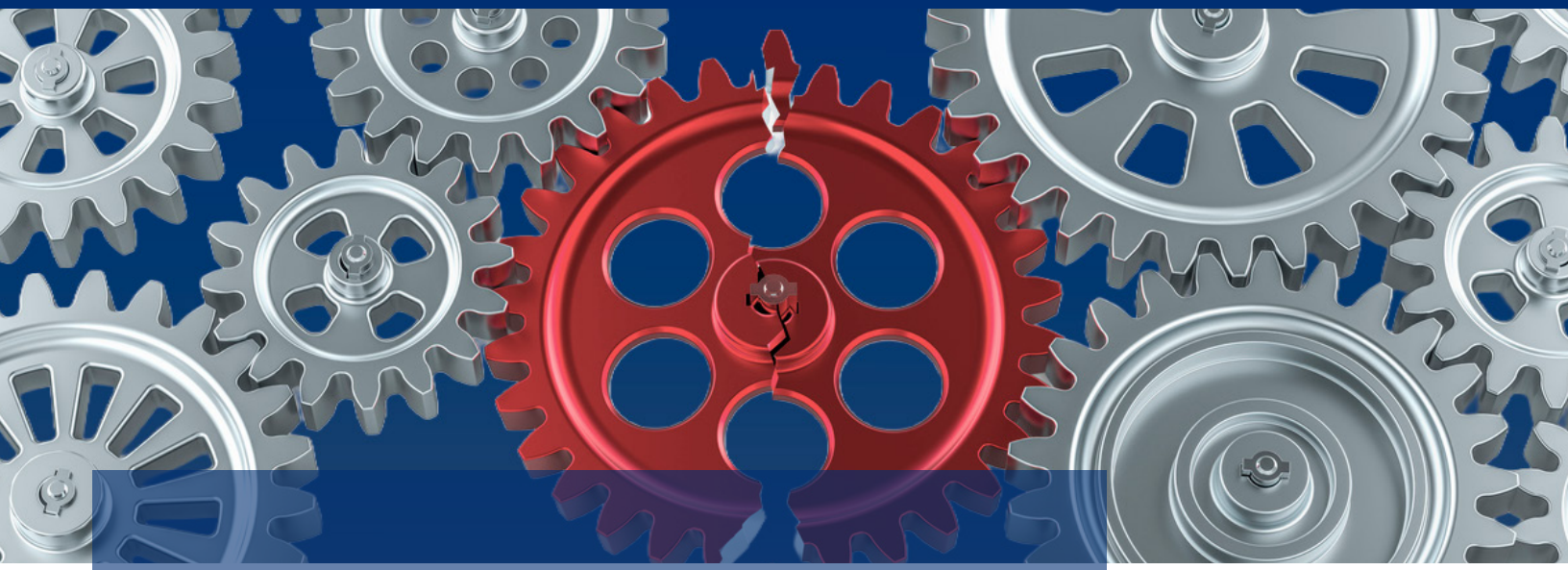
POLICY BRIEF



Designed to fail:

How Ontario's income security policies create and perpetuate homelessness

Lena Balata

January 2026

Maytree
Poverty • Rights • Change

About the authors

Lena Balata is a senior policy advisor at Maytree

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.

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Maytree
77 Bloor Street West, Suite 1600
Toronto, ON M5S 1M2
CANADA

+1-416-944-2627

Email: info@maytree.com
Website: www.maytree.com

Poverty is rising across most demographic groups and regions in Ontario. More people are falling behind, unable to afford basic necessities, including housing. Social assistance – effectively the province's largest housing program – increasingly fails to get and keep people housed.[1] Whereas a decade ago, someone could rent a room on their Ontario Works (OW) income, even the cheapest housing options on the market today cost more, on average, than the maximum monthly benefit. This is a preventable policy failure. It directly contributes to Ontario's homelessness crisis and contravenes Ontario's legal obligation under the International Covenant on Economic, Social and Cultural Rights to progressively realize the human right to adequate housing. Drawing on new records obtained from a Freedom of Information request, this analysis uses the province's own social assistance data to show that Ontario's income security policies are behind the surge in homelessness.

The Ontario government should reform the income security system to address Ontario's homelessness crisis and progressively realize the right to adequate housing. While income security investments have the most immediate effect on housing affordability, such an investment would not replace the need to also build vastly more deeply affordable housing units across the province. Maytree calls on the Ontario government to act now by investing in income security and turning the tide of homelessness in our communities.

Poverty is rising in Ontario

During the global COVID-19 pandemic, federal investments in income security drove poverty rates to an all-time low. Today, these gains have been entirely lost. Ontario's 2020-2025 Poverty Reduction Strategy has proven ineffective, with poverty rates climbing each year since the strategy's inception (see Figure 1). From 2020 to 2023, which is the most recent data available, the share of Ontarians living in poverty rose from 6.8 per cent (fewer than 1 million people) to 11.1 per cent (about 1.7 million people).[2,3] Poverty in Ontario now exceeds the pre-pandemic level of 10.9 per cent in 2019. Moreover, the gap between poverty in Ontario and

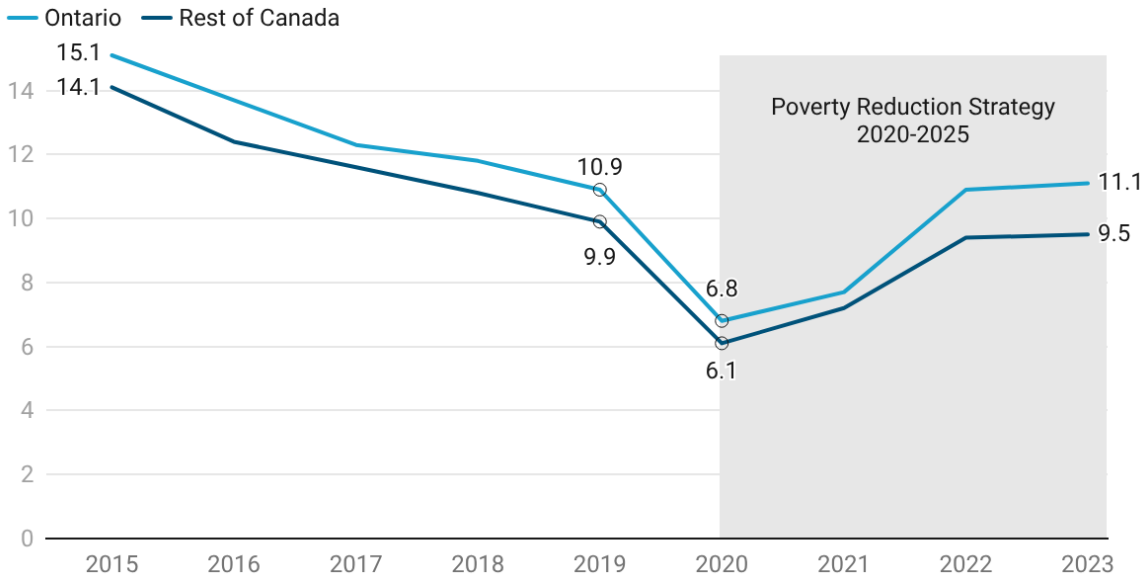
1 DiBellonia, S. & White, A. (2025). *Why income support is good housing policy: A new case for a permanent housing benefit in Canada*. Maytree. https://maytree.com/publications/why-income-support-is-good-housing-policy-a-new-case-for-a-permanent-housing-benefit-in-canada/

