Poverty rising: How Ontario's strategy failed and what must come next

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Poverty • Rights • Change

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About Maytree

Maytree is a Toronto-based human rights organization committed to advancing systemic solutions to poverty and strengthening civic communities. We believe the most enduring way to fix the systems that create poverty is to ensure that economic and social rights are respected, protected, and fulfilled for all people living in Canada. Through our work, we support non-profit organizations, their leaders, and people they work with.

Ontario's Poverty Reduction Strategy 2020-2025 failed to reduce poverty. Quite the opposite, in fact. Poverty in Ontario is on the rise, and an increasing number of people cannot afford the necessities for a decent standard of living and a dignified life.

This is the result of government policies that insist employment can and must be the only answer to poverty, a myopic approach that has led to rising poverty rates among almost every demographic group.

With Ontario's 2020-2025 Poverty Reduction Strategy (PRS) at the end of its term and the Ontario government now developing a new PRS, now is the time to chart a new path grounded in the recognition of the universal human right to an adequate standard of living.[1] Ontarians deserve a strategy built on evidence of what works: stronger income supports and actions that address the root causes of poverty.

Poverty in Ontario has surpassed pre-pandemic levels and is rising more quickly than in the rest of Canada

Using data from the Canadian Income Survey (CIS), this brief begins with a summary of recent poverty dynamics. It uses the Market Basket Measure (MBM) – the official poverty line for Canada and an indicator in the PRS – to analyze the state of poverty in Ontario and how it has evolved over time.[2]

The most recent data tells us that in 2023, 11.1 per cent of the Ontario population lived in poverty, representing about 1.7 million people.

As shown in Figure 1, poverty rates across Canada came down gradually and steadily in the late 2010s before plunging to record lows in 2020 due to temporary federal pandemic supports.

Sadly, the pandemic gains in poverty reduction have now been lost both nationally and in Ontario. Governments at all levels could have explored ways to sustain some of the most effective interventions, creating a permanently stronger social safety net for the people in deepest need.
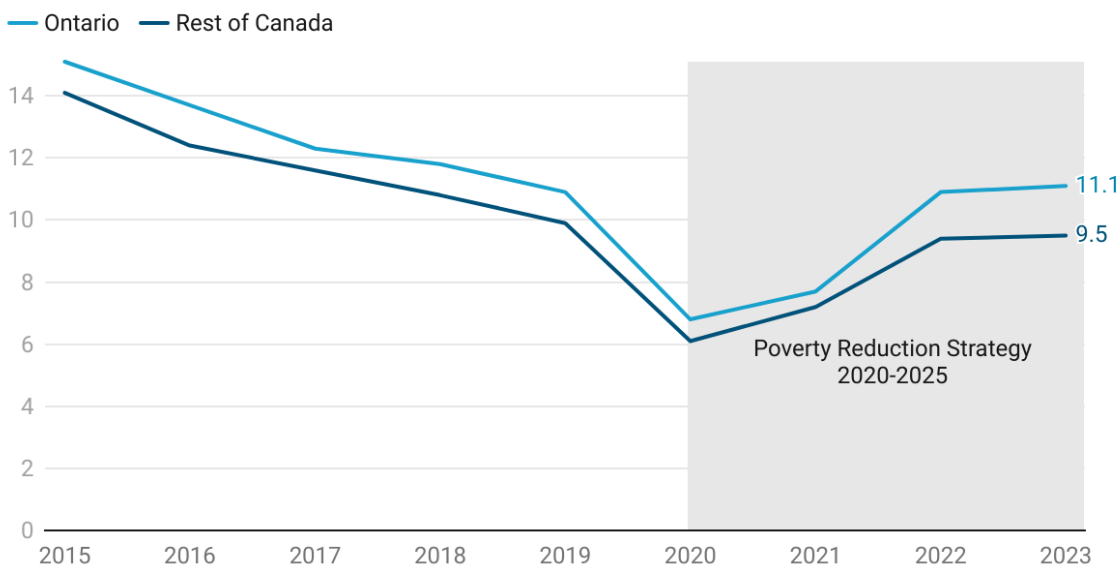
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1   Canada acceded to the International Covenant on Economic, Social and Cultural Rights in 1976, with support of Ontario and all other provinces. This treaty imposes a legally binding requirement on all levels of government to pursue the progressive realization of the right to an adequate standard of living.

2   Poverty in Canada is measured through the Canadian Income Survey, an annual cross-sectional survey that examines the incomes and demographic characteristics of a sample of people in Canada. The most recent data are for 2023, which Statistics Canada released in May 2025.

