



# POVERTYREDUCTIONSUMMIT

every city, province & territory working together

OTTAWA, ON | MAY 6-8, 2015

## MEMO TO THE MAYORS OF CANADA

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“...we need to think carefully about how best to proceed in this powerful wave of poverty reduction work.”

Congratulations! You've been noticed! The country is finally waking up and realizing that all roads lead to you (literally).

At last, there is growing recognition of the crucial role that cities play in contributing to the economic and social health of the nation. Cities are starting – albeit slowly – to get the respect they deserve from both citizens and senior levels of government.

The participants in the Poverty Reduction Summit have long recognized your worth. We have been singing your praises for quite some time. We have always appreciated the value of community interventions in tackling poverty and enhancing the quality of life.

There is growing strength among cities themselves. There are now 47 members in the Vibrant Canada network of cities reducing poverty. We are encouraged that more cities are developing formal strategies that will guide their poverty reduction initiatives. We look forward to being partners in this process.

Of course, there is only so much that cities can do when it comes to reducing poverty. Your hands are tied by both mandate and lack of resources.

That's why we need to think carefully about how best to proceed in this powerful wave of poverty reduction work. We need to be strategic in our choices, which admittedly is quite a challenge given the wide range of areas in which to become involved.

Cities alone will not be able to achieve the national goal of one million Canadians out of poverty. The federal and provincial/territorial governments do the heavy lifting when it comes to tackling poverty. They have the key policy levers and the revenue-raising capacity to make a significant dent in this problem.

More on their roles shortly. For now, let's focus on you. Cities have many of the required weapons to fight the war on poverty.

Your discussions in Council often focus on the city centre. Our concern is cities at the centre of the policy agenda.

There is growing awareness that cities fuel the engines of national economies. Cities have long played this role. But the complexity of the challenges has increased. With globalization, major urban centres now must act as world-class players on the global stage in search of talent.

Cities need to attract and retain skilled people. They need to provide amenities that will make them desirable both at home and abroad. Clean environment. Healthy business climate. High-quality services. Cultural vibrancy.

As if there were not enough to do, cities face tough social challenges. Unemployment, homelessness, drug abuse, mental health issues and domestic violence, to name a few. Many Canadian cities have seen growing income polarization and the spatial concentration of low income in some neighbourhoods.

And let's be honest: Cities have had to pick up the slack when senior levels of government cut back on their programs and services. In some urban centres, fewer than half of the unemployed are now eligible for federally-delivered Employment Insurance.

Immigration to Canada and population shifts within the country – from rural to urban areas and from reserve to city – have also created new social needs. Affordable housing, employment opportunities, settlement assistance, language training and recognition of credentials acquired offshore, to name a few.

Growing diversity in some urban centres has created tensions rooted in the 'racialization' of poverty and associated social exclusion.

The good news is that there are many actions cities can take to tackle these social challenges and to reduce poverty, more specifically. There are a number of powerful policy levers at your disposal.

Even better news: There is stellar work already under way in many parts of the country. Unfortunately, there is not enough space to name names. But many of you will recognize yourselves in this discussion.

The challenge is to find the right platform to help you tell your story. Imagine what our cities and country would look like if we were to harness and apply, where appropriate, everything you are doing right.

All your great ideas would add up to one big minus – in the poverty numbers in Canada.

We thought it would be helpful to make sense of this big list by grouping them into five major categories of actions you can take. **Designing for livability. Engaging citizens. Fostering social capital. Reducing costs. Leading by example.**

We present illustrative ideas only. The list is not exhaustive.

“There is growing awareness that cities fuel the engines of national economies.”

# #1 DESIGNING FOR LIVABILITY

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The core ingredients of livability include clean and green, walkability, mixed use and accessibility. Mixed-use communities combine live, work and play, and tend to be safer. There are fewer crimes against people and property when there is an informal neighbourhood watch.

Neighbourhoods should be designed – or redesigned if necessary – with walkability as a primary objective. It contributes to environmental health and personal well-being.