2 Statistics Canada. Table 11-10-0135-01 Low income statistics by age, sex and economic family type. https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110013501

3 Although a 2023-base MBM is now available, poverty data on this report is based on the 2018-base MBM for consistency with Maytree's other publications on poverty in Ontario in 2023.

the rest of Canada is growing, reflecting how provincial policy choices have made matters worse.[4]

Figure 1: Poverty rates (MBM-2018) 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. See footnote 2.

Indigenous peoples, racialized communities, and people with disabilities also face much higher poverty rates and are therefore more likely to rely on social assistance. Poverty rates in Ontario in 2023 were twice as high for Indigenous peoples (16.2 per cent) and racialized groups (15.5 per cent) as for non-Indigenous, non-racialized Ontarians (8.1 per cent).[5] Similarly, the poverty rate was 11.9 per cent for persons with disabilities compared to 8.4 per cent for those without.[6] The impact for people with disabilities is even greater than these numbers suggest, since the added cost of living with a disability is not adequately captured in Canada's official poverty measure. While the recent rollout of the Canada Disability Benefit may help, the maximum benefit of only $200 a month will not be enough to lift more than a token proportion of people with disabilities out of poverty.

4 White, A. (2025). *Poverty rising: How Ontario's strategy failed and what must come next*. Maytree. https://maytree.com/publications/poverty-rising-how-ontarios-strategy-failed-and-what-must-come-next/

5 Statistics Canada. Table 11-10-0093-01 Poverty and low-income statistics by selected demographic characteristics. https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110009301

6 Canadian Income Survey, Statistics Canada (special tabulation using the 2018-base MBM). https://maytree.com/wp-content/uploads/Canadian-Income-Survey-Statistics-Canada.xlsx

In addition, a 2023 Statistics Canada study found that poverty in Canada persists into the second and third generations for many racialized groups, including Black, Latin American, Arab, and West Asian communities.[7] These inequities go beyond income, reflecting systemic barriers in employment and wealth distribution. The patterns highlight that poverty is not a temporary condition for many but a systemic inequity that risks becoming a permanent feature in Canadian society.

Taken together, these figures make it clear that the experience of poverty is deeply unequal and entrenched along the lines of Indigeneity, race, and disability. As a result, these groups are also the most impacted by the inadequacy of social assistance and face far greater risk of homelessness, pointing to broader patterns of systemic exclusion.

Social assistance is inadequate and deepens inequities across Ontario

Behind rising poverty are social assistance rates that fall drastically short of meeting basic needs, and policies that perpetuate this trend. In 2024, the maximum monthly rate for a single adult on OW was $733, while the maximum Ontario Disability Support Program (ODSP) benefit was $1,308 – far below what a person needs to afford even the basics of living in Ontario.

Disaggregating social assistance recipients by household type, we find that, in 2024, Ontario ranked last out of all provinces for the size of the gap between the poverty line and total social assistance incomes of unattached single adults considered employable.[8] As shown in Figure 2, these single adults – who make up the majority of the OW caseload – experienced a shortfall of more than $18,000 and reached barely one-third of the poverty line.

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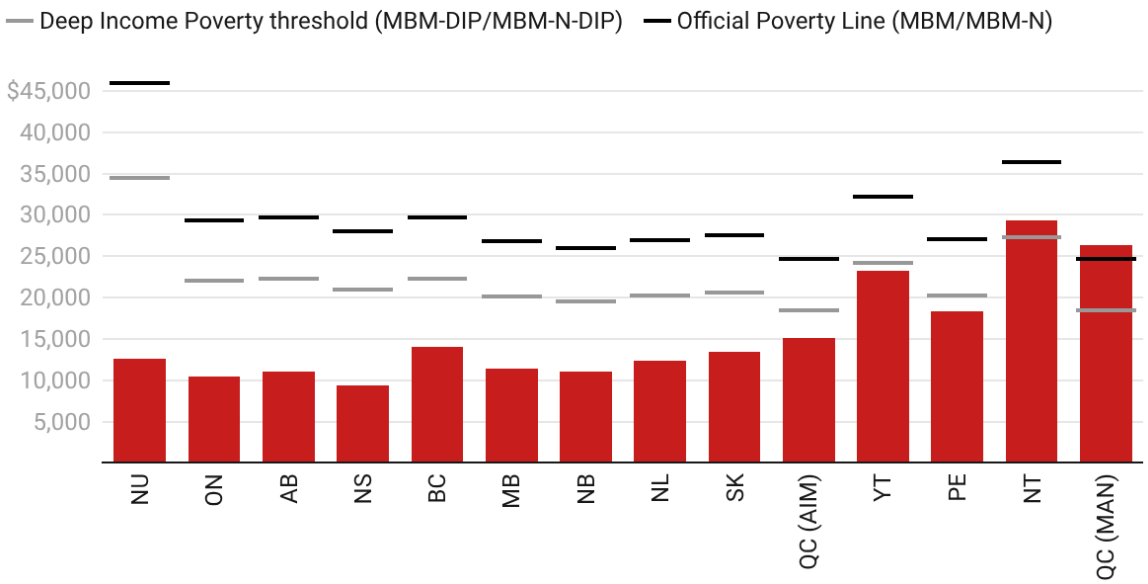
7 Schimmele, C., Hou, F., & Stick, M. (2023). *Poverty among racialized groups across generations*. Statistics Canada (No. 2563–8955). https://www150.statcan.gc.ca/n1/en/pub/36-28-0001/2023008/article/00002-eng.pdf?st=z9V8GiZE

8 Laidley, J. & White, A. (2025). *From data to action: Policy implications of Welfare in Canada, 2024*. Maytree. https://maytree.com/publications/from-data-to-action-policy-implications-of-welfare-in-canada-2024/

Figure 2: Adequacy of total social assistance incomes for unattached single adults considered employable, 2024, by distance to the MBM-2018



Source: Laidley, J. & White, A. (2025). See footnote 8.