Over the time horizon of the 2020-2025 PRS, Ontario has allowed poverty to surge such that it now exceeds the pre-pandemic poverty rate of 10.9 per cent recorded in 2019. In addition, there's a growing gap between Ontario and the rest of Canada, which suggests provincial policies are increasingly to blame for the state of poverty in Ontario.

A new Poverty Reduction Strategy is an opportunity to change this trajectory.

Figure 1: Poverty rates (MBM) in Ontario and the rest of Canada, 2015-2023
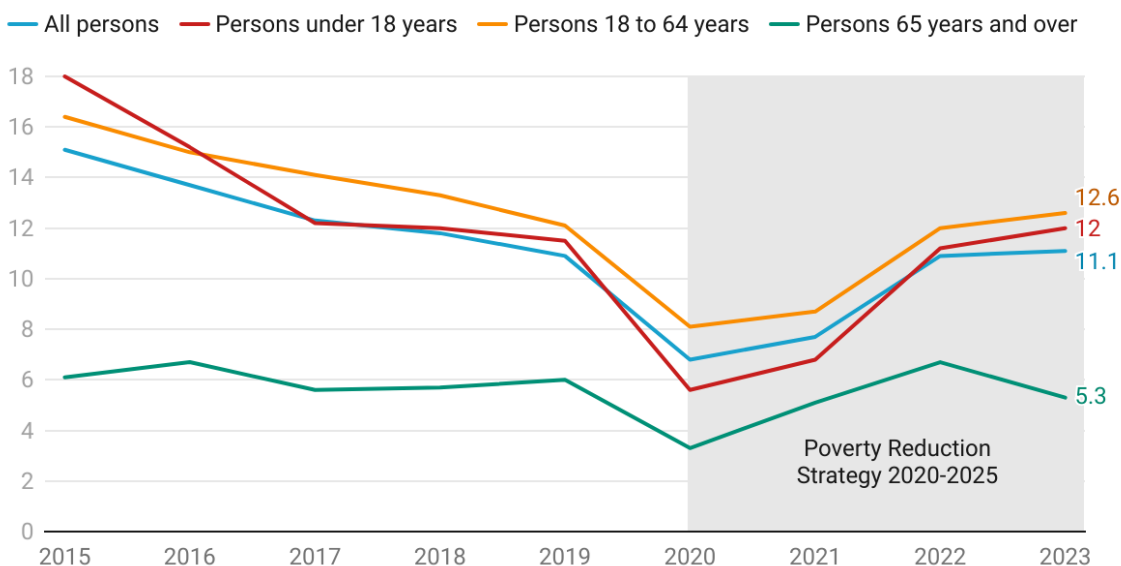

Source: Statistics Canada. Table 11-10-0135-01. Low income statistics by age, sex and economic family type

Ontario's child poverty rate doubled in three years

Across Canada, the poverty rate for children under age 18 was up markedly in 2023. This is especially true in Ontario where child poverty has more than doubled to 12 per cent in 2023 from its 2020 low of 5.6 per cent. As shown in Figure 2, of all age groups, children's poverty has increased the most under Ontario's 2020-2025 PRS.
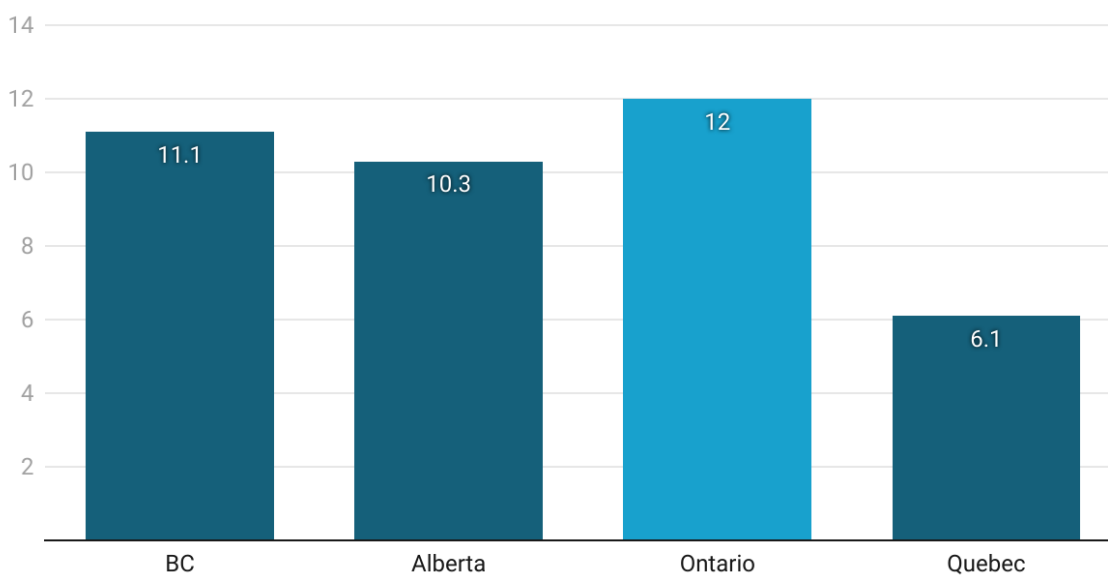
Figure 2: Poverty rates (MBM) by age group in Ontario, 2015-2023

