

**The Salvation Army's Pre-Budget Consultation Submission in
Advance of the 2017 Budget**

Executive Summary

The Salvation Army in Canada is grateful for the opportunity to share with you some of our experiences with Canadians in the past year in the hope that it will help inform the development of the 2017 federal budget.

Last year The Salvation Army helped over 1.8 million vulnerable people in Canada. That means that every 1.7 seconds a Canadian seeks our assistance. The Salvation Army has undertaken consultations across the country to identify challenges and concerns facing individuals who access our services. Three key areas emerged: homelessness, hidden poverty and older Canadians. This submission provides a very brief look at those concerns and highlights some recommendations that may assist in alleviating some of the associated pressures.

Those experiencing homelessness in Canada face many barriers in accessing stable, affordable and safe housing. As the Housing First plan attempts to remove some of these barriers, we submit that this approach should also include funding for emergency shelters as they provide immediate support and safety for some of the most vulnerable and marginalized people in Canada. While many people have a perception of what poverty looks like, we recognize that many individuals and families experience hidden poverty, which is not necessarily obvious. This can include parents skipping meals so as to allow their children to eat, not being able to pay all the household bills every month, or having to forgo basic necessities such as purchasing appropriate winter clothing. We encourage the government to look beyond the needs of the middle class and to focus more attention on those who struggle daily to make ends meet.

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About The Salvation Army

The Salvation Army is an international Christian organization that began its work in Canada in 1882 and has grown to become one of the largest direct providers of social services in the country. The Salvation Army gives hope and support to vulnerable people today and every day in 400 communities across Canada and in more than 127 countries around the world. The Salvation Army offers practical assistance for children and families, often tending to the basic necessities of life, providing shelter for homeless people and rehabilitation for people who have lost control of their lives to an addiction.

Introduction

This submission is based on a series of consultations with Salvation Army services across the country held over the last two years. Together they paint a picture of our country's most vulnerable and disadvantaged citizens, who face significant challenges to become part of the "middle class".

Today Salvation Army churches, community service programs and social service centres are active in more than 400 urban, regional and rural communities across the country. These programmatic responses range from frontline emergency support services and targeted interventions, through to more generalist life stage programs.

This year, our consultations highlighted three areas of concern that, without adequate support, are likely to remain entrenched in our communities:

1. Homelessness
2. Hidden Poverty
3. Low-income Seniors

This submission explores some of the challenges facing each of these areas, as well as pointing the way to achievable, practical solutions. The aim here is not to outline a comprehensive, infallible program designed to solve all of the issues, but rather to identify genuine concerns raised by communities across the country. While we recognize addressing these concerns will come at a cost, in each case the investment in dealing with them is more effective than doing nothing. Ignoring these social challenges only exacerbates and further entrenches disadvantage, resulting in higher costs in health care, policing, and justice.

Homelessness

On any given night in Canada over 30,000 people are homeless.¹ The Salvation Army provides over 5,600 shelter, addictions, detox and mental health beds across the country for vulnerable men, women and families. Housing First envisions ending homelessness and eliminating or significantly reducing the need for emergency shelter services. The Salvation Army would welcome a world in which homelessness no longer exists, and we see ourselves as partners in helping to achieve this vision. The reality in most Canadian cities, however, is that shelter occupancy rates are high: 70% of Salvation Army shelters have an average occupancy rate above 90%.²

Emergency shelters continue to play an important role as an emergency response and entry point into the system to allow for persons to access service and experience safety.

Across Canada, rental vacancy rates are dropping, affordable housing stock is being lost as low-income neighbourhoods are gentrifying, and social assistance rates and minimum wages are not adequate to secure housing stability. Until these structural issues are addressed, we can expect that shelters will continue to have a role in providing people in crisis with immediate access to shelter and supports.

Salvation Army services face significant challenges in supporting individuals' transition away from homelessness, especially those who experience chronic and episodic homelessness, due to the extremely limited availability of affordable housing. Availability of appropriate affordable housing is critical to meeting the goals expected in a Housing First approach. In order to be successful, all homeless-serving systems including emergency shelters, transitional housing, case management, and outreach services will need to be realigned and guided by Housing First principles.

By the numbers:

- The average life expectancy of Canadians is 81 years. The average life expectancy of someone experiencing homelessness in Canada is 39 years
- About 1 in 7 users of shelters is a child
- In Toronto, there were 5,219 people who were homeless in 2015. Half of the homeless population were on wait lists for affordable housing during the same period

Recommendations:

1. The federal government recognize the role emergency shelters and transitional housing plays as an entry point in the spectrum of services needed by homeless and vulnerable individuals across Canada.
2. In partnership with provincial and territorial governments, develop an affordable housing strategy that includes increasing the number of social housing units.

¹ The Homeless Hub, 2013. <http://homelesshub.ca/about-homelessness/homelessness-101/how-many-people-are-homeless-canada>

² HTT Report

Hidden Poverty

Statistics measuring poverty in Canada remain stubbornly consistent. Currently, estimates indicate that approximately one in 10 Canadians live in poverty.³ Poverty in Canada is often associated with those living on the street or in shelters, but, this is not always the case. The face of poverty in Canada is changing; more working people, students, and seniors are accessing services to avoid dire situations. Recent studies suggest that more than three million Canadian families are living in unaffordable and unsuitable housing conditions.