Note: Deep income poverty (DIP) refers to having an income below 75% of Canada's official poverty line or the Market Basket Measure.

Ontario's social assistance programs remain fundamentally inadequate when measured against the real cost of living. Pandemic-era benefits showed once more that income supports are the most effective means to reduce poverty, but governments chose to end those programs and roll back those gains. Today, paltry social assistance rates leave recipients unable to achieve even basic stability in their lives.

Shelter benefits are designed to fail Ontario's social assistance recipients

OW and ODSP are each composed of two parts: an amount for basic needs and another for shelter. In 2024, for a single adult, the maximum OW shelter benefit was $390/month or 53 per cent of the total monthly allowance. For single ODSP recipients, the maximum amount was $556/month or 42 per cent of the total monthly allowance. However, recipients of these programs do not receive the full amount automatically. The shelter portion is only paid up to the amount the individual can prove they have spent on housing. For those who are unhoused or

in precarious housing situations where the amount paid for shelter is below the maximum, the recipient does not receive the full shelter benefit – or they might receive nothing for shelter at all – leaving them even further below the poverty line.

Research also shows that social assistance rules penalize family formation.[9] Social assistance benefits are reduced when couples move in together – often leaving them worse off financially, even after factoring in savings from shared rent. This creates a structural disincentive to live together, effectively forcing people to live apart and increasing pressure on already scarce rental stock. Reforming these rules could free up as many as 10,000 low-income rental units across Ontario.[10]

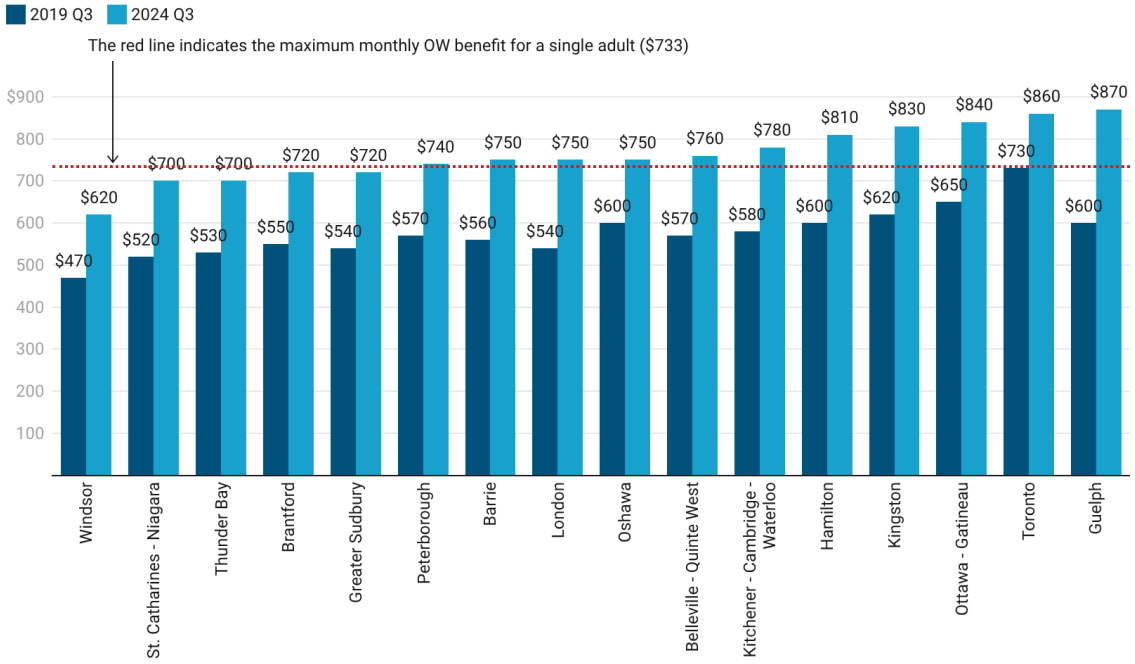
These design flaws reveal how Ontario's social assistance programs cling to outdated and unrealistic assumptions about housing costs. Between 2019 and 2024, OW monthly benefits for a single adult remained frozen at $733, while ODSP rose only modestly from $1,169 to $1,308. During roughly the same period, the average asking rent for a single room climbed from $730 to $860 in Toronto and from $567 to $756 across Ontario (see Figure 3).[11] This means a single adult on OW in 2024 could have put their entire monthly income toward renting a room and would still have fallen short. For single adults on ODSP in 2024, rents consumed two-thirds of their monthly allowance, leaving only about $478 in Toronto or $575 across Ontario to cover food, transportation, and all other basic needs.

9 Stapleton, J. (2024). Decoupled! How welfare programs force couples to live apart. (Slide deck.) *Open Policy Ontario*. https://openpolicyontario.s3.amazonaws.com/uploads/2025/06/DECOUPLED_v.1_reduced-size.pdf

10 ibid.

11 Statistics Canada. Table 46-10-0092-01 Asking rent prices, by rental unit type and number of bedrooms, experimental estimates (note that the data reflects comparison between Q3 of 2019 and Q3 of 2024). https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=4610009201

Figure 3: Change in average asking rent for a room in select Ontario cities, 2019 to 2024



Source: Statistics Canada. Table 46-10-0092-01. Asking rent prices, by rental unit type and number of bedrooms, experimental estimates. See footnote 11.

Low shelter amounts and low overall social assistance benefits are not new. For example, over the past two decades, the maximum shelter benefit for OW increased from $325 per month to $390 per month – a gain of just 20 per cent.[12,13] When adjusted for inflation, the $325 shelter allowance in 2004 would be worth about $511 today, meaning the current $390 rate leaves recipients worse off in real terms than they were 20 years ago.

Conversely, what has changed in the past two decades is the cost of housing. While data on asking rent for a room only goes back to 2019, we have data on the average market rent for a bachelor apartment in Ontario going back much further. It rose from $646 in October 2004 to $1,307 in October 2024, a staggering 102 per cent

12 Government of Ontario. (n.d.). *E-Laws: O. Reg. 134/98: GENERAL*. https://www.ontario.ca/laws/regulation/980134/v1

13 Stapleton, J. (2020). Bring back cost sharing! End 26 years of social assistance decline. *Open Policy Ontario*. https://openpolicyontario.com/2703-2/#:~:text=There%20were%20no%20social%20assistance%20increases%20in%201994%20and%201995,nominal%20increase%20over%2026%20years

increase (see Figure 4).[14] The period from 2019 to 2024 is particularly stark: Rents surged by hundreds of dollars in just five years.