But walkability is possible only up to a point. In major cities, it is often difficult to get from here to there. Accessible public transit helps build communities where everyone belongs – especially people living in poverty who use these services out of necessity and not just convenience.

Sorry to raise that old public transit chestnut. It is truly hard to crack. Accessible public transit is a long-term objective that requires a multi-billion dollar investment over many years. The good news is that the federal budget announced a new package on public transit. But the funds will start hitting the road(s) only in two years.

In the meantime, several measures can be introduced to improve access. Local transit systems can be better coordinated. Special initiatives like the ‘Job Bus’ can connect disparate parts of a region.

But getting around a neighbourhood or region is only part of building inclusive communities. Some residents face additional barriers, often in the form of physical obstacles, which exclude them from participation.

Cities are at the eye of the hurricane when it comes to ensuring accessibility. They are in the best position to get that concept into the water supply.

Despite the wide-ranging work required to reduce and ideally remove physical barriers, the most difficult obstacles to overcome are invisible. They involve negative attitudes and the assumption of inability because of some perceived limitation.

The best way to tackle attitudinal barriers is to help people get to know each other. Prejudice must be tackled head on – through experiencing first-hand the strengths and assets that previously could not (or would not) be seen.

Governments can’t eliminate attitudinal barriers. But they can enable inclusion by creating the spaces and places for people to participate in communities. They can create opportunities for meaningful engagement and for residents to express their thoughts about issues that affect their lives.

# #2 ENGAGING CITIZENS

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Cities often believe they are engaging citizens when they consult them on various public concerns. But there is a significant difference between these two functions. The former involves presenting a set of predetermined options for citizen feedback.

While important, consultation often takes place after key choices are already made. Community members are asked to select their preference from two or three selected routes.

Engagement, by contrast, involves the active participation of community members in the formulation of possible responses. It is concerned more with reaching out to residents and listening to their views – perhaps even asking them what solutions they would suggest rather than presenting them with a limited selection of prospective answers. Ideally, it involves asking them to formulate the appropriate questions to consider.

Some of the processes that governments use for listening to citizens are alienating and foreign – especially to people living on the margins of society. Cities can turn this around. They can reach out to people where they live or in the palm of their hands through an app, such as Neighborland.

There are also many non-traditional ways to capture community voice. Drama productions. Music. Art. Photographs. Visual representation of concepts is helpful for those who may have difficulty with written expression or for whom English or French is not a first language.

There are other exciting developments. We Are Cities is a new pan-Canadian campaign that is inviting citizens to contribute their ideas around shaping urban life. Citizens are encouraged to host roundtables as a fun and dynamic way to participate in this process. Roundtables can take place at a dinner table, park bench, boardroom or any space that people can gather for authentic conversation.

## #3 FOSTERING SOCIAL CAPITAL

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Building cities used to mean putting up physical structures. Building cities now includes fostering social capital.

Social capital refers to the relationships and networks created when people come together for common purpose. Sharing a meal. Meeting new friends. Participating in a cultural ceremony or celebration. Working on a local poverty reduction strategy.

There is a substantial body of evidence on the value of social capital. Communities serve as the foundation for social well-being.

Research on child development points to social factors embedded in the quality of family and community life as the most significant determinants of child development. The healthy development of children depends in large part on the social context in which they grow up.

Cities can foster social capital through both places and programs.

When it comes to places, cities can open up their public space for social purposes at reduced or no cost. Schools, libraries and community centres can be used for activities – such as reading clubs, pot-luck dinners, and choirs or cultural dance. These activities are fun but they also spark friendships and enable the creation of informal circles of support.

When it comes to programs, cities can foster social capital through arts and recreation. Recreation is emerging as a crucial investment, especially for families and children deemed to be ‘at risk.’ Children who participate in organized recreation tend to have higher self-esteem, enhanced relationships with friends and stronger school performance.

Cultural expression in the form of music, dance and art often form the basis of community celebrations. These bring residents together to enjoy and to enjoin with each other to strengthen community social fabric.



