



New Brunswick Provincial Poverty Profile

OVERVIEW

In 2009 New Brunswick developed “*Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan*,” a provincial poverty strategy based in the belief that poverty is a shared responsibility. Following the guideline of revisiting the plan every five years, the province has recently finished a consultation process to develop the next phase of the strategy for 2014-2019.¹ The most recent calculations of poverty by Statistics Canada show a range of between 43,000-92,000 people living in poverty.² However, there has been a noted problem with unreliable data which has caused some anti-poverty organizations to warn about numerical inaccuracy.³ Despite government reporting on progress, what remains is an incomplete picture of the depth and breadth of poverty in the province.

Plan Components and Highlights

The initial poverty plan that is currently in its last year has three priority areas for action, “*By 2015, New Brunswick will have reduced income poverty by 25% and deep income poverty by 50%, and will have made significant progress in achieving sustained economic and social inclusion*”⁴:

1. Opportunities for Being (Meeting basic needs)

- Reforming social assistance; Raising the minimum wage
- Providing stable funding for homeless shelters
- Initiating a prescription drug program for uninsured citizens

2. Opportunities for Becoming (Lifelong learning and skills acquisition)

- Increasing the number of registered Early Childhood Education spots
- Advancing the community schools concept
- Providing ongoing teacher training
- Initiating literacy mentors programs

3. Opportunities for Belonging (Community participation)

- Developing a housing strategy
- Exploring opportunities for social enterprise
- Providing continuing education opportunities to support low-income people to enter the skilled workforce⁵

Community Engagement in Plan Development and Implementation

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As part of the planning process, the New Brunswick government undertook a broad community engagement process in 2008 that reached 2,500 people province-wide. This involved public dialogue session, forums and roundtable discussions that reach members for business sector, community and people living in poverty.⁶ One element of this process involved recording the opinions of participants in a report called “A Choir of Voices” in order to inform further discussion during the final phase of engagement: the roundtable discussions. The document asserted the belief that everyone has a role to play in addressing poverty, which became a central part of the 2009 vision. “When everyone in a community is affected by a problem, everyone should take part in finding solutions to that problem.”⁷

More recently, a second public engagement process (albeit a reduced one) was initiated to help re-develop [Overcoming Poverty Together – The New Brunswick Poverty Reduction Plan](#) for 2014- 2019. From September – October the Economic and Social Inclusion Corporation held sessions in 12 regions to gather feedback and suggestions from around the province. An online option was also available to ensure a broad reach was achieved.⁸ The report from these public sessions has not yet been released.

New Brunswick’s Poverty Reduction Act (enacted April 2010)

<http://www.gnb.ca/legis/bill/FILE/56/4/Bill-39-e.htm>

Purpose

The PAP process committed the New Brunswick government to enacting an Act supporting the plan. The primary purpose of the Act is to set up the governance structure to implement the plan.

Key Provisions

- Establishes the *Economic and Social Inclusion Corporation (ESIC)*, which is directed by the *Economic and Social Inclusion Board* and oversees PAP development, implementation, and evaluation.
- Establishes a maximum of 20 *Community Inclusion Networks* working in distinct geographic regions that implement the PAP at the community level.
- Creates an *Economic and Social Inclusion Fund*, which is distributed to the Networks to implement objectives of the PAP. Fund also pays expenses of the Corporation.
- Stipulates that a new Economic and Social Inclusion Plan shall be adopted every five years through a process of public engagement.

MEASURING PROGRESS AND SUCCESS

Statistical Indicators of Poverty in Canada (unofficial measurement tools)

	LICO⁹ <i>Low Income Cut-off After-tax</i>	LIM¹⁰ <i>Low-Income Measurement</i>	MBM¹¹ <i>Market Basket Measure</i>	Food Bank Usage¹²	Welfare Recipients¹³
2000	67,000, 9.2%	108,000, 14.8%	100,000, 13.7%	19,890, 2.7%	54,180, 7.2%

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2008	55,000, 7.5%	121,000, 16.7%	99,000, 13.7%	15,638, 2.0%	-
2009	50,000, 6.9%	102,000, 14%	94,000, 12.9%	17,889, 2.4%	39,058, 5.2%
2010	40,000, 5.5%	108,000, 14.8%	97,000, 13.3%	18,517, 2.5%	40,491, 5.4%
2011	43,000, 5.8%	92,000, 12.6%	88,000, 12%	18,539, 2.5%	40,747, 5.4%
2012	-	-	-	19,524, 2.6%	40,104, 5.3%