Loopholes in Ontario's rent regulations have significantly exacerbated this situation.[15] For one, the Ford government's decision to exempt rentals first occupied after November 2018 from rent control leaves rent for new builds to increase at rates that are solely at the discretion of the landlord. Vacancy decontrol also drives rent increases by allowing landlords to increase rents without any limits when a tenancy ends and a new one begins. The Ontario government's recently passed Fighting Delays, Building Faster Act, 2025 (Bill 60) further erodes the safeguards that protect tenants from unfair evictions, and paves the way for landlords to use these loopholes to increase the rent.

Taken together, the result is a system where benefits fall further behind each year, pushing Ontario's social assistance recipients onto the street. As we will see in the next section, this period of rapid growth in rents corresponds to rapid growth in homelessness across Ontario.

The affordability crisis also intersects with systemic discrimination to make housing even less accessible for many marginalized renters. Renters who are racialized, newcomers, or have disabilities face systemic barriers at nearly every stage of the rental process.[16] They are less likely to receive responses from landlords, more likely to be subjected to intrusive questions and proof-of-income demands, and face higher rates of rejection and mistreatment. For those already pushed to the margins of the rental market, the inadequacy of Ontario's social assistance system compounds the exclusion – leaving people with no financial buffer to compete for scarce housing in a competitive market.

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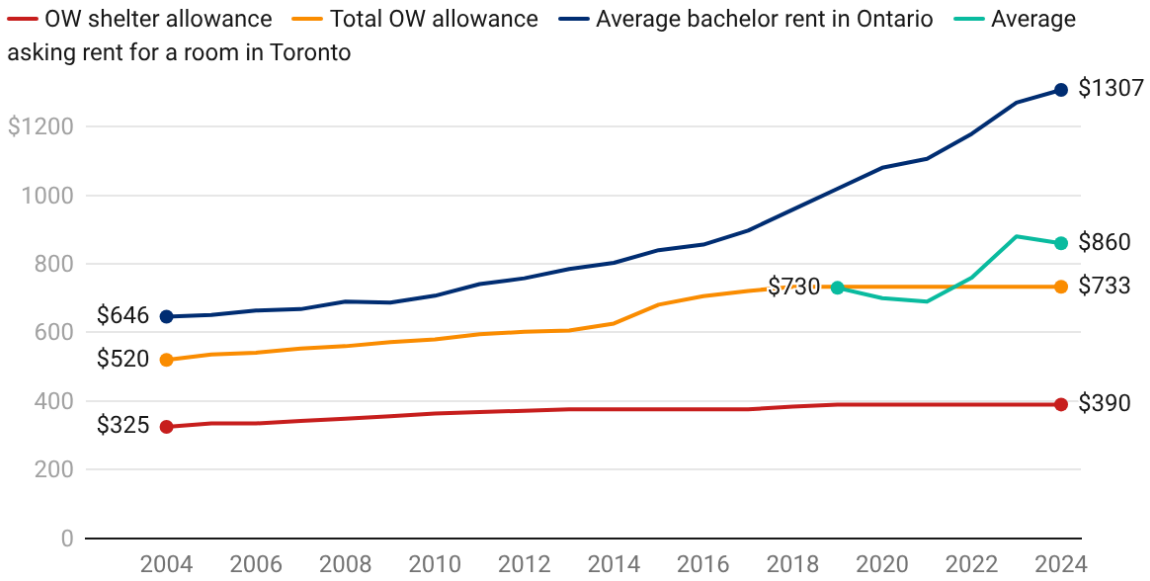
14 Canadian Mortgage and Housing Corporation. (n.d.). *Ontario – Historical average rents by bedroom type 1990 to 2024*. https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/TableMatchingCriteria?GeographyType=Province&GeographyId=35&CategoryLevel1=Primary%20Rental%20Market&CategoryLevel2=Average%20Rent%20%28%24%29&ColumnField=2&RowField=TIMESERIES

The data is from CMHC's Rental Market Survey and reflects rents as of October of each year. Averages cover the primary rental market only (purpose-built rental apartments), excluding secondary rental units such as condominiums and basement apartments. Reported rents include both asking rents and rents paid by existing tenants and therefore differ from asking-rent-only measures used elsewhere in this analysis.

15 Tranjan, R., & Vargatoth, P. (2024). *Rent control in Ontario: The facts, the flaws, the fixes*. Canadian Centre for Policy Alternatives (CCPA). https://policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2024/04/rent-control-in-ontario.pdf

16 Earle, M., Hodson, G., & O'Manique, S. (2025). *Measuring discrimination in rental housing across Canada*. Canadian Centre for Housing Rights. https://housingrightscanada.com/wp-content/uploads/2025/03/Report-Measuring-Discrimination-in-Rental-Housing-Across-Canada-M.Earle_G.Hodson_S.OManique-March-2025.pdf

Figure 4: Ontario Works (OW) benefits for an unattached single individual and monthly rent by apartment size and location, 2004–2024



Source: Compiled from Statistics Canada, Canada Mortgage and Housing Corporation, and Ontario regulations (see footnotes 11, 12, and 14).

Ontario's social assistance rules cause homelessness and entrench inequality. Instead of acting as a safety net, punitive rules and shamefully low rates force low-income Ontarians, particularly Indigenous, racialized, and disabled communities, out of stable housing and into homelessness.

The homelessness crisis is growing

The nationally coordinated Point-in-Time (PiT) homelessness counts show a grim picture of both sheltered homelessness (i.e., in emergency shelters, extreme weather shelters, domestic violence shelters, and other provided indoor spaces) and unsheltered homelessness (i.e., in streets, alleys, parks, and other outdoor locations).[17] Although these counts do not provide a breakdown by province, they show that in the one-night enumeration across 56 communities between 2018 and 2024, homelessness in Canada rose by 98.7 per cent, with the sharpest increase among people living unsheltered – up 303 per cent.[18,19]

While the Point-in-Time counts reveal how dramatically homelessness has escalated across the country, they offer only a snapshot and do not show how people move into – and remain in – homelessness in Ontario. For that, we must turn to provincial administrative data that tracks who is accessing homelessness-related services over time. In 2025, an estimated 84,973 Ontarians experienced "known" homelessness, meaning they interacted with a government initiative or program that was able to count them.[20] This increase is part of a much larger trend: From 2021 to 2025, known homelessness in Ontario rose by a staggering 49.1 per cent. Meanwhile, the number of chronically homeless, which is based on a long spell or long cumulative duration of homelessness, increased from 38,739 in 2024 to 45,111 in 2025.[21] The proportion of chronic homelessness also increased during that period, from 32 per cent to 53 per cent of all known homelessness. The rise in chronic homelessness shows that Ontario's social assistance system does not provide the rapid response or stability it was originally designed for.