Source: Statistics Canada. Table 11-10-0135-01. Low income statistics by age, sex and economic family type

Comparing Ontario to the other large provinces, we find that Ontario has the dubious distinction of registering the highest rate of child poverty in 2023, as shown in Figure 3.

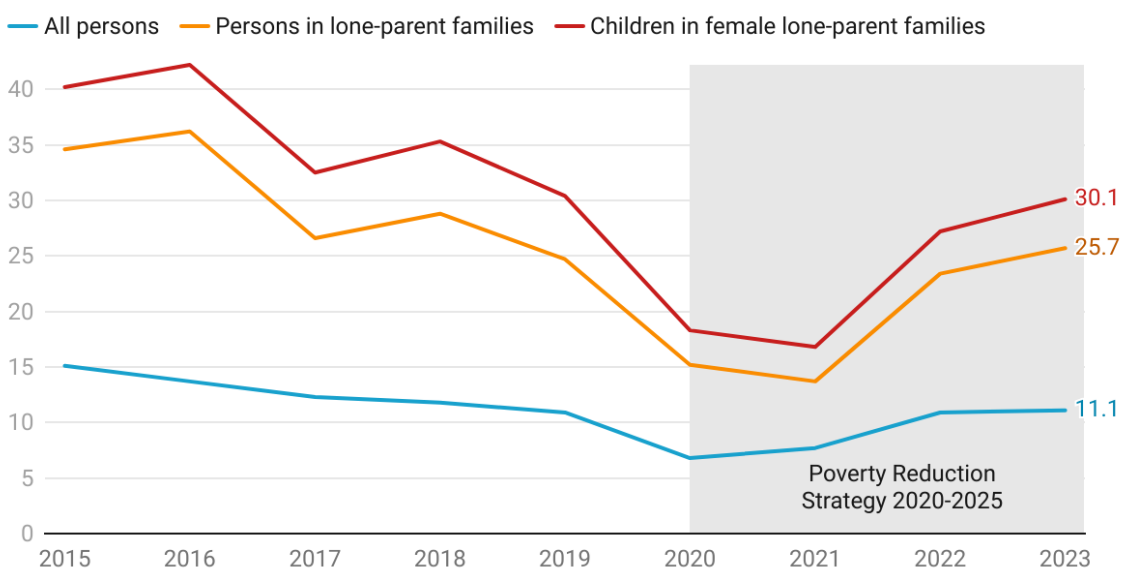**Figure 3: Child poverty rate (MBM) in select provinces, 2023**

Source: Statistics Canada. Table 11-10-0135-01. Low income statistics by age, sex and economic family type

Part of the growth in child poverty can be attributed to a troubling spike in poverty among persons in lone-parent families.[3] One in four of these families lived in poverty in Ontario in 2023.

The public CIS tables also allow us to isolate the poverty rate of Ontario children living in female lone-parent families, which is a shocking 30.1 per cent. Indeed, of the 346,000 children living in poverty in Ontario in 2023, one third lived in female lone-parent families.

As shown in Figure 4, poverty rates among lone-parent families decreased steadily after the introduction of the Canada Child Benefit in 2016, but recent trends suggest these gains are under threat. We will only make meaningful progress on reducing child poverty if we address the crisis of poverty among lone-parent families.

