



Why do we invest in Prosperous People?

The current reality

According to a nationwide 2014 survey, Canadians think that the top 20% of the population holds over half the nation's wealth, and that the bottom 20% holds less than 6%. The reality, however, is that the top 20% holds more than two-thirds of that wealth, and the poorest fifth has no share at all.¹ The gap between rich and poor has been gradually widening, and poverty in Canada has been steadily rising, since the mid-1990s² -- as almost one in 10 Canadians can attest.³

Some are considered "low income" because they earn less than half the country's median income,⁴ and spend more than half of it housing.⁵ Some are able to fill a virtual "market basket" with food, clothing, shelter, public transportation, personal care products, school supplies and a telephone.⁶ And others live in absolute poverty, able to buy just enough shelter, food, and clothing to keep a family alive. All are economically vulnerable because of unreliable jobs with low pay or no job at all, a lack of education or training, or a lack of access to appropriate community supports.

- With 13.3% of Canadian children living in poverty, Canada ranks behind the average of 11% across 35 economically advanced countries studied by UNICEF.⁷
- Food bank use has increased by 25% since 2008, with over 840,000 Canadians visiting them each month.⁸
- In Ontario, 1.57 million people live in poverty, and the increase in the province's living standards lags far behind that of Canada as a whole.⁹

¹ The Broadbent Institute, (2014). *The Wealth Gap: Perception and Misconceptions in Canada*.

² Organization for Economic Co-operation and Development, (2008). *Growing Unequal? Income Distribution and Poverty in OECD Countries*.

³ Canadian Press, (2011). *One in ten Canadians live in poverty*.

⁴ Statistics Canada, (2011). *2011 National Household Survey*.

⁵ Gaetz, S., Gulliver, T. & Richter, T. (2014): *The State of Homelessness in Canada: 2014*. Toronto: The Homeless Hub Press.

⁶ Statistics Canada, (2011). *Market Basket Measure*.

⁷ UNICEF, (2012). *Measuring Child Poverty: New league tables of child poverty in the world's richest nations*.

⁸ Food Banks Canada, (2014). *Hunger Count 2014*.

⁹ Treasury Board, (2014). *Realizing Our Potential: Ontario's Poverty Reduction Strategy*. Government of Ontario.

- One in 13 Ontarians is unemployed, and one of two of them are youth aged 15-24. By any standard, this is a major crisis.¹⁰

Economic vulnerability has different faces

Some population groups face additional barriers that make their economic situation even more precarious. They include people with disabilities, seniors, newcomers, Aboriginal people, single parents, people living with chronic illnesses, youth, and people receiving social assistance. Together they make up 66% of Ontarians aged 16 and older who live in poverty.¹¹

- The unemployment rates of Aboriginal people (14.8%), newcomers (12.3%), people with disabilities (8.6%) and single parents (8.1%) are all well above the national average of 6.3%.¹²
- Aboriginal people earn about 30% less than the rest of Canadians, and half of First Nations children live in poverty.¹³
- Language and culture create additional barriers to employment for newcomers, despite the wide variety of skills and education they bring with them to Canada.

Economic resilience is about more than money

There is no simple solution to poverty, because no single factor causes it. People may end up in similar situations, but how they got there is as different as they are. Any successful approach must be specific to community contexts and take a holistic view of people's needs, and assets. Only such an approach can make vulnerable people resilient enough to cope with challenges, recover from shocks and stresses, and meet their needs on a sustained basis.¹⁴

- The Housing First approach, for example, bypasses emergency responses and provides permanent housing and appropriate community-based supports for people who are homeless. Research has proven that emergency responses are not cost-effective over the long-term, while a stable home is the most critical first step to moving out of poverty.¹⁵
- Community Food Centres are welcoming spaces where people come together to grow, cook, and share good food. Rather than simply providing emergency access to nutritious food, CFCs also teach skills, foster friendships and build hope.¹⁶

So what's our strategy?

Through the Prosperous People action area, OTF will invest in projects that tackle the obstacles to economic wellbeing – from a lack of basic housing, food and childcare, to language, literacy and educational barriers. We believe that everyone has the potential to contribute to and benefit from the economy, provided they are matched with the resources they need.

¹⁰ Canadian Centre for Policy Alternatives, (2013). *The Young and the Jobless: Youth Unemployment in Ontario*.

¹¹ Centre for the Study of Living Standards, (2014). *Index of Economic Wellbeing*.

¹² Employment and Social Development Canada, (2013). *Work-Unemployment Rate*. Government of Canada.