In 2018 and 2024, Indigenous people made up nearly one-third of those surveyed through the PiT counts, even though they represent only 5 per cent of the

17 Housing, Infrastructure and Communities Canada. (2025). *Everyone Counts 2024 – Highlights Report Part 1 – Enumeration of Homelessness*. https://housing-infrastructure.canada.ca/homelessness-sans-abri/reports-rapports/pit-counts-dp-2024-highlights-p1-eng.html

18 Housing, Infrastructure and Communities Canada. (2022). *Everyone Counts 2018: Highlights - report*. https://housing-infrastructure.canada.ca/homelessness-sans-abri/reports-rapports/pit-counts-dp-2018-highlights-eng.html#2 Not everyone who is surveyed is enumerated. The enumeration only includes people who are spending the night in shelter, unsheltered locations and in transitional housing which is captured in a consistent way across communities.

19 Housing, Infrastructure and Communities Canada. (2025). (Footnote 17).

20 Donaldson, J., Kandyba, L., Wang, D. (2026). *Municipalities Under Pressure One Year Later: An Update on the Human and Financial Cost of Ontario's Homelessness Crisis*. HelpSeeker.

21 ibid.

population.[22,23] This is confirmed in the Ontario administrative data, which found Indigenous people represented an estimated 13.2 per cent of people experiencing homelessness province wide and 40.7 per cent of northern communities, despite making up only 2.9% of the province's population.[24] These disparities reflect systemic racism, discrimination, intergenerational trauma, and inadequate on-reserve housing.

In 2024, one in five people experiencing homelessness identified as racialized, and Black respondents were the largest racialized group, representing 17 per cent of all respondents.[25] This is consistent with evidence that Black-led households experience some of the highest rates of core housing need in Ontario, with more than one in five (21.4 per cent) struggling to find housing that is affordable, suitable, and in adequate condition in 2021.[26] This gap reflects the ongoing effects of systemic racism, where discrimination in housing, employment, and other systems combine to make it harder for racialized people, especially Black communities, to secure stable housing.

The 2024 PIT counts also looked at lived experiences of disability and health among those experiencing homelessness.[27] The challenges reported by respondents were wide-ranging, with substance use and mental health issues cited most frequently (60 per cent each), followed by illnesses or medical conditions (39 per cent) and physical mobility limitations (37 per cent). Multiple indicators were associated with a substantially higher likelihood of experiencing chronic homelessness, including substance use issues (89 per cent), mental health conditions (86 per cent), or acquired brain injuries (89 per cent). The evidence reflects a vicious cycle that plays out: Having a disability or health challenge increases the likelihood of experiencing unsheltered or chronic homelessness, and prolonged homelessness in turn worsens existing health conditions, making exits from homelessness increasingly difficult.[28,29]

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22 Housing, Infrastructure and Communities Canada. (2025). (Footnote 17).

23 Housing, Infrastructure and Communities Canada. (2022). (Footnote 18).

24 Donaldson, J., Kandyba, L., Wang, D. (2026). (Footnote 20).

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

26 ibid.

27 Housing, Infrastructure and Communities Canada. (2025). (Footnote 17).

28 Homeless Hub. (n.d.). *Health and homelessness*. https://homelesshub.ca/collection/homelessness-101/health/

29 Housing, Infrastructure and Communities Canada. (2024b). *Homelessness data snapshot: Mental health, substance use, and homelessness in Canada*. https://housing-infrastructure.canada.ca/homelessness-sans-abri/reports-rapports/mental-health-substance-use-sante-mentale-consom-substances-eng.html

Across the 2020-2022 and 2024 cycles, the most frequently identified reason for housing loss was insufficient income.[30,31] This underscores the need for policies that integrate income supports, health care, and housing solutions rather than treating them in isolation.

The growth of chronic homelessness – particularly among marginalized groups – signals that our systems are failing. As the housing market pushes more people into homelessness, social assistance does not offer any real pathway out of it. On the contrary, the design of social assistance pushes people into homelessness.

Ontario's social assistance system fuels homelessness

Having documented rising poverty and homelessness and explored how Ontario's social assistance rates are too low for recipients to find housing, it is time to connect the dots.

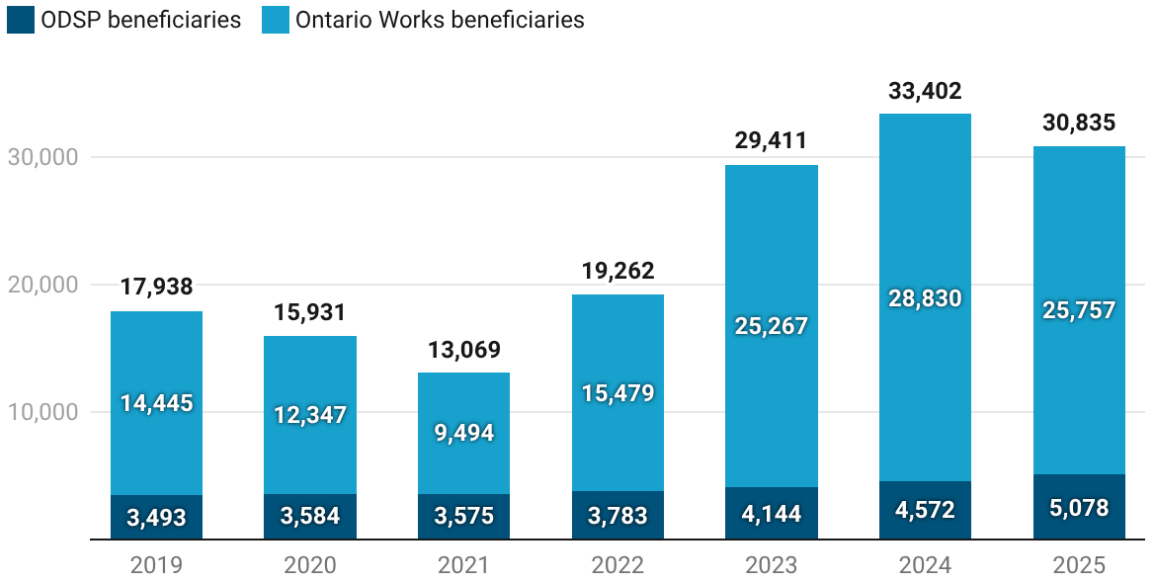
New data obtained by Maytree through a Freedom of Information request provides the clearest picture yet of how Ontario's social assistance system is driving rising levels of homelessness. The data, which is available for download on Maytree's website, shows that as of July 2025, more than 30,000 people on OW and ODSP were experiencing homelessness – an increase of 72 per cent since July 2019 (see Figure 5).[32]