Figure 4: Poverty rates (MBM) of persons and children in select lone-parent families in Ontario, 2015-2023

Source: Statistics Canada. Table 11-10-0135-01 Low income statistics by age, sex and economic family type and Table 11-10-0136-01 Low income statistics by economic family type
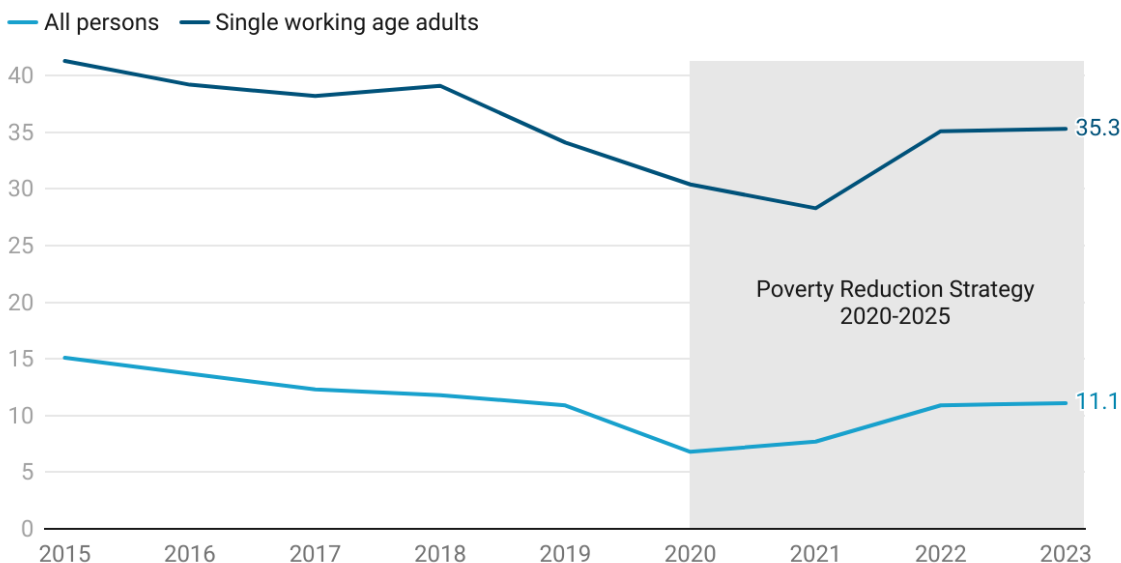
The Ontario Child Benefit (OCB) is an excellent policy tool for addressing the depth and breadth of child poverty without discouraging labour market attachment. The next PRS should include a significant increase in the OCB maximum benefit, as well as a specific target for reducing the rate of child poverty in Ontario.

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3   For further clarity, "persons in lone-parent families" includes the parent and all children in the family. Note that this may be different than the poverty rate of all children living in lone-parent families – a statistic that is not published in the public CIS tables.

Single working-age adults face the highest rates of poverty

Over a third of single working-age adults in Ontario lived in poverty in 2023 – a rate that is three times higher than that of the general population. Figure 5 shows the trajectory of poverty among this group.

Figure 5: Poverty rates (MBM) of single working-age adults in Ontario, 2015-2023

Source: Statistics Canada. Table 11-10-0136-01 Low income statistics by economic family type

This gap reflects the lack of income supports – especially inadequate social assistance rates – that are available to single working-age adults in Ontario. Maytree's annual tracking of welfare incomes in Ontario shows that among people who received social assistance, single adults of working age who were considered employable have the least adequate incomes of all household types examined.[4]

Due to the combination of frozen benefit rates and high inflation – seen most notably in soaring private market rents – the number of Ontario Works recipients who are homeless has doubled in recent years.[5] Rather than addressing the lack of income support and other policy failures that contribute to this situation, the government is prioritizing the criminalization of homelessness through the *Safer Municipalities Act*.

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4   Laidley, J & Tabbara, M. (2024). *Welfare in Canada, 2023: Ontario*. Maytree. https://maytree.com/changing-systems/data-measuring/welfare-in-canada/ontario/
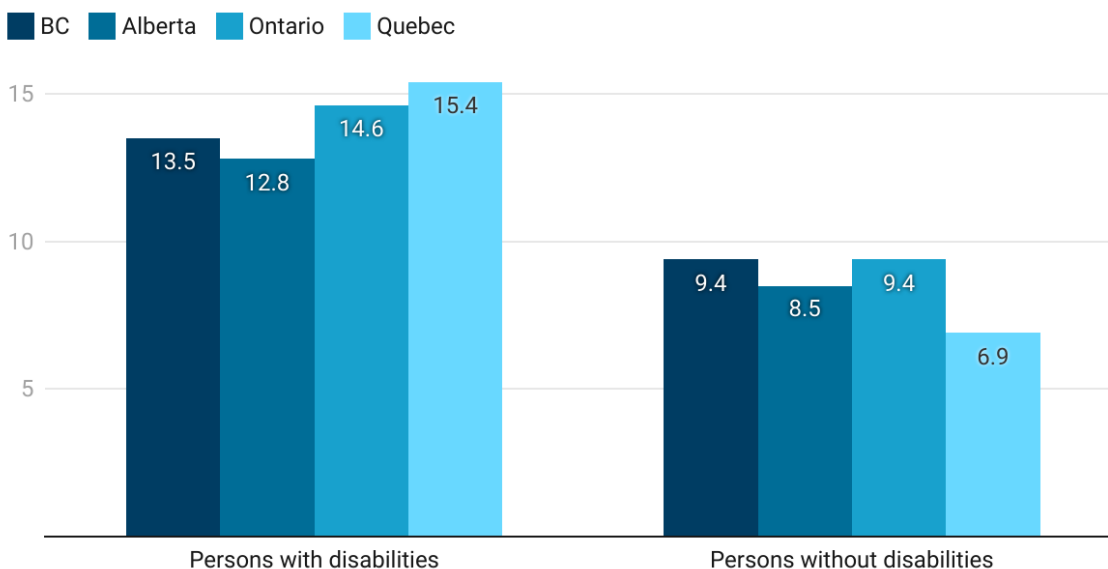
5   Pinkerton C. & Hauen J. (September 26, 2024). Number of homeless OW, ODSP recipients has almost doubled in two years: government data. *The Trillium*. https://www.thetrillium.ca/news/social-services-and-society/number-of-homeless-ow-odsp-recipients-has-almost-doubled-in-two-years-government-data-9577826

A new Poverty Reduction Strategy is an opportunity to set targets and recommend actions that invest in income supports for those in greatest need. This is a proven policy prescription for reducing both poverty and homelessness.

Equity-deserving groups experience much higher rates of poverty

The poverty rate among people with disabilities is substantially higher than that of people without disabilities, as shown in Figure 6. This is true both in Ontario and in other large provinces, though Ontario trails only Quebec for its high rate of disability poverty. Any future poverty reduction effort needs to address this urgently, given that people with disabilities made up over a third of all Ontarians who lived below the poverty line in 2023.

Figure 6: Poverty rates (MBM) for persons with and without disabilities, select provinces, 2023

Source: Canadian Income Survey, Statistics Canada (special tabulation)

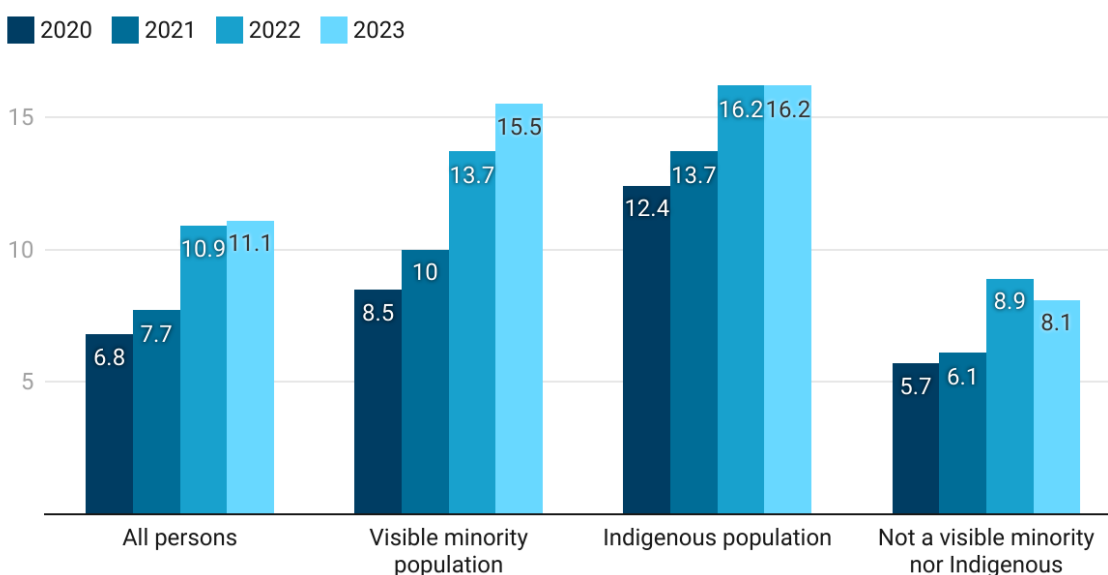The new Canada Disability Benefit (CDB), which will come into effect in July 2025, may help alleviate the depth of poverty among people with disabilities, but it is not enough to raise a significant number of Ontarians out of poverty.

The Ontario government was right to announce it will not claw back ODSP benefits from those receiving the CDB. It should now do its part by significantly raising ODSP rates.

In the past, Premier Ford has said that he is committed to helping people with disabilities, promising that by growing Ontario's economy he will create new revenues that will be invested in higher ODSP rates.[6] Unfortunately, the math doesn't add up. Spending on ODSP as a percentage of Ontario's GDP has dropped precipitously since 2018, showing that even as Ontario becomes wealthier, people with disabilities are not sharing in the benefits.[7] The new Poverty Reduction Strategy is an opportunity for the Premier to make good on his promise.

In addition, racialized people ("visible minority population" in the Canadian Income Survey) and Indigenous people in Ontario also experience far higher rates of poverty. As shown in Figure 7, these marginalized individuals and communities saw their poverty rates increase or remain high in 2023, even as poverty decreased for non-racialized and non-Indigenous people. (Note that the CIS data on poverty rates for these groups only became available as of 2020.)

Figure 7: Poverty rates (MBM) by select equity-deserving populations in Ontario, 2020-2023

Source: Statistics Canada. Table 11-10-0093-01. Poverty and low-income statistics by selected demographic characteristics

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6   Hauen, J. (February 7, 2025). Ford says no to ODSP boost: 'The way you take care of people on ODSP is the economy'. *The Trillium*. https://www.thetrillium.ca/insider-news/social-services-and-society/ford-says-no-to-odsp-boost-the-way-you-take-care-of-people-on-odsp-is-the-economy-10200985

7   White, A. & Caballero, M. (2025). *Ontario government's 2025 budget fails to meet the moment*. Maytree. https://maytree.com/publications/ontario-governments-2025-budget-fails-to-meet-the-moment/

Ontario's next PRS must take a deliberate human rights-based approach to poverty reduction, beginning with an honest assessment of how systemic racism and the legacy of colonialism have contributed to higher rates of poverty among specific groups, and a recognition that it is the government's responsibility to address this.

Data on food insecurity and housing need corroborate rising levels of poverty in Ontario
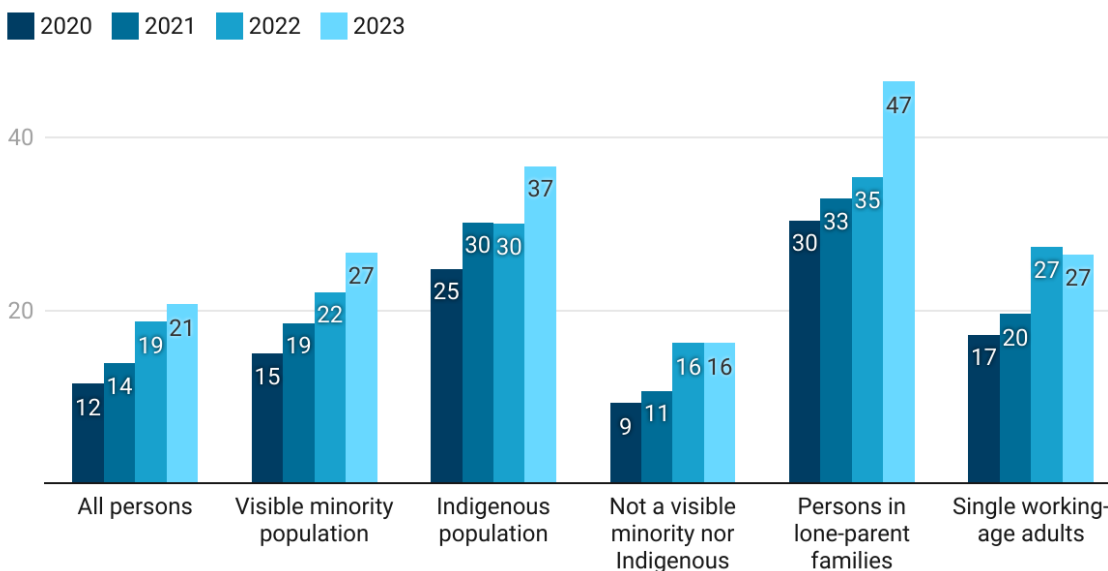
The MBM is just one of many measures that we can use to understand poverty in Canada. The CIS also asks questions about food insecurity, an important self-reported indicator of how well people can meet their basic needs.

