Daily Bread Food Bank

Written Submission for the Pre-Budget Consultations in Advance of the 2025 Federal Budget

Submitted by the Daily Bread Food Bank

March 10, 2025

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Summary of Recommendations

Income security:

Recommendation 1: Increase and improve access to the Canada Disability Benefit.

Recommendation 2: Expand the Goods and Services/Harmonized Sales Tax credit to offset the rising cost of living and potential tariff impacts.

Recommendation 3: Implement automatic tax filing for all Canadians to ensure benefit access.

Affordable housing:

Recommendation 4: Increase investments in social and affordable housing.

Decent work:

Recommendation 5: Strengthen the Employment Insurance program to protect all workers.

Recommendation 6: Reinstate settlement program funding to support newcomers to secure decent work.

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The Honourable Dominic LeBlanc, P.C. M.P
Department of Finance Canada
90 Elgin Street
Ottawa, ON
Submitted via email: Dominic.Leblanc@fin.gc.ca; yourbudget-votrebudget@fin.gc.ca

RE: 2025 Federal Pre-Budget Consultation

Dear Minister LeBlanc,

On behalf of Daily Bread Food Bank ("Daily Bread"), our coalition partners, staff, and the thousands of clients we serve, we appreciate the opportunity to contribute to the 2025 Federal pre-budget consultation process. As we face a cost-of-living crisis and increasing economic uncertainty, this moment requires urgent action and solutions to ensure all Canadians have the support they need to meet their most basic human needs—food and shelter—and to navigate challenging economic times with dignity and security.

Founded in 1983, Daily Bread is a member-based organization with a network of over 130 agencies operating 205 food banks and meal programs across Toronto. Beyond food distribution, we drive systemic change by advancing evidence-based policy solutions to address the root causes of poverty and realize the human right to food. In Toronto, our network continues to face unprecedented demand, with food bank visits surging from 65,000 per month pre-pandemic to over 315,000 per month in 2024. Our annual Who's Hungry report highlights the deepening crisis of poverty and food insecurity, driven by soaring housing and food prices that have outpaced incomes.[1] Over the past year, more than 1 in 10 Torontonians relied on food banks, with client visits reaching 3.75 million, a staggering 273% increase from pre-pandemic levels. The unfolding tariff dispute with the United States is escalating economic uncertainty, putting even greater pressure on those already living in poverty or at risk, and will drive more people to rely on an already overwhelmed food bank system.

We are at a pivotal moment that demands immediate action to prevent further social and economic instability and ensure our society can recover and prosper. After the Covid-19 pandemic, we promised to build back better, but that promise remains unfulfilled. To tackle the challenges ahead, we must take bold, decisive action to rebuild our economic resilience by repairing and fortifying our social safety net and investing in long term social infrastructure to tackle the root causes of hunger and poverty. This will ensure that even in the face of adversity, every Canadian can thrive—fostering a stronger, more resilient society for all.

Recommendations

Recommendation 1: Increase and improve access to the Canada Disability Benefit.

Since the passage of the *Canada Disability Benefit* Act in 2023, our Fund the Benefit coalition has advocated for a fully funded, accessible benefit free from clawbacks. However, as currently designed, the CDB falls short—of the 1.5 million Canadians living with disabilities in poverty, only 600,000 will qualify for the benefit, and just 25,000 will be lifted out of poverty by 2028. Finalizing the CDB regulations is an important step in addressing food insecurity and poverty among adults living with disabilities, but we are disappointed that the valuable feedback from disability advocates and individuals with disabilities across Canada was not reflected in the regulations. To ensure the CDB achieves its goal of lifting Canadians with disabilities out of poverty, we urge the government to:

a) **Raise the benefit amount above the poverty line:** A fully funded CDB requires $10–12 billion annually to lift people with disabilities above the poverty line.[2] The current commitment—$1 billion per year over six years—amounts to just $200/month per person, leaving recipients in Ontario over $800 below the poverty line. To be effective, the benefit must be increased to above the poverty line and include incremental adjustments in future budgets to reflect the true cost of living with a disability.

b) **Improve restrictive eligibility criteria by**:
   i. Using the Accessible Canada Act's definition of disability.
   ii. Streamlining the application process by automatically enrolling those already receiving existing provincial/territorial and federal disability benefits in the Disability Tax Credit (DTC) and CDB.
   iii. Determining eligibility based on individual income rather than household income.
   iv. Adding the individual threshold to the working income exemption for a new income threshold of $33,000—to avoid penalizing those who cannot work, prevent regional disparities, and to not disincentivize employment.

c) **Prevent other benefit clawbacks:** Convert the CDB to a refundable credit rather than a tax-reportable benefit to prevent clawbacks from other benefits and programs that Canadians with disabilities rely on.