* 2009 -PAP came into place

* – data not available

Progress to Date

Grounded on four pillars of engagement that includes government, business sector, non profit sector and people who live in or have lived in poverty,¹⁴ the New Brunswick poverty strategy is heading into its second phase. In a report from the government which looks back over the first five years there are areas of notable progress and achievement. According to the governments categories here are some highlights:

Opportunities for Being: Adjustments to social assistance (including a rate increase and changes to housing policy), an increase in the minimum wage, and \$900,000 to support community transportation.¹⁵

Opportunities for Becoming: increased licensed daycare spaces, infant and preschool spaces, and increased elementary school literacy program.¹⁶

Opportunities for Belonging: includes the housing strategy, adult literacy and training, and access to continuing education.¹⁷

The government has also maintained its commitment to include individuals experiencing poverty in the governance structure. The Economic and Social Inclusion Corporation (ESIC) which oversees the strategy, has a board which features low-income individuals. To ensure local representation in the plan development and implementation, the government has also established 12 regional networks (Community Inclusion Networks).¹⁸ The results were 110 projects in various communities,¹⁹ over 1,150 meetings mobilizing 9,110 citizens, and investments of \$4.3 million total between regional and provincial funding.²⁰ Three committees have also been established to assist in the development of new initiatives such as a pharmacare plan and changes to income support: Assistance Reform, Health Benefits and Social Enterprise and Community Investment Funds – each with a member of the four pillars and board member of ESIC.²¹

Views From Outside the New Brunswick Government

Notable progress has been made in the province, however, there remain areas of serious concern for advocates and individuals living in poverty. The anti-poverty organization Common Front for Social Justice (CFSJ) released a response to the government’s progress report on the poverty strategy pointing to unfulfilled promises and minimal impact. In particular, the report noted that the minimum wage has

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not only remained stagnant, but it has yet to be indexed to inflation as promised. Income assistance rates continue to keep people in poverty despite modest increases, the pharmacare program has not been implemented leaving 20% of population uninsured, and promised reforms to financial assistance for post-secondary education remain elusive. Unemployment also sits above the national average.²² The report summarizes government action on poverty in this statement: “As we examine the actions and lack of action by the Alward government, we note that some actions were taken, but overall, they did not make much difference in the situation of this province’s most disadvantaged citizens.”²³

Some advocates are also calling for the government to look beyond merely raising the minimum wage to creating a living wage. This process involves taking into account the costs of living for a determined basket of goods such as housing, transportation, child care and cost of healthy eating. While a definitive living wage number has yet to be determined (as it will depend on various regional fees and costs), it has been suggested that a range of \$15-\$17/hr for Saint John be considered.²⁴

Food insecurity is a notable problem in New Brunswick. This was highlighted in a CFSJ report on the cost of eating healthy for various family types. For a family of four, the report pegs the cost of a healthy monthly diet at \$819.50. Meanwhile, those with a monthly minimum wage salary of \$1,720 must allocate 48% of household income to food. The rate gets worse if you are a female lone-parent with one child earning \$459.58/month from social assistance – she would require 49% of her income to go towards healthy eating. Finally, for a single man on welfare earning \$537/month he would need to spend 59% of his monthly cheque to eat an adequate diet of nutritious food.²⁵ The cost of eating could explain why approximately 19,989 people use a food bank each month in the province, with 79% of users receiving government assistance.²⁶ Overall, it is estimated that 25% of households in New Brunswick experience food insecurity, placing it in the bottom three of all provinces and territories.²⁷

Notes on Critical Thematic Areas

- 1. Human Rights:** The 2009 PAP, progress reports, and Act all fail to situate poverty elimination squarely within the framework of human rights.
- 2. Income Support:** In 2012, welfare income as a percentage of the Low-Income Cut-Off After Tax was 41% for single employable, 53.3% for persons with disabilities, 81.6% for single parent with one child and 64.8% for couple with two children.²⁸ In October 2013 basic income support rose by 4% with an additional 3% increase scheduled for April 2014. This will reach nearly 20,000 households, but excludes single employable individuals on social assistance. The increase will equate to an extra \$60/mth for single parents with one child, and \$68 for couples with two children. Social assistance recipients can also earn between \$150-\$200/month and keep \$0.30 of income earned above that threshold depending on the Household Type.²⁹ To fund these changes the government allocated an additional \$4.7 million to the Department of Social Development in the 2013/14 budget.³⁰