¹³ Wilson, D. & Macdonald, D., (2010). *The Income Gap Between Aboriginal Peoples and the Rest of Canada*. Canadian Centre for Policy Alternatives.

¹⁴ The International Fund for Agricultural Development, (2011). *The Sustainable Livelihoods Framework*.

¹⁵ Treasury Board, (2014). *Realizing Our Potential: Ontario's Poverty Reduction Strategy*. Government of Ontario.

¹⁶ Community Food Centres Canada, (2015). *What is a Community Food Centre?*

Our strategy is two pronged. We support initiatives that lead to economic stability for vulnerable people by ensuring they are able to meet their basic needs and have access to community supports to help them weather unexpected events, such as an illness or job loss.

We also support initiatives that promote economic wellbeing for Ontarians by ensuring people have the knowledge, skills and tools for greater financial independence and are better able to find meaningful livelihoods, whether that is through employment or entrepreneurship. With effective, connected programs in place, people can find and make the most of the economic opportunities that enable them to thrive rather than just survive.

Priority Outcome: Increased economic stability

OTF seeks to fund initiatives that achieve the following results:

1. People who are economically vulnerable are able to meet their basic needs

Poverty is complex, and for many, employment is often a long-term, if not impossible, goal. This is because the pressure to meet basic needs like housing, affordable and nutritious food and childcare makes it so difficult to access the workforce directly. Programs that open doors and help people improve their health, safety and emotional wellbeing pave the way to a better future.

Project or Grant Examples:

- A local drop-in centre renovates its space to accommodate satellite offices of various social service agencies so that clients have easier access to range of complementary supports.
- A food bank transitions to a community food centre, expanding its programming to include education and training on food preparation and healthy eating and living.

2. People who are economically vulnerable have access to community services that enhance financial stability

Economically vulnerable people acquire the connections, resources and tools they need to improve their financial stability through responsive, accessible programs related to food security, affordable housing, substance abuse, literacy, transportation, and basic life-skills training.

Project or Grant Examples:

- A cross-sectoral group comes together to identify the barriers faced by people living in poverty in rural communities and to create sustainable models to address those barriers.
- The creation of a community kitchen and food processing space at an agro-food social enterprise provides access to fresh, culturally diverse and locally-grown produce for people with low incomes.
- Under housed and homeless single mothers participate in a specialized four-year program that provides housing and supports their route through education, life skills and employment to ensure transformative change

Priority Outcome: Increased economic opportunity

OTF seeks to fund initiatives that achieve the following results:

1. People have the skills and knowledge to achieve greater financial independence

Financial independence is a state of improved financial security for people with low-income. People with low-income need access to supports to acquire and practice the financial skills and behaviours that will improve their financial outcomes and build their financial security. This includes improved financial literacy related to budgeting, credit and savings, and consumer awareness and protection.¹⁷ It also depends on confidential and supportive community-based financial services that help people find ways of repaying debt, build a track record with banks or credit unions, balance financial priorities, access income-boosting benefits and tax credits, and actually open savings accounts or apply for credit.¹⁸

Project or Grant Examples:

- Fifty low income households gain financial literacy through one-on-one budget coaching by volunteer experts.
- Recognizing that money management can be stressful, a local program delivers hard skills around budgeting and banking combined with personal support and counseling in dealing with debt issues and other financial worries.
- An innovative peer-based two-day educational clinic equips young people with the knowledge and skills they need to assess their financial health and incorporate practical financial planning tools.

2. People become and stay employed

Different groups of people need different supports to find and keep employment. For some, securing affordable and safe transportation is a fundamental lever; for others, finding the right fit for their unique skills and experiences will make all the difference. To be successful, programs and services must be responsive to the specific needs of participants and linked to real needs identified by employers. They should also provide “soft” as well as “direct” job skills (e.g., communication and computer skills)¹⁹ – and recognize that the road to ongoing participation in the workforce can be long and circuitous.

Project or Grant Examples:

- A community group links employers with people with autism, by matching their unique skills and capabilities to employer’s needs.
- 500 precariously-employed hospitality workers receive cross-training to develop transferable skills that will allow them to transition into new fields of work with better salaries.

¹⁷ Prosper Canada, (2014). *Financial Empowerment: Improving financial outcomes for low-income households.*

¹⁸ The Working Centre, (2015). *Money Matters.*

¹⁹ Social Capital Partners & Deloitte, (2014). *Working Together: Implementing a demand-led employment and training system.*

3. People become entrepreneurs

Starting and running their own business is an important alternative for many people seeking a meaningful livelihood in a difficult labour market that offers increasingly less job security. Entrepreneurship is more than just fall-back, however; it has become a powerful force that drives innovation, productivity, job creation and economic growth.^{20 21} When entrepreneurs and social entrepreneurs choose to “open for business,” they create multiple opportunities for individual and communities to prosper.