In 2023, 20.7 per cent of Ontarians lived in households that reported they experienced moderate or severe food insecurity, an increase of 2 percentage points from 2022 and above the 19.1 per cent recorded for all of Canada.

Figure 8 shows the considerable growth in food insecurity since 2020, as well as elevated rates of moderate or severe food insecurity experienced by racialized and Indigenous people and people in certain family types. These trends follow those we saw in the poverty rate, though rates of food insecurity are increasing much more rapidly.

Of note, lone-parent families in Ontario registered a shocking 12 percentage point increase in moderate or severe food insecurity between 2022 and 2023, suggesting that food costs are hitting these families the hardest.

Figure 8: Rates of moderate or severe food insecurity in Ontario, 2020-2023

Legend: 2020, 2021, 2022, 2023

Bar chart values:
- All persons: 12, 14, 19, 21
- Visible minority population: 15, 19, 22, 27
- Indigenous population: 25, 30, 30, 37
- Not a visible minority nor Indigenous: 9, 11, 16, 16
- Persons in lone-parent families: 30, 33, 35, 47
- Single working-age adults: 17, 20, 27, 27

Source: Statistics Canada. Table 13-10-0834-01. Food insecurity by economic family type & Table 13-10-0835-01. Food insecurity by selected demographic characteristics

Turning next to housing data, we know that homelessness in Ontario is also growing rapidly. A recent report from the Association of Municipalities of Ontario found that in 2024, an estimated 81,515 Ontarians experienced "known" homelessness, meaning they interacted with a government initiative or program that was able to count them.[8] This number is up a startling 25 per cent in just two years. Worse still, the number of chronically homeless, which is based on a long spell or long cumulative duration of homelessness, has nearly doubled in the past two years to an estimated 41,512 people.
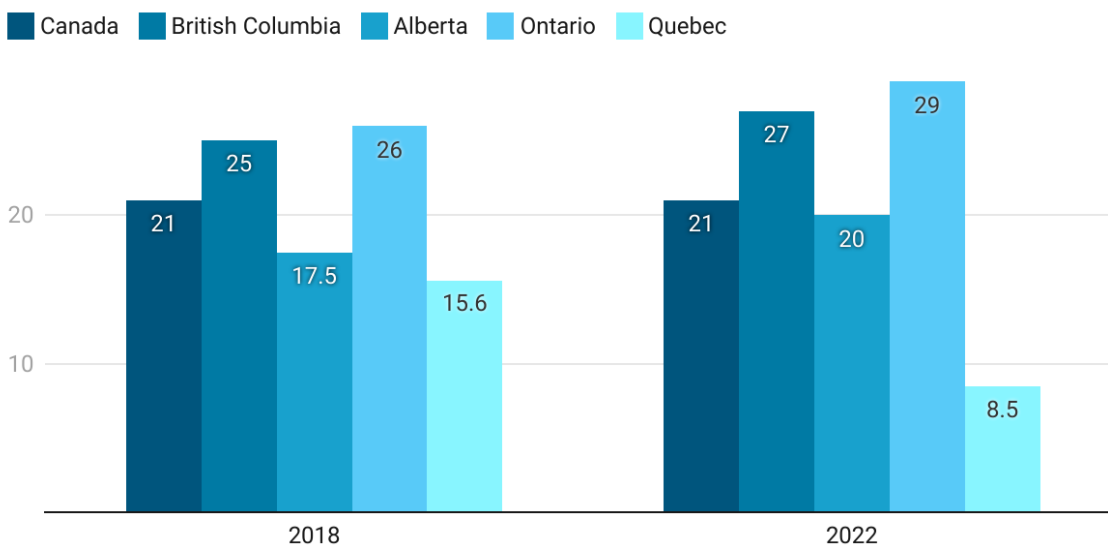
Things are also getting worse for those who rent in the private market, which is the only option for most low-income households. As shown in Figure 9, the latest data available from the Canada Housing Survey shows households renting in the private market in Ontario continue to have the highest rates of core housing need among all large provinces.[9]

Of note, core housing need for this demographic in Ontario in 2022 was three percentage points above pre-pandemic levels, even as Quebec managed to significantly lower the rate of core housing need for this same group.

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8   Donaldson, J., Wang, D., Escamilla, C., & Turner, A. (2025). *Municipalities under pressure: The human and financial cost of Ontario's homelessness crisis*. HelpSeeker. https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Reports/2025/2025-01-08-EndingChronicHomelessnessinOntario.pdf

9   People in core housing need are housed, but their housing is unaffordable, is not big enough for the size of the household, and/or needs major repairs.