But social capital is significant for more than its links to social cohesion. It can affect financial health and is therefore an important ingredient in poverty reduction. Social networks provide job seekers with advice, employment leads, strategic information, letters of recommendation – and jobs.

## #4 REDUCING COSTS

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Cities can help low-income households keep more money in their pockets by reducing costs. Many of you can speak proudly about your efforts in this regard. You may have reduced or even eliminated the cost of public transit for low-income households.

Many cities provide subsidies for recreation or cultural programs. Some of you have gone so far as to make facilities free for the public at certain hours – or all the time.

Cities reduce housing costs. This is a complex agenda that requires investment by federal and provincial/territorial heavy hitters. That said, several of you have crafted strategies on affordable housing in recognition of the profoundly important role it plays in tackling poverty.

Cities can invest directly or raise money with partners. They can designate certain tracts of land for community purpose, like affordable housing. Some have tried innovative approaches like Convert-to-Rent programs to increase the supply of low-cost housing.

Several cities have experimented with rent banks to help low-income households pay for short-term rent arrears. Others provide loans for lower-income homeowners to pay for emergency home repairs.

Property taxes can be designed for social purpose. Some urban centres have created a separate property tax class for multi-residential rental buildings of seven units or more. Property tax exemptions support the production of affordable housing.

Zoning is another powerful instrument that cities can use. Rezoning can allow the creation of secondary suites, for example, which is used by seniors who require smaller accommodation or by young persons who typically seek lower-cost housing.

## #5 LEADING BY EXAMPLE

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Mayors can provide crucial leadership when it comes to reducing poverty. With unlimited access to local events and the media, you are uniquely positioned to promote awareness of pressing social needs, especially poverty. You can make the case for why social investments are important for everyone and not just households living in poverty.

Cities can take direct action in their own backyards. As exemplary employers, you can set the pace for other employers in the region.

The profile of the municipal workforce should reflect the faces of the community. Local governments can hire individuals typically marginalized from the labour market – workers with disabilities, recent immigrants and Aboriginal Canadians. Cities can provide mentoring, internships and student placements for young people.

“You can move and shake the community like no one else.”

Pay cheques should come in the form of a living wage. Employment policies should be responsive to family needs, including flexible working arrangements, job sharing and leave for family reasons.

Collaborative efforts are another important means of creating jobs. As Mayor, you can convene diverse partners to develop innovative hiring solutions. You can move and shake the community like no one else. When the Mayor sends out an invitation to participate in a roundtable on job creation, everyone attends – all the time!

In one such collaboration, the Mayor convened employers and business councils, social agencies and community colleges to resolve a conundrum: lots of unfilled jobs in emerging sectors of the economy and lots of unemployed and underemployed citizens.

Together, the group hammered out a range of solutions. Customized training for new positions in emerging sectors of the economy. Specialized upgrading for health care workers with offshore credentials. Waiving of taxback rules for individuals trying to leave welfare for work.

Somehow the unattainable yesterday became possible today with the Mayor seated at the head of the table.

Some cities are helping employers with the cost of customized training. Others are making available labour market data to provide workers and employers with a better idea of the jobs coming on board. We currently get historical data about how the labour market functioned in the past.

But even the best training programs typically focus narrowly on the person deemed lacking in some way. Successful efforts are working instead to create systems of support around individuals considered vulnerable or at risk of poverty. These consist of a mash-up of social services, training agencies, community colleges, and local businesses that agree to work hand in glove to assist identified employees.

Cities can also support employment through their purchasing practices. They can embed in all contracts a Community Benefits Agreement that requires the training or hiring of marginalized workers. They can include social enterprises as potential contractors. Social procurement is a powerful tool because it ripples through the entire supply chain.

## YOU ARE NOT ALONE!

Clearly, this is a big agenda. By now, you may be starting, if you haven't already, to list all the reasons why you can't take action to tackle poverty. Too much to do. Too few dollars to do it.

But you are not alone. One key message of the Poverty Reduction Summit is that tackling poverty is a challenge that must be undertaken by a range of players working together. Not by cities alone. And not by governments alone – though senior governments do have a vital role to play. Here's what we need them to do.