30 Housing, Infrastructure and Communities Canada. (2024). *Everyone Counts 2020-2022 – Results from the Third Nationally Coordinated Point-in-Time Counts of Homelessness in Canada.* https://housing-infrastructure.canada.ca/homelessness-sans-abri/reports-rapports/pit-counts-dp-2020-2022-results-resultats-eng.html

31 Housing, Infrastructure and Communities Canada. (2025). (Footnote 17).

32 Data received from the Ministry of Children, Community and Social Services in November 2025 and available for download on the Maytree website. https://maytree.com/wp-content/uploads/Ontario-Works-and-ODSP-Beneficiaries-Experiencing-Homelessness-January-2019-August-2025.xlsx

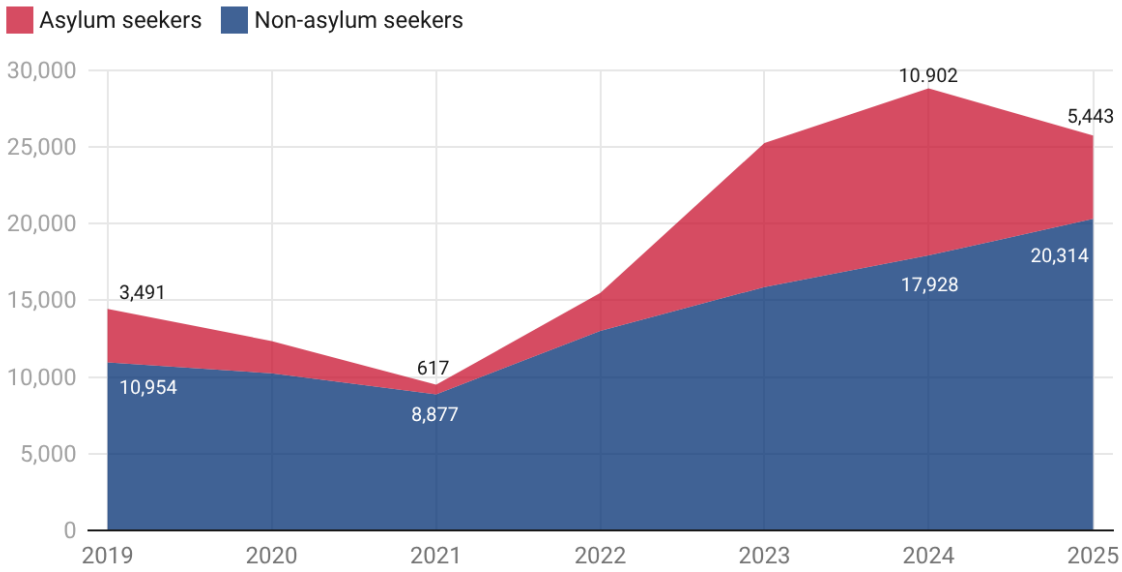
Figure 5: Ontario Works and ODSP recipients experiencing homelessness in July of each year



Source: Ministry of Children, Community and Social Services. See footnote 32.

While the number of unhoused OW recipients decreased slightly in the past year, this is entirely due to volatility resulting from the recent influx of asylum seekers. As seen in Figure 6, when we distinguish unhoused asylum seekers from other unhoused OW recipients, two very different trends emerge.

Figure 6: OW recipients experiencing homelessness in July of each year by status as an asylum seeker



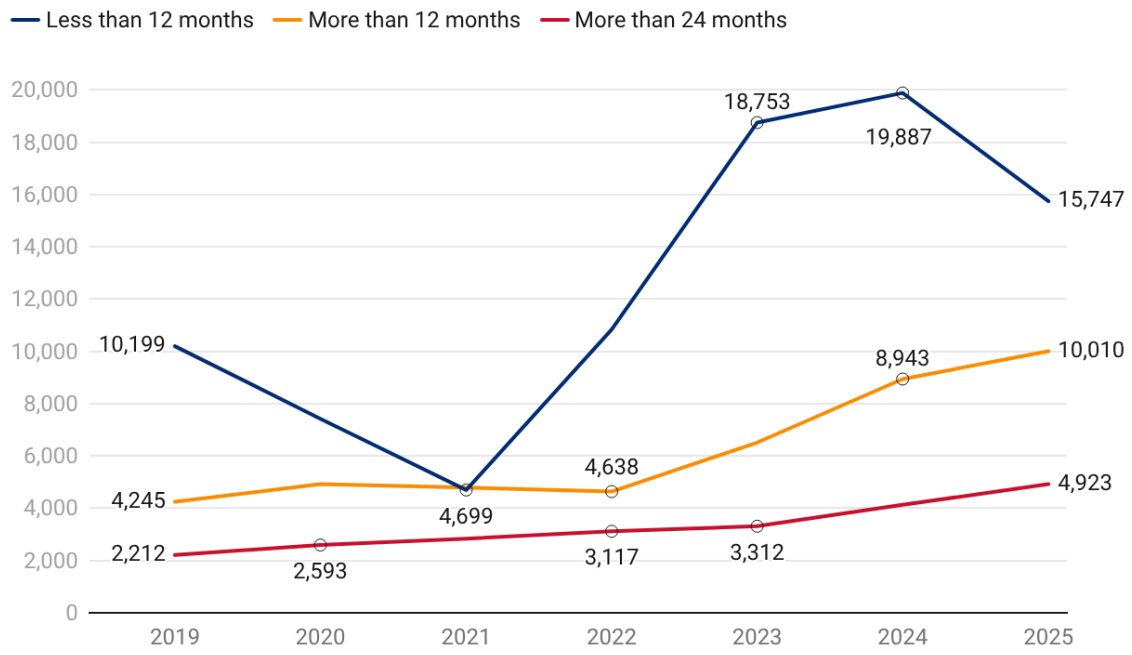
Source: Ministry of Children, Community and Social Services. See footnote 32.

Asylum seekers represented about 25 per cent of unhoused OW recipients in July 2019, rising to almost 40 per cent in 2023 and 2024, and decreasing again to about 20 per cent in July 2025 (though the absolute number of unhoused asylum seekers remains elevated). These trends align with the record number of asylum claims Canada recorded in recent years, and they are consistent with administrative data showing more asylum seekers in Ontario have been forced into homelessness and are remaining homeless for longer periods.[33] The federal and provincial governments no longer offer sufficient support to keep asylum seekers housed while in Canada.

Looking at those who are not asylum seekers, a different trend emerges: The number of unhoused OW recipients has climbed steadily since the COVID-19 pandemic and shows no signs of abating. When we remove the volatility in the number of asylum seekers, the underlying trend is as clear as it is disturbing.

The situation is particularly dire for those who have received OW benefits for more than one year. As Figure 7 shows, the number of unhoused recipients in this group, including asylum seekers, has more than doubled from 4,245 in July 2019 to 10,010 in July 2025, a 136 per cent increase. Far from stabilizing lives and helping people escape poverty, reliance on OW is increasingly a homelessness sentence.

Figure 7: OW recipients experiencing homelessness in July of each year by length of time on the program



Source: Ministry of Children, Community and Social Services. See footnote 32.

33 Donaldson, J., Wang, D., Escamilla, C., & Turner, A. (2025). (Footnote 25).

Looking at household structure, unattached single adults are driving the overall increase in unhoused OW recipients. In July 2019, 8,830 single adults on OW were homeless, representing 61 per cent of unhoused OW recipients.[34] By July 2025 the number of unhoused single adults on OW had more than doubled to 17,973, making up 70 per cent of all unhoused recipients. This pattern is consistent with the fact that unattached single adults receive the lowest benefits, tend to remain on social assistance for longer periods, and experience the highest poverty rates and greatest depth of poverty.[35,36]

Turning to regional trends, the increase in homelessness among OW recipients is a province-wide phenomenon. Except for Thunder Bay, every single municipal service manager has seen an increase in unhoused OW recipients, regardless of the specifics of the local housing market or other regional characteristics. Most communities have seen the number of unhoused OW recipients at least double since 2019, with some seeing a quadrupling or more. The absence of clear regional differences suggest geography or community factors cannot explain the rising rates of unhoused OW recipients. When OW rates are deeply insufficient everywhere, homelessness grows everywhere.

Given the inadequacy of social assistance, the poor design of shelter benefits, and the rapid rise in rent, it is not surprising that Ontario is seeing a surge in homelessness among social assistance recipients. It is entirely predictable.

One tool that helps explain this growing crisis is the Homelessness Income Cut-Off (HICO).[37] Developed specifically to determine whether income supports are adequate for preventing homelessness, the HICO measures the point at which people are no longer able to retain housing even after moving to cheaper units, crowding their living space, and reducing spending on food and other essentials. Importantly, the HICO is much lower than the poverty line and is not a standard for which we should aim. Rather, it reflects the *lowest possible threshold* at which homelessness can be avoided – a kind of worst-case scenario where every coping strategy has been exhausted. Using this measure, the HICO in Toronto is roughly $1,477 per month, while OW and ODSP rates are only $733 and $1,308 per month. As the HICO shows, OW and ODSP rates are not only below the poverty

34 Data received from the Ministry of Children, Community and Social Services in November 2025. (Footnote 32).

35 Laidley, J & White, A. (2025). (Footnote 8).

36 Statistics Canada. (2025, February 6). *Deep income poverty: Exploring the dimensions of poverty in Canada*. https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2025001-eng.htm

37 Kneebone, R., & Wilkins, M. (2024). The Homelessness Income Cut Off. *School of Public Policy Publications*, *17*(1). https://doi.org/10.55016/ojs/sppp.v17i1.79453

line, they are also below even the minimum survival income a person needs to avoid homelessness.

When the math makes clear that OW recipients are unable to afford to rent a room in communities across Ontario, the crisis cannot be explained away by blaming individual circumstances or personal failings. It is the predictable outcome of a system that locks people into poverty and homelessness by design.

The effects ripple far beyond the individuals directly affected. Municipal shelter systems are stretched to capacity, emergency funding streams are constantly under strain, and encampments have become a visible and permanent feature in many Ontario cities. In sectors like health care, policing, corrections, and social services, the cost of managing homelessness far exceeds what it would take to prevent it in the first place.[38] For people accessing social assistance, the consequence is a loss of the stability Ontario's social assistance system was designed to protect, but now actively undermines.

The provincial government's response has been inadequate

While the data points to income security policy as both a cause and a potential solution to Ontario's homelessness crisis, there is no evidence the government recognizes this or intends to act accordingly. In addition to obtaining homelessness data, Maytree submitted a second Freedom of Information request to the Ministry of Children, Community and Social Services seeking any briefing materials provided to the Deputy Minister in the past two years that explore the relationship between social assistance rates and rising homelessness in Ontario. We received a concerning response: "Access cannot be provided as no records exist."

Meanwhile, the government's 2020-25 Poverty Reduction Strategy made no meaningful investments in income security, instead suggesting that employment will be everyone's pathway out of poverty.[39] As Maytree has argued, this assumption is not supported by evidence.[40] Moreover, the data we obtained on unhoused OW

38 Donaldson, J., Kandyba, L., Wang, D. (2026). (Footnote 20).

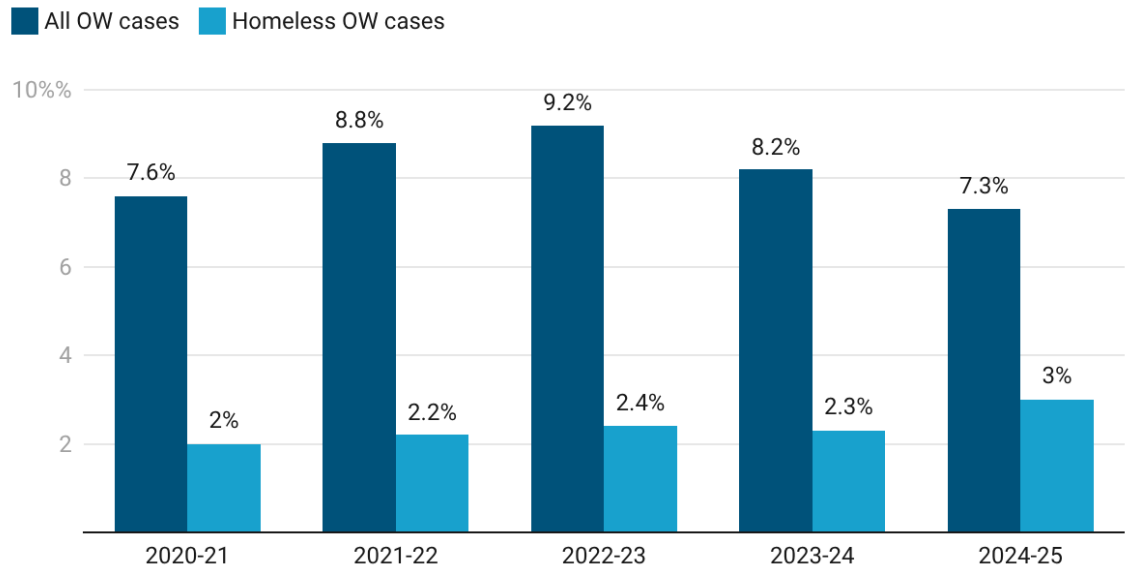
39 Ministry of Children, Community and Social Services. (2020). *Building a strong foundation for success: Reducing Poverty in Ontario (2020-2025)*. https://www.ontario.ca/page/building-strong-foundation-success-reducing-poverty-ontario-2020-2025

40 Caballero, M. & White, A. (2025). *Learning from our mistakes: Ontario needs more than an employment strategy to address rising poverty*. Maytree. https://maytree.com/publications/learning-from-our-mistakes-ontario-needs-more-than-an-employment-strategy-to-address-rising-poverty/

recipients further underscores the flaws in the provincial government's approach. As shown in Figure 8, only about 7 to 9 per cent of all OW recipients report employment earnings in a given month, but this drops to 2 to 3 per cent among those who are homeless.[41]

The gap is not surprising: Working while homeless is exceptionally difficult, making sustained employment – and especially full time, consistent earnings – far less attainable. Low employment earnings among homeless OW recipients reflect not a lack of effort, but the severe constraints created by homelessness itself. If the government hopes to promote participation in the labour market, it should start by creating the conditions for adequate housing for all.