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- 3. Housing:** In 2013 it was estimated that 5,400 people were on a waitlist of affordable housing in New Brunswick. The government mentioned in budget 2013/14 that it will spend \$79 million on housing initiatives to support those in need.³¹ In Moncton, a report on homelessness noted that the waitlist grew by 24% in 2013 while only 15 new subsidized units were built.³² New Brunswick does have a housing strategy connected to the poverty plan called *Home is a Hope*.³³ In July 2013 the provincial and federal government announced the opening of a new housing project that will offer four-units to low-income single individuals in Moncton.³⁴
- 4. Education:** University students in New Brunswick pay the second highest undergraduate tuition rates in the country after Ontario. Sixty-nine percent of post-secondary students graduate with some level of debt; 7 out of 10 are \$34,000 in debt on average.³⁵ No new funding was allocated to the public post-secondary institutions in the recent budget, however, there was mention that tuition increases should be capped at \$150.³⁶
- 5. Early Childhood Education and Care:** The government announced an increase of \$3.5 million for the Department of Education and Early Childhood Development in the 2013/14 budget.³⁷ In accordance with goals for the poverty plan, the province has seen an increase in licensed spaces since 2010 of 3,802; as of Feb 2013 there were 22,587 spaces. There are also 309 more infant spaces since 2010 (now 1,608 total) and an increase in preschool spaces from 1,557 to 9,840 for ages 2-5.³⁸ The government has also expanded an elementary literacy program in 25 schools which supports after-school tutors for grades 1-3.³⁹
- 6. Healthcare:** Through the Advisory Committee on Health Benefits (established as part of the poverty strategy), two key programs were proposed: “Healthy Smiles, Clear Vision” and a prescription drug plan for uninsured individuals.⁴⁰ The vision and dental program is established and covers basic services; children known to the Department of Social Development have been automatically enrolled. As of March 31, 2013, 15,588 children have access to the program.⁴¹

There are 70 000 families or 150 000 persons without a drug plan in New Brunswick.⁴² The proposed New Brunswick Drug Plan will involve two phases, the first being voluntary and is expected to be implemented May 1, 2014. The second phase is mandatory and should start April 1 2015. Both phases involve a co-payment process at the pharmacy of 30% or a maximum of \$30 for each prescription and a premium depending on your Gross Annual Income. In the second phase there is a sliding scale subsidy for citizens making less than \$26 360. In the 2013-2014 budget, the government will invest \$27 million in 2014; the rest will be covered by those uninsured. In both phases the private sector is not contributing financially to the drug plan, contrary to the express proposal from the Economic and Social Inclusion Corporation.⁴³
- 7. Employment Support:** The minimum wage was increased to \$10/hr in April 2012 and has remained at that level ever since.⁴⁴ In New Brunswick 11.1% of people earn minimum wage. Although promised in the poverty plan, the min wage has not been indexed to inflation.⁴⁵ Using the Low

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Income Measure, it is estimated that a lone-parent with one child earning minimum wage will be \$12,388 below the poverty line.⁴⁶ To help with youth employment an initiative “One-Job Pledge” was launched offering employees a wage incentive when they hire a recent graduate.⁴⁷ The unemployment rate in New Brunswick was 10.8% in December 2013, above the national average.⁴⁸

- 8. First Nations:** In 2012, the Assembly of First Nations Chiefs of New Brunswick proposed an anti-poverty strategy for First Nations people in the province. In a report, “*Restoring Hope For First Nations*” a ten-point plan is outlined with a focus on employment, education and cross-governmental support.⁴⁹ Illustrating the reality of poverty among First Nations, the report points out that First Nations children are two times more likely to be poor, four times more likely to drop out of school, eight times more likely to be unemployed and nine times more likely to know prison or addictions.⁵⁰ Targets for 2017 outlined in the proposed plan are 1,000 new jobs in First Nations communities, 50% come from First Nations lead businesses; increased high school completion and participation rates to match non-First Nations students, and a reduction in social assistance usage.⁵¹

THE BOTTOM LINE

Progress has been made in reducing poverty in New Brunswick including a re-evaluation of the social assistance program and 4% rise in rates, as well as a health benefits for children from low-income households and a proposed Drug Plan for the uninsured. This has been supported by a commitment to community engagement with individuals in poverty which has remained central to the development of both the original strategy and the upcoming adjusted version. However, the number of citizens living in poverty has not decreased significantly, the level of income poverty for most of these individuals is still well below the poverty line, the unemployment rate is one of the highest in Canada and the private sector, one of the foundations of the poverty strategy, demonstrates wavering commitment. There are noted areas where the call for improvement remains loud and clear at the ground level leaving the door open for greater efforts on poverty reduction in the future. This includes ensuring accurate data is gathered in order to ascertain the impact of programs on poverty in the province. With a new five-year plan on the horizon an opportunity exists to take into consideration the needs of people living in poverty gathered through the consultation process and strengthen secure commitments and resources for programs and regions that require the most attention.

FOR MORE INFORMATION

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ENDNOTES

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