Recommendation 2: Expand the Goods and Services/Harmonized Sales Tax credit to offset rising the rising cost of living and trade tariff impacts.

Food bank usage and food insecurity are driven by inadequate income, and as food and shelter prices continue to outpace inflation, the situation is set to worsen with the added pressure of U.S. trade tariffs. This will disproportionately impact vulnerable low-income households, including over 70,000 individuals at imminent risk of job loss, families burdened with high debt, and mid-income households already spending a significant portion of their income on food, shelter and other necessities.[3] At Daily Bread, we currently serve 7,000 to 10,000 new clients each month and, depending on the severity of the tariff impact, anticipate an additional 1,000 to 7,000 new clients, further straining our already overburdened system.

In anticipation of the urgent need for an immediate and effective solution, we recommend government augment and expand the GST/HST credit, recognizing that income support programs play a crucial role in reducing food insecurity in Canada.[4] Specifically, we recommend increasing the average annual benefit to

$1,800 per adult and $600 per child, ensuring that households with the lowest incomes receive the highest amounts, and distributing the credit on a monthly basis.[5] This targeted approach will provide essential relief to those who need it most.

Recommendation 3: Implement automatic tax filing for all Canadians to ensure benefit access.

In Canada, federal and provincial governments use the tax system to both establish eligibility for benefits and deliver them. Yet we know that individuals living in poverty are less likely to file their taxes and subsequently miss out on critical rebates and programs[6]. With increasing economic uncertainty, households will need immediate access to resources that can be quickly deployed to help them manage financial challenges and meet their basic needs. To address these barriers and ensure equitable access to benefits, we recommend the immediate implementation of automatic tax filing for all Canadians.

Recommendation 4: Fully invest in social and affordable housing.

Adequate housing is a cornerstone for wellbeing, and an essential component of a strong social safety net. In Toronto, almost half of all households are renters (48%), with 87% of renter households living in private market rentals (PMR) and 13% living in subsidized rental housing (SRH). However, 1 in 3 renter households face unaffordable housing (35% in PRM, 19% in SRH).[7] And 1 in 5 renters live below the poverty line (20% in PRM and 19% in SRH)—73% of which live in unaffordable housing (79% PRM and 35% SRH).[8] Of the estimated 80% of food bank clients that are renters, 87% live in unaffordable housing (92% PRM, 70% SRH), and 1 in 5 are forced to spend their entire income on housing.[9]

New private market rental supply has primarily been driven by higher-priced units geared to higher-income households, exacerbating instead of alleviating affordability challenges for most renters.[10] Following the federal response to the 1970s inflation crisis, Ontario implemented rent control which continues today. However, rents for new tenants can be set at any price and homes built after 2018 are exempt. As a result, new renters moving into 2-bedroom suites in Toronto pay 36% more rent.[11] And tenants in newly built suites pay 46% and 53% in higher rents for new 1 and 2-bedroom suites respectively.[12] This demonstrates that relying solely on private market development will not solve our housing crisis.

a) **Public resources for public housing:** Following the passage of the National Housing Strategy Act, the federal government implemented the National Housing Strategy (NHS), with the aim to deliver affordable housing in response to growing market housing challenges and trends. Since the NHS relied heavily on loans and cost-matching with provinces and territories, only one-third ($25 billion) of the total $75 billion budget was new federal funding. And despite the demand, most of the housing produced by the NHS was not geared to income and is unaffordable for intended households, including those in core housing need or experiencing homelessness.[13]

   We can address this gap by setting a minimal target of building and acquiring a total of 372,000 new homes, 74,000 each year for the next 5 years, that are explicitly social, community, and public housing suites.[14] This will bring Canada to the OECD average of 7% of all housing as community housing.[15] This is achievable through long-term, sustainable, and predictable funding, which can in part come from funds acquired through retaliatory tariffs. New builds and acquisitions also require ongoing funding for maintenance and repair, as well as sustainable subsidies to ensure rents for all non-market homes are geared to less than 30% of income in perpetuity.[16] In support of this, surplus public lands appropriate for housing development should be prioritized solely for non-market housing. Innovative land ownership models, such as community land trusts, should be promoted and supported.

b) **Economic Impact of Community Housing:** The benefits of fully investing in the social and community housing are multipronged. Building and acquiring social and community housing will not only meet the growing need but also drive productivity, even as lower incomes remain stagnant and tariffs create further economic challenges.[17] In fact, it is estimated that if we were to increase the share of community housing stock by 372,000 homes, this could boost GDP between $110 billion to $179 billion.[18] If we created these new homes though new construction only, the opportunity costs of shifting 25% of new housing construction from private development to community housing units could add an additional $67 to $136 billion to GDP over 5 years.[19]

c) **Support for renters in the private rental market:** To immediately support renters living in private market rental housing with soaring rents and stagnant or even declining incomes, the Canada Housing Benefit (CHB) should be enhanced and made permanent. To address access barriers, the CHB could be integrated with existing programs.[20]

Recommendation 5: Strengthen the Employment Insurance program to protect all workers.

The pandemic exposed significant gaps in our Employment Insurance (EI) program, prompting temporary changes that were essential in protecting vulnerable workers during an unprecedented crisis. Despite acknowledging the need and impact of these changes, failing to make them permanent has once again left workers—about one in five in Ontario—unprotected in times of crisis.[21] With new challenges and ongoing economic uncertainty ahead, it is essential that the following changes are made to strengthen the EI program, ensuring that no one is left behind when they need support the most:

a) Increase EI from 55% to 90% of previous earnings or $500 a week, whichever is higher, to ensure that income is livable and keeps pace with escalating costs of daily living.

b) Extend the duration of EI benefits from 45 to 50 weeks to provide workers with greater financial security and a stronger safety net amid growing economic uncertainty.

c) Increase accessibility by lowering the minimum qualifying hours from 420 to 300 and permanently including self-employed and gig economy workers.

d) Expand the Working-While-on-Claim provision so that workers can retain more of their income from temporary/part-time work without losing benefits.

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Recommendation 6: Reinstate settlement program funding to support newcomers to secure decent work.

In alignment with a strong social safety net, we need an all hands on deck approach to expand and deepen our economic resilience. To maximize our strengths during this time of uncertainty, we need creative solutions, quick thinking, and expertise on available possibilities and past successes historically, domestically, and internationally in times of uncertainty. Newcomers have a crucial role to play in this effort by bringing diverse knowledge, experiences, and fresh perspectives.

Over the last 10 years, in contrast to the United States, immigration has accounted for all labour force growth in Canada.[22] Yet newcomers face significant barriers in entering the labour market and accessing good jobs due to underemployment. And as a result, they are more likely to experience poverty and food insecurity than the broader population. By example, as of last November, unemployment rates rose to 9.2% for recent immigrants (+1.2% points from 2023)—double the rate of 4.1% for Canadian-born workers (+0.5% points).[23] As well, 26.7% of newcomers with a bachelor degree are overeducated in their jobs (employed in low-skilled occupations)—over double the rate of Canadian-born counterparts (7.8% for those aged 35-64).[24] This disproportionately higher mismatch between education, skills and jobs for newcomers has far reaching impacts on our overall economy—especially as immigration is expected to drive future workforce and population growth.[25]

The federal government plays a vital role in providing funding to organizations to assist newcomers with settlement and integration through employment-related services, language training and community support programs. In consideration of the overarching trends, recent funding cuts will harm those already struggling, and more broadly hinder economic growth. We urge the federal government to take swift action to restore, expand, and ensure long-term funding for robust newcomer settlement programs.

Conclusion

On behalf of Daily Bread, our member agencies, and the clients we serve, we appreciate the Department of Finance's attention to these urgent issues. We would welcome the opportunity to meet with you and your team to discuss these recommendations further. Implementing these measures will not only help alleviate poverty and provide stability in uncertain times but also strengthen Canada's economy and ensure a more secure future for all.

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