By the numbers:

- **1 in 5 Canadians skip meals to make ends meet**
- **This summer over 900,000 people will access food banks in Canada**
- **600,000 Canadian children live in poverty**

For many Canadians their experience with poverty is not always visible to their neighbours, friends and even some families. In Canada, one in five households experience extreme housing affordability problems, with one quarter of households paying more than they can afford for housing.⁴ As mentioned in the previous section, the lack of affordable and suitable housing across Canada is having serious and negative consequences. This is especially evident when looking at availability of affordable housing for families. Every day The Salvation Army works with

people who are forced to make difficult decisions because they cannot meet all of their financial obligations.

Poverty can determine educational achievements and opportunities, health outcomes, and overall community wellbeing. Not only does poverty have an individual and community impact, it also costs Canada between \$72 billion and \$84 billion annually.⁵

Identifying ways to combat and/or reduce the impacts of poverty is challenging. Poverty has such widespread impacts on individuals, families, communities and countries that developing a plan often appears too daunting, especially if previous efforts have not yielded results. The Salvation Army has found that working directly with those impacted by poverty and listening to their concerns can help meet their immediate needs but also highlight solutions that will address real problems and not just those that appear to exist.

Recommendations:

1. **Work with provincial and territorial governments to develop a national poverty reduction plan.**
2. **Develop a program to consult with people experiencing poverty to help identify problems and possible solutions to address them.**

³ Just the Facts, 2016. <http://www.cwp-csp.ca/poverty/just-the-facts/>

⁴ Housing For All, 2016 <http://housing4all.ca/stats>

⁵ Just the Facts, 2016.

Low-income Seniors

Across the country Salvation Army services are seeing an increase in those over the age of 55 accessing the full range of services offered by our units. Shelters, foodbanks, and other community services are all noting a significant increase in older adults needing assistance.

Seniors are often considered to be some of the most financially advantaged groups in our country, however, a large subset of those facing difficult financial futures exists as well and are often forgotten about in service provision and policy. A recent study suggests that even when accounting for seniors' total net worth, including housing assets, only 28 per cent of Canadian seniors without employer pensions have five years' worth of replacement income saved. As a result, a large number of Canadians at risk of becoming homeless, experiencing poor health outcomes and facing difficult financial challenges in the coming years.

By the numbers:

- Nearly 15% of elderly single individuals live in poverty
- Nearly 2 million seniors receive the guaranteed Income Supplement, and live on about \$17,000 per year, well below the most basic standard of living here in Canada which is priced at \$18,000 per year for a single person
- 28.5% of single older adults in Canada are considered low-income

The adequacy of current retirement income entitlements to meet the housing and living costs of this growing group of older tenants is already being tested. In many communities across the country, the cost of housing is rising every year, placing a greater number of older Canadians at risk. Evidence of this pressure is available in the rising number of older Canadians accessing emergency sheltering services, foodbanks and other services. Forecasts suggest that this current demand is a tip of an iceberg, with this demand rising as younger baby boomer cohorts reach retirement age.

The housing needs of low and modest income older people often fall into the margins of the housing market. This is in part because meeting their needs is not particularly profitable, especially against what appear to be far more lucrative investments in retirement complexes and lifestyle villages that are aimed at wealthier seniors. This marginality is also a result of the complexity involved in meeting or at least partially addressing the social needs of those being housed. This is especially so as a person ages; their independence diminishes and they have fewer resources to fund their care personally. Tasks such as grocery shopping, attending to finances and keeping house may not be possible for seniors facing mobility or mental health limitations.

Recommendations:

1. That the guaranteed Income Supplement be reviewed as a matter of urgency with a view to addressing shortcomings in the level of assistance provided and to better meet the income and housing needs of low and modest income older people.
2. The federal government engage provincial and territorial governments, so that a residential care strategy will be prepared and backed with sufficient budgets to ensure adequate provision of aged care facilities over the next ten years.

Conclusion

This submission has focused on a few of the issues facing seniors, those living in poverty and those experiencing homelessness. At a time when Canada's most vulnerable and marginalized citizens need our help the most, the services currently available to these groups are too few and too inadequately resourced.

We want to see a future where homelessness is all but eliminated because everyone has access to a safe and affordable home; where seniors are part of a community and living on incomes above the basic standard; and where individuals and families are not forced to skip meals in order to pay their rent or bills.

Addressing these issues will not fix all the problems in our country, but they are steps towards a better system. If we are able to move towards this, money will be freed up from crisis responses and can be used to fund more initiatives that prevent disadvantages.

Every year the federal budget gives the government a chance to make a statement about what sort of society we, as Canadians, want to live in. That vision can be reached by making incremental but significant changes to our systems and continuously improving them based on what we know works.

Thank you for the opportunity to share a bit of our experience with you on this important issue. We would welcome the opportunity to discuss these issues and others that arose during our consultations.