Project or Grant Examples

- A community business incubator provides mentoring, business education, networking opportunities and access to capital to new women entrepreneurs.
- An online community of trade builds a synergistic market for buying and selling local goods and services at the neighbourhood level.
- An Aboriginal social enterprise invests in marketing the work of local artisans to build creative careers and a local economy for artisanal products.
- A micro-lending organization offers free workshops to people in an effort to increase opportunities for self-employment.

²⁰ Martin Prosperity Institute, (2009). *Creativity, Social Benefit and Job Creation: The Potential for Social Entrepreneurship in Ontario*

²¹ Wells, S. & Hungerford, G., (2011). *High-growth entrepreneurship: The key to Canada’s future economic success.* Policy Options.

Frequency Asked Questions

1. What does 'economic wellbeing' mean?

People have the connections, resources and tools that they need to succeed economically. Often this involves overcoming barriers that are preventing them from participating fully in the economy.

2. Is this Action Area related to the province's Poverty Reduction Strategy?

Yes. This action area, is aligned with **Realizing Our Potential: Ontario's Poverty Reduction Strategy (2014-2019)** in several ways. In order to realize the potential that exists within the people of Ontario OTF will invest in initiatives that

- support people's access to housing and other basic needs,
- support effective and accessible community services that contribute to financial stability in their role as part of the social safety
- lead to employment and income security

3. What do you mean by 'people who are economically vulnerable'?

The Canadian Centre for Living Standards and the Ontario Poverty Reduction Strategy have identified a heightened need among certain population groups for supports that increase access to employment. These groups include, but are not limited to, people receiving social assistance, persons with disabilities, the long-term unemployed, Aboriginal people, newcomers, single parents and at-risk youth.

4. What do you mean by a 'holistic approach' to poverty?

A holistic approach builds on each person's skills, knowledge, motivation, confidence, relationships, financial capacity as well as their physical circumstances like shelter and transportation

5. What is 'financial independence'?

This refers to having the knowledge and skills to manage money and includes knowing how to budget and how to access benefits, tax credits, and safe financial products and services, such as savings instruments.

6. What kind of tools and supports do economically vulnerable people need?

That depends on the unique characteristics of the population in question, but can include: access to healthy and affordable food; access to safe and secure housing; counselling or training to build confidence or leadership; and/or access to capital to start a business.

7. What are 'meaningful livelihoods'?

Different people will consider different livelihoods meaningful. It is important to remember that economic opportunities are not limited to the formal job economy. Part-time work coupled with volunteer experiences or entrepreneurial endeavours are relevant as well.

8. What are social enterprises?

Social enterprises are businesses that try to generate revenue by having a positive social, cultural or environmental impact. Social enterprises benefit not just themselves, but

communities as a whole. They are people-centered, offering multiple engagement, and often serving some of the community's most vulnerable members.²²

9. Will you only fund employment-related projects or does housing, food security and transportation fit in this Action Area as well?

Access to all of the above are critical to economic wellbeing. Without them, financial independence is not possible, so OTF supports access to any community service that helps people achieve increased economic stability.

10. Isn't job creation and training a government responsibility?

The provincial and federal governments are responsible for providing income assistance programs – such as the Ontario Disability Supports Program and Ontario Works – as well as funding for housing and homelessness. OTF invests in the wraparound supports that complement these services and engage community stakeholders.

11. Is the Prosperous People Action Area purely about employment programs?

Our view is broader than that. We are looking for long-term solutions to income inequality and poverty. We focus on addressing the factors that lead to economic vulnerability, and we will support approaches at the individual and the community or systemic level.

12. Are there other funders that are investing in this work?

In Ontario, the McConnell Foundation, through Vibrant Communities, the Metcalf Foundation, through their Inclusive Local Economics program and the Atkinson Foundation, through their Decent Work fund, support long-term strategies that create sustainable economic opportunities and generate wealth for people who face barriers to employment.

²² Canadian Community Economic Development Network, Simon Fraser University, and the Institute for Nonprofit Studies, Mount Royal University, (2013). *Inspiring Innovation: The Size, Scope and Socioeconomic Impact of Nonprofit Social Enterprise in Ontario*.

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