

Somewhere to Live or Something to Eat: Housing Issues of Food Bank Clients in the GTA

Summary of Key Findings:

Three significant policy decisions have impacted negatively on housing affordability for food bank clients (see pages 2-5):

- 1) Disinvestment in income security programs since 1993 (social assistance and minimum wages).
- 2) Elimination of national affordable housing program in 1993 and cutting of affordable housing funding in Ontario since 1995.
- 3) Partial elimination of rent controls in 1998 through the Tenant Protection Act.

Percentage of income spent on rent for food bank clients in market housing is at crisis levels (see page 12)

- Percentage of income spent on rent has increased from **58.6% in 1990 to 75.3% in 2004**: this represents approximately **130,000 people**, or roughly **50,000 families** in the GTA who use food banks and rent market-priced housing (the average food bank income is just **\$11,160** annually).
- The percentage of income spent on rent took two significant jumps in the last 14 years: one after welfare rates were cut 21.6% in 1995, the other when rents jumped in 2000-2001, shortly after the Tenant Protection Act became law.
- **30%** is considered a healthy percentage of income spent on housing costs, **50%** is considered at risk of homelessness.

Lack of rent controls has negatively impacted food bank clients (see pages 8-9)

- In 1998 when the Tenant Protection Act became law, the average food bank rent was **\$600** per month, this increased to \$700 by 2003, and remained **\$700** in 2004. This compares to the average rent in the Toronto CMA of **\$808** in 1998, rising to **\$964** in 2003 (the most recent figure).
- Since 1998 food bank rents increased **16.7%**, exceeding the rate of inflation for the same period of **12.6%**.
- The rate of increase of food bank rents took a considerable jump of **8.9% in 2000-2001**, two years after the province's Tenant Protection Act was implemented.

Percentage of Income Spent on Rent by Family Type (2004):

Couples with children: **68%**.

Single parents: **67%**.

Couples with no children: **74%**.

Singles with no children: **75%**.

Housing costs, not unemployment driving food bank use (see page 14)

- The previous high for food bank use was **165,000** people per month used in 1993 when unemployment in the Toronto CMA registered **11.4%**.
- Since 2000 food bank use rose dramatically, despite relatively stable rates of unemployment in the Toronto CMA. Food bank use in the GTA in 2004 is **175,000** people per month at an unemployment rate of **7.5%** so far, eclipsing the previous high. 2000 was the same year rents for food bank clients rose by **8.9%**.

Children living in overcrowded housing (see pages 6-7)

- At least **20,000 children** in the GTA are living in overcrowded conditions
- **32%** of single parents live in a bachelor apartment or single-bedroom accommodation;
- **31%** of couples with children live in a bachelor apartment or single-bedroom accommodation.

Food bank clients fare better in subsidized housing (see pages 16-17)

- Food Bank clients in market rental housing earn **22% more** income than clients in subsidized housing, but pay **198% more** in rent.
- **82%** of food bank clients in subsidized housing visit food banks less than every two weeks. **75%** of food bank clients in market housing visit food banks less than every two weeks.
- **35%** of food bank users in subsidized housing have stopped using food banks for a period of 2 years or more. Only **17%** of food bank users in market housing can say the same thing.
- **18%** of food bank clients are on a waiting list for social housing.

Recommendations (see pages 18-20)

- Income is at least as important to the affordable housing problem as building new affordable units. Governments should debate the pressing need for income security modernization as part of the solution to the affordable housing problem.
- Housing affordability programs should be sensitive to the asset poverty of low-income people.
- Solutions such as rent supplements require stricter rent controls to ensure effectiveness.
- Governments need to continue investing in affordable housing construction.