Figure 9: Share of private market renter households in core housing need, select provinces

Legend: ■ Canada ■ British Columbia ■ Alberta ■ Ontario ■ Quebec

Data for 2018:
- Canada: 21
- British Columbia: 25
- Alberta: 17.5
- Ontario: 26
- Quebec: 15.6

Data for 2022:
- Canada: 21
- British Columbia: 27
- Alberta: 20
- Ontario: 29
- Quebec: 8.5

Source: Statistics Canada. Table 46-10-0085-01. Core housing need, by tenure including first-time homebuyer and social and affordable housing status

Ontario's policies are exacerbating both food insecurity and the housing crisis for those in greatest need. A new Poverty Reduction Strategy must recognize this reality and chart a new path.

Lessons for a new Poverty Reduction Strategy

Taking a human rights-based approach, an effective PRS would accurately diagnose the causes of poverty, offer evidence-informed actions to address each cause, and set specific targets for the reduction in poverty. Unfortunately, the 2020-2025 PRS failed in these areas, and the results are clear in the data.

Take a human rights-based approach

An effective PRS should be grounded from start to finish in human dignity and the goal of realizing everyone's human rights. A first step would be to acknowledge that the government has human rights obligations under the treaties to which Canada is a party, and that one of these obligations is to devote the maximum available resources to the progressive realization of the right to an adequate standard of living for all.

A human rights-based approach would also include empowering those who experience poverty to have greater control over the poverty reduction policies and programs that affect them, and it would involve the establishment of independent accountability mechanisms that hold the government to its poverty reduction commitments.

Address the true causes of poverty: broken systems

People experiencing poverty struggle every day to meet basic needs, living a life of stress and anxiety, poor health, and unsafe living conditions. Unfortunately, Premier Ford and his cabinet have a troubling history of denigrating social assistance recipients and people who are unhoused as lazy and responsible for their own poverty. Their use of false and outdated stereotypes undermines evidence-based approaches to poverty reduction.

The primary cause of poverty is broken systems, not personal failings, and the continued existence of poverty is a policy choice. Poverty is the predictable result of many government, social, and market systems in Ontario – education, employment, health, housing, etc. – that are designed in ways that we know will leave hundreds of thousands of Ontarians behind.

By building Ontario's next PRS around fixing these broken systems, it could finally address the root causes of poverty in Ontario.

Invest in income supports

Income security plays a key role in helping those who have been failed by other systems and find themselves in poverty or at risk of falling into it. In fact, income supports have a long history of successfully reducing poverty, food insecurity, and core housing need, most recently during the COVID-19 pandemic.

We also know that Ontario's income security system provides nowhere near enough for people in poverty to stabilize their lives and overcome the barriers that may keep them from working, especially people who are not considered to have a disability. Recent bouts of high inflation, combined with a lack of new investment in social services, have resulted in effective cuts to the province's safety net for people in deepest need.

Past poverty reduction strategies recognized the role that income supports play in addressing poverty. For example, Ontario's first PRS in 2008 included significant

new investments in the Ontario Child Benefit to reduce poverty and make it easier for parents to leave social assistance for work.

To meaningfully address poverty in Ontario, the next PRS must include robust plans to strengthen the income security system.

Set specific targets for poverty reduction

A typical poverty reduction strategy in Canada is grounded in specific targets. For example, Canada's national poverty reduction strategy committed to reducing poverty by 20 per cent by 2020 and 50 per cent by 2030, using Canada's Official Poverty Line as the benchmark.[10]

Ontario's first two strategies also included specific targets, largely because Ontario law requires it.[11]

Somehow, however, Ontario's 2020-2025 PRS neglected to include a target for poverty reduction. Instead, the only target is to "get more social assistance recipients to move into meaningful employment and financial stability." (Ontario also failed to reach this target.)

It's time for Ontario to return to setting specific targets for poverty reduction.

Moving forward

An honest assessment of the causes and solutions to poverty is long overdue. Maytree intends to publish further analysis in the coming months on topics such as the need to look beyond employment as a solution to poverty. We hope this will contribute to Ontario creating the strongest possible strategy for the next five years.

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10 Government of Canada. (2018). Opportunity for All – Canada's First Poverty Reduction Strategy. https://www.canada.ca/content/dam/canada/employment-social-development/programs/poverty-reduction/reports/poverty-reduction-strategy-report-EN.pdf

11 See the *Poverty Reduction Strategy Act, 2009*, section 3.

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