Provinces and territories have come a long way by formulating Poverty Reduction Strategies unique to their regions and needs. This has been an exciting and significant development in the country. Congratulations to the Premiers who have led the way on poverty reduction in Canada!



“...tackling poverty is a challenge that must be undertaken by a range of players working together. Not by cities alone. And not by governments alone...”

Provinces and territories must continue to make substantial investments in affordable housing. The most common approach is to enhance its supply by increasing the number of reasonably priced housing in a given neighbourhood or community. Another feasible route is to give money to people to enable them to pay the rent.

Provinces and territories must invest in high-quality and affordable early childhood development and care. It is a smart way to spend in a competitive economy. It is step one in the learning process and vital in a knowledge-based economy. The investment also enables parents to participate in education, training and/or the paid labour market.

High school completion is a must in the knowledge economy. A wide range of skills training options, including apprenticeships, is required.

Then there's the federal government. It's time for Ottawa to step up to the plate. The poverty agenda is nowhere on the federal radar, having been swamped by its prosperity agenda.

Employment Insurance should be strengthened and reinstated to restore its rightful place as the first line of earnings replacement for the unemployed. Canada requires strong leadership that joins Ottawa with the provinces and territories to build a new income security architecture for working age adults.

Two vital income supplements, the Canada Child Tax Benefit and Working Income Tax Benefit, should be bolstered. Enhancing the Canada Child Tax Benefit would go a long way toward raising the incomes of low-, modest- and middle-income families.

Ottawa should clean up and consolidate the complex mess mistakenly referred to as the disability income “system.” One way is to remove persons with severe and prolonged disabilities from welfare and provide instead an adequate, income-tested benefit delivered by the federal government. Provinces and territories would be required, through a negotiated agreement, to reinvest their windfall savings in disability supports.

Finally, the federal government must pay far more attention to the needs of Aboriginal Canadians who fall within its Constitutional mandate. A new Education Act ranks high on the list.

## IT'S EASIER SAID THAN DONE

At the city level, we recognize that your capacity to make social investments is hampered by financing restraints. Local governments have big and growing responsibilities, with relatively few resources to tackle these challenges.

Federal and provincial governments take the lion's share of tax revenues. Local governments are left to rely on regressive property taxes, the Gas Tax Transfer, license fees and parking tickets.

The federal budget comes with infrastructure money, which will help with physical things like public transit and buildings. But infrastructure funds don't get at the heart of the problem: the inability of local governments to raise sufficient revenues to finance your own objectives.

Resolving this fiscal imbalance will take lots of time and effort. Some provinces are making more revenue-generating room for cities. And there are many innovative ways, as discussed here, in which cities are using the fiscal tools at their disposal.

In the meantime, there is work to do – together. We can start by grappling with some of our common challenges in tackling poverty. The Poverty Summit is a good place for this important conversation.

## PUTTING OUR HEADS TOGETHER.....

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There are many challenges that this work presents. Here are a few that we need to consider.

*How can we meaningfully engage persons with lived experience of poverty in this work?*

*With all the possible actions, how do we prioritize our work? What are must-do's and what are nice-to-do's?*

*How can we raise awareness about the fact that poverty affects not just low-income households but everyone – through higher health care costs, social service and welfare costs, reduced business activity and lack of productive contribution to the economy?*

*How do we reach numeric targets when there may be lots of intermediary steps along the way? How do we justify investments in areas that may not show immediate results? For example, before new Canadians can get a job, they may need language training. Before welfare recipients can join the paid labour market, they may require educational and skills upgrading. Before building affordable housing, it may be necessary to raise funds or re-zone a given neighbourhood.*

*How and how often should we assess how we're doing on our poverty reduction work?*

*What factors would be considered major indicators of both intermediary and long-term success?*

*How do we know if we are going off the rails or getting stuck on the track? How long do we stick with a given plan before we decide to shift gears and course correct?*

*How can we acknowledge our successes along the way? How will we celebrate when we collectively reach the goal of one million Canadians out of poverty?*

— Sherri Torjman  
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