Figure 8: Average monthly proportion of Ontario Works (OW) cases with employment earnings by year and housing situation



Source: Ministry of Children, Community and Social Services (see footnote 32) and data from Maytree's annual Social Assistance Summaries (see footnote 41).

The government's fixation on employment is especially damaging for marginalized communities who face discrimination that limits their access to decent jobs. The workplace is the most common site of discrimination, with nearly half of Black respondents reporting unfair treatment.[42] Similarly, employment rates for persons

41 Oliveira, T. (2025). *Social assistance summaries, 2025*. Maytree. Forthcoming.

42 Statistics Canada. (2024, May 16). *The Daily — Half of racialized people have experienced discrimination or unfair treatment in the past five years*. https://www150.statcan.gc.ca/n1/daily-quotidien/240516/dq240516b-eng.htm

with disabilities remain about 15 points lower than for those without.[43] Even when employed, racialized and disabled workers are overrepresented in low-wage jobs – with racialized workers twice as likely as white workers to earn below two-thirds of the median wage.[44] At $17.60/hour, Ontario's minimum wage falls far short of both the living wage in the GTA ($26/hour) and the $38/hour needed to rent a modest one-bedroom unit in Toronto.[45,46,47]

As for supply-side housing solutions, the government is prioritizing the criminalization of homelessness through the Safer Municipalities Act, 2025 (Bill 6) rather than investing in deeply affordable and supportive housing. Adjusted for inflation, Ontario's housing and homelessness spending in 2024 was about the same as a decade ago, despite escalating need.[48] The provincial government has also shifted most available resources away from building housing to funding emergency measures: In 2024, nearly two-thirds of provincial homelessness program funding went to shelters and other attempts to address the symptoms of the problem. This overreliance on emergency responses demonstrates that Ontario is underinvesting in solutions, even as social assistance programs are creating and sustaining homelessness in the first place.

43 Disability Inclusion Business Council. (2024). *Bridging the Gap – Report on Disability Inclusion in Canadian Workplaces*. Government of Canada. https://www.canada.ca/en/employment-social-development/corporate/disability-inclusion-business-council/report-bridging-gap.html

44 Scott, K. (2025). *Still struggling: Racialized workers in the post-pandemic labour market*. Canadian Centre for Policy Alternatives. https://www.policyalternatives.ca/news-research/still-struggling-racialized-workers-in-the-post-pandemic-labour-market/#:~:text=The%20gains%20reported%20by%20some,then%20the%20larger%20labour%20market.

45 Tranjan, R. (2025, October 5). Here comes the new minimum wage – with the same problem as the old one. *Toronto Star*. https://www.thestar.com/opinion/contributors/here-comes-the-new-minimum-wage-with-the-same-problem-as-the-old-one/article_efa60624-4075-407c-b366-9cb9a2c0ffeb.html

46 Ontario Living Wage Network. (2024). *2024 rates*. https://www.ontariolivingwage.ca/rates

47 Lee, M., & Macdonald, D. (2025). *Making Rent: The CCPA's rental wage update 2024*. Canadian Centre for Policy Alternatives. https://www.policyalternatives.ca/news-research/making-rent-the-ccpas-rental-wage-update-2024/

48 White, A. (2025). *Provincial spending on housing and homelessness in Ontario*. Maytree. https://maytree.com/publications/provincial-spending-on-housing-and-homelessness-in-ontario/

A rights-based approach can lead the way

Housing is a human right. Yet today, decades of poor policy choices have forced thousands of Ontarians into government-sanctioned poverty and homelessness. This is a choice. We can choose another path.

The scale of the crisis is growing. The Association of Municipalities of Ontario warns that, without major intervention, homelessness could more than triple by 2035. Meanwhile, emergency shelters are near capacity, encampments have become permanent features of cities, and the financial costs of emergency response now exceed what prevention would require. Ontario cannot continue to create homelessness through poor social assistance policies and then criminalize those who are displaced because of them.

The Ontario government must take decisive action to reform the social assistance policies that are fuelling homelessness in this province, and focus on building a strong, dignified income security system that supports people to escape poverty.

Recommendations

OW and ODSP are not inadequate by accident – they are designed around outdated, employment-first assumptions that keep rates low regardless of actual living costs, including housing. As a result, these programs deepen poverty and homelessness instead of preventing them, often at a great economic and human cost to society. To uphold human rights and ensure that all Ontarians can live with dignity, Ontario must take urgent action.

We urge the Ontario government to:

- **Protect human rights**: Make sure Ontario's social assistance system supports the progressive realization of every person's basic human right to an adequate standard of living, as Canada and Ontario committed to under the International Covenant on Economic, Social and Cultural Rights.
- **Address the systemic causes of poverty**: The next Poverty Reduction Strategy must include measures to fix the systems that create and sustain poverty, particularly among marginalized communities. Poverty is the predictable result of systems – such as Ontario's education, employment, health, and housing systems – that keep hundreds of thousands of Ontarians in poverty.

- **Ensure income supports are adequate:** The province must commit to providing adequate income supports, and to raising income supports so that everyone can afford a roof over their head.
- **End shelter benefit clawbacks:** Eliminate the rule that ties shelter benefits to actual rent paid, which reduces or cuts off support for those who are unhoused or paying below the maximum allowance.
- **Expand non-market housing:** Prioritize expanding deeply affordable and supportive housing supply to match the scale of need. Set targets and timelines, with provincial capital funding and operating supports, to achieve this goal.
- **Confront systemic discrimination:** Enforce the anti-discrimination provisions of the Ontario Human Rights Code in both employment and housing, and ensure poverty reduction and income security policies are informed by evidence of ongoing systemic discrimination in these areas.

77 Bloor Street West, Suite 1600, Toronto, Ontario M5S 1M2 | www.maytree.com