food bank clients being children or youth, investing more in school meal programs will make a significant difference in the day-to-day lives of low-income families. Many families have shared with us their heartbreaking stories of doing everything they can to put food on the table, including sacrificing their own meals to ensure their children are fed. This is a burden no family should bear.

In October 2024, the City of Toronto announced a historic commitment to a universal Student Nutrition Program, or school meal program. This investment will help create a more equitable city and improve not only food insecurity, but mental and physical health among families with children who are struggling to secure their basic right to food.

We are now looking to the province to match these efforts. **We recommend that Budget 2025 match Toronto's investment in the Student Nutrition Program and flow funds rapidly to ensure a fully funded and universal meal program in schools, so that no child goes hungry.**

Scale up affordable housing

4. Increase and deliver on affordable housing targets

Unaffordable housing continues to be a crisis across Ontario, forcing many people to rely on food banks. The *Who's Hungry 2024* report showed that survey respondents had a median of \$7.78 left per person per day after paying rent and utilities—and some are worse off. A jarring 87% of survey respondents are living in unaffordable housing and nearly three quarters (73%) are living in deep core housing need, putting them at high risk for homelessness. Worse still, 1 in 5 are spending 100% of their income or more on rent, leaving nothing for food and other necessities. The situation is even worse when we exclude people in subsidized housing.

Moreover, this year Toronto food banks saw an alarming 420% increase in people who are unhoused, a 90% increase in clients from emergency shelters, and an 89% increase in “other” types of housing, which may include various forms of hidden homelessness including living in a car or couch surfing.

³ Daily Bread Food Bank. (November 22, 2024). Federal funds announced for Ontario's school meal programs. Available at <https://www.dailybread.ca/blog/federal-funds-announced-for-ontarios-school-meal-programs/>

These deeply concerning findings indicate that more and more of our clients are being pushed into precarious housing and homelessness because of the rapidly increasing costs of housing and living.

At the same time, we are losing existing affordable housing across Ontario faster than we are building it due to a lack of rent regulations and targeted investments in deeply affordable and supportive housing. **In Toronto alone, for every new affordable unit built, it is estimated that 15 existing private affordable units are lost.**⁴

With the provincial government's plan to build 1.5 million homes by 2031, **we urge the provincial government to ensure that at least one-quarter of these are permanently affordable, supportive, or social housing, with a minimum of 50,000 units in Toronto. It is also imperative governments use a consistent definition of affordability where rent is no more than 30% of a renter's income, in alignment with federal definitions.**

We also recommend that the province work with the federal government to expand the Canada-Ontario Housing Benefit (COHB) to urgently support tenants renting unaffordable housing in the private market.

5. Implement rent control to protect tenants

The supply of affordable rental housing is not meeting demand in Ontario, and the lack of rental market regulations is contributing to massive rent increases and loss of affordable housing. In Toronto, despite representing only half of households, renters make up 4 in 5 food bank clients.⁵ These renter households are disproportionately impacted by the affordability crisis as rental prices are increasing far faster than annual wages and social assistance rates, thus squeezing out low-income renters.

The Canada Mortgage and Housing Corporation reports that **there are statistically zero units that would be affordable to the 20% of Torontonians with the lowest incomes**, and that on average, rents on units that turn over to a new tenant in Toronto are 31% higher than those that do not see a change in tenant.⁶ As a result, the average monthly rent for a vacant one-bedroom home was \$2,443 in August 2024—almost double the median monthly income of \$1,265 for our food bank clients. These astronomical rental prices are partly an outcome of patchy rent control and vacancy decontrol in Ontario, which enables landlords to increase rent to whatever the market can bear once a tenant moves out. Given the tight rental market across the province, rents can increase significantly when a unit is turned over, creating incentives for landlords to evict existing tenants so that they can increase rent.

⁴ City of Toronto. (2023). City of Toronto's Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes report. Available at <https://www.toronto.ca/news/city-of-torontos-generational-transformation-of-torontos-housing-system-to-urgently-build-more-affordable-homes-report/>

⁵ Daily Bread & North York Harvest. (2024). Who's Hungry 2024: Trapped in Poverty - Unprecedented Hunger in Toronto. Available at <https://www.dailybread.ca/research-and-advocacy/research/whos-hungry-report/>

⁶ Canada Mortgage & Housing Corporation. (January 2024). *Rental Market Report 2024*. Available at <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/rental-market-report-2023-en.pdf>

Moreover, Ontario's rent control does not cover all occupied units. Units built or first occupied after November 15, 2018 are exempt from rent control. This allows rents on all new rental homes to increase by any amount year-over-year, *even* for existing tenants.

These policy gaps, alongside inadequate investments in deeply affordable housing, have resulted in **Ontario rents surging by 54.5% over the last decade—more than three times the provincial guideline of 16.5%**. Moreover, housing completions

It is critical for the province to take action to protect tenants and the affordable homes they rely on. **We recommend that Budget 2025 include measures to limit rent increases on units built after November 15, 2018, to match the guidelines in place for rent-controlled units and preserve affordability.**

Conclusion

On behalf of Daily Bread Food Bank, we thank you for considering our recommendations for Ontario's 2025 budget. All levels of government, including Ontario, must take urgent action to help those trapped in poverty and facing food security.

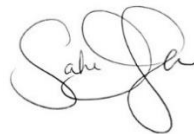
Food is a human right. Everyone should be able to access the food they need.

We would eagerly welcome the opportunity to meet to discuss our budget recommendations further at a time of your convenience in the weeks ahead. We wish the very best to you, your staff, and the Ministry in the development and roll-out of Budget 2025.

Sincerely,



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