



# Nova Scotia Provincial Poverty Profile

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## OVERVIEW

In 2009, the Province of Nova Scotia released its Poverty Action Plan (PAP), which focused on breaking the cycle of poverty for low-income people, and those most vulnerable and at-risk of falling into poverty.<sup>1</sup> According to Statistics Canada Low Income Cut Off (LICO), in 2011 an estimated 64,000 of Nova Scotians were living in low income.<sup>2</sup> The most recent numbers show 64,000 people living in low income, a decrease of 10 per cent of people with low incomes from 2010 to 2011, the lowest rate on record.<sup>3</sup> A lack of benchmarks in the poverty plan leave a gap in understanding the full extent of poverty and remain a missing piece in the overall plan. Poverty costs the province between \$1.5 to \$2.2 billion dollars a year when social and economic costs are taken into consideration adding weight to the case for tackling this social challenge.<sup>4</sup>

### Plan Components and Highlights

The vision for the Nova Scotia PAP is *“To break the cycle of poverty by creating opportunities for all Nova Scotians to participate in the prosperity of the province and enjoy a better standard of living.”*<sup>5</sup> Since the release of the PAP, Nova Scotia has focused on making advancements towards achieving the four main goals identified in the Poverty Reduction Strategy:

1. Enable and reward work
2. Improve supports for those in need
3. Focus on our children
4. Collaborate and coordinate

For more information on the four main goals please see our 2012 [Nova Scotia Poverty Progress Profile](#) or visit Nova Scotia’s Poverty Reduction Strategy at <http://novascotia.ca/govt/povertystategy/>

### Community Engagement in Plan Development and Implementation

A unique aspect of Nova Scotia’s framework was the formation of the Poverty Reduction Strategy Working Group. The group met bi-weekly between January and June 2008 to develop recommendations, which were then reported to the Ministers of Community Services and Labour and Workforce Development.<sup>6</sup> The group was comprised of representatives appointed by the Ministers, including a diverse group of organizations which work with people living in poverty.<sup>7</sup> The government also held a series of public consultations, and a public survey was conducted which received 1300 responses.<sup>8</sup> In June 2008, the Working Group issued its report with recommendations on how to best tackle poverty, which formed the basis of the PAP.<sup>9</sup>

**Nova Scotia’s Poverty Reduction Working Group Act (Enacted December 2007)**

[http://nslegislature.ca/legc/bills/60th\\_2nd/3rd\\_read/b094.htm](http://nslegislature.ca/legc/bills/60th_2nd/3rd_read/b094.htm)

**Purpose**

To appoint a working group to make recommendations on a strategy for poverty reduction in Nova Scotia.

**Key provisions**

- Sets out the framework for establishing the Working Group, specifying that the Group should be comprised of representatives from government, the non-profit sector, business, and aboriginal groups.
- Stipulates that the Working Group will review best practices in other jurisdictions and the results of government public consultations in order to make recommendations on strategies and priorities for action to reduce poverty in Nova Scotia, including recommending an implementation plan.

**MEASURING PROGRESS AND SUCCESS**

**Statistical Indicators of Poverty in Canada (unofficial measurement tools)**

	<b>LICO<sup>10</sup></b> <i>Low Income Cut-off After-tax</i>	<b>LIM<sup>11</sup></b> <i>Low-Income Measurement</i>	<b>MBM<sup>12</sup></b> <i>Market Basket Measure</i>	<b>Food Bank Usage<sup>13</sup></b>	<b>Welfare Caseloads<sup>14</sup></b>
<b>2000</b>	105,000, <b>11.6%</b>	144,000, <b>15.9%</b>	129,000, <b>14.2%</b>	20,917, <b>2.2%</b>	-
<b>2005</b>	78,000, <b>8.6%</b>	135,000, <b>14.8%</b>	130,000, <b>14.3%</b>	25,453, <b>2.7%</b>	32,245
<b>2009</b>	73,000, <b>8.0%</b>	153,000, <b>16.8%</b>	142,000, <b>15.5%</b>	20,344, <b>2.2%</b>	27,199
<b>2010</b>	71,000, <b>7.7%</b>	135,000, <b>14.7%</b>	132,000, <b>14.5%</b>	22,573, <b>2.4%</b>	27,753
<b>2011</b>	64,000, <b>7.0%</b>	123,000, <b>13.5%</b>	131,000, <b>14.3%</b>	22,550, <b>2.4%</b>	28,389
<b>2012</b>	-	-	-	23,561, <b>2.5%</b>	28,803

\*2009 - PAP came into place

\* – data not available

**The Nova Scotia Government’s Success Indicators**

In the PAP, the government listed the intention to set benchmarks and objectives for each of the four main goals.<sup>15</sup> However, since 2009 the benchmarks have not been defined or further developed as a method of measuring and reporting the government’s progress.

**Progress to Date**

Since the PAP was released, the Nova Scotia government has reported on their most recent actions and initiatives towards its goal of poverty reduction. Focusing on the four main goals, the following thematic areas were addressed:

**1. Income Support:** Beginning in 2011-2012, income assistance (IA) recipients who are employed are allowed to keep the first \$150 earned, plus 30% of their net wages.<sup>16</sup> This flat wage doubles to \$300 for

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disabled clients. Additionally, the basic personal income tax exemption increased by \$250. In 2012, \$34 million was invested to increase personal allowances by \$9 per month for 31,000 households who qualify for IA. The annual Poverty Reduction Credit was also raised by over 20% to \$250, which assists 14,000 Nova Scotians.<sup>17</sup>

**2. Housing:** In spring 2013, the government released its first long-term housing strategy which will invest \$500 million over the next decade in five key areas:

1. Fostering healthy, vibrant and diverse communities
2. Ensuring affordable housing choices for owners and renters
3. Providing paths to equity and home ownership
4. Building partnerships: drawing on the strengths of Nova Scotia's local communities, business and governments
5. Independence and dignity: Serving seniors, the disabled and vulnerable Nova Scotians.<sup>18</sup>

The main components were developed through public consultations held in 2012 which involved 500 Nova Scotians, including non-profit and community organizations, housing developers, governments and individuals.<sup>19</sup> The strategy will also restructure the Nova Scotia Housing Development as Nova Scotia Housing in order to better utilize its authority and financial capacity.<sup>20</sup>

**3. Education:** Since 2012, the government has expanded Success in Reading , which is an early literacy support framework for students experiencing difficulties in early stages, from grades 1 into 2. Co-operative education opportunities were expanded, as well as Options and Opportunities (O2) which is a high school program designed to aid students in a successful transition to work, a career path or post-secondary program. The summer program "Brain Power" will be implemented in six communities<sup>21</sup> and SchoolsPlus, a strategy to improve co-ordination and collaboration of programs, will be expanded to more schools.<sup>22</sup>

**4. Children and the Family:** Since 2011, 250 new child care subsidies were introduced to make child care more accessible, new income guidelines for Direct Family Support for Children were created to improve access for lower to modest income families, and support was provided for families with children transitioning from Direct Family Support to adulthood to help with costs for individuals between 18-19 years. \$2.5 million was invested to increase the Nova Scotia Child Benefit and the Affordable Living Tax Credit was increased to \$255 for an individual adult and \$60 for a dependent child, helping approximately 240,000 people.<sup>23</sup>

**5. Healthcare:** \$1.8 million was allocated to expand the Caregiver Benefit Program, which helps seniors to remain at home in the communities they helped build and assists more than 1,000 caregivers. The Learning Disabilities Support Framework was further expanded, and \$900,000 was invested in the Independent Living and Alternative Family Support programs to enable persons with disabilities to live as independently as possible. A mental health curriculum was also incorporated into health education and healthy living programs.<sup>24</sup>

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**6. Employment Support:** On April 1, 2013, the minimum wage increased in Nova Scotia, which is the fourth time since 2010. It is now at \$10.30 an hour which is the highest in Atlantic Canada and the third highest in Canada. The minimum wage for someone with less than three months' experience has also increased to \$9.80 an hour.<sup>25</sup> The three-year, \$7.5 million Skills Up! program helped approximately 300 African Nova Scotians get training needed for good jobs. \$863,000 was invested in Employment Support Services for finding and keeping jobs and \$12.5 million to improve student assistance. \$79.6 million was invested for training EI qualified individuals through the Labour Market Development Agreement - Employment Insurance-based funding from the Government of Canada. \$19.1 million was also invested for non-EI eligible individuals through the Labour Market Agreement, which is annual funding for programs and services for low-skilled workers and unemployed Nova Scotians.<sup>26</sup>

**7. Community Building/Investment:** \$250,000 was invested to develop transit in rural and under-serviced areas, \$1 million was invested to support communities addressing local issues such as homelessness, and a resource guide was developed for easier access to programs and services.<sup>27</sup>

**Views from Outside the Nova Scotia Government**

After the release of the housing strategy nearly a dozen non-profit organizations came together seeking clarification on how the \$500 million will be spent. A letter was drafted for Denise Peterson-Rafuse, the Minister of Community Services, raising concerns including the province working with private developers rather than non-profits, and the vagueness of the strategy.<sup>28</sup> Pamela Harrison, provincial coordinator for the Transition House Association of Nova Scotia and a main author in the Canadian Centre for Policy Alternatives (CCPA) Alternative Budget, also has concerns about the strategy, such as addressing the needs of people who receive social assistance or are on very low incomes.<sup>29</sup>

The most recent Report Card on Child and Family Poverty by CCPA in 2011 states that ending child and family poverty is achievable but depends on the governments' agendas, as well as broader policy priorities. In regards to the minimum wage increase, the report writes that more is required to close the wage gap and eradicate child poverty, including having the minimum wage at 70% of the median Nova Scotia wage (which would bring it to \$11.37/hr), and a well-designed, affordable early childhood education system. The report commends the government for implementing initiatives targeted at families, but states that poverty will not be addressed by piecemeal increases and marginal tax adjustments.<sup>30</sup>

According to the Food Action Research Centre (FoodARC) ten per cent of households were unable to, or uncertain about being able to, meet food needs in 2010.<sup>31</sup> This report notes that in March 2012, 23,561 people were assisted by food banks, 32.6% of whom were children. However, this underestimates the issue since fewer than 1 in 4 people experiencing food insecurity use food banks.<sup>32</sup> FoodARC acknowledges the positive actions taken by the provincial government, but due to the lack of defined benchmarks in the poverty plan, it is not known what impact these actions have on household food insecurity, if any.<sup>33</sup> At a provincial level, FoodARC recommends increasing income assistance rates to

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keep pace with the cost of living, increasing the number of adequate, affordable and safe housing units, examining the adequacy of childcare subsidy program, and investing in affordable, accessible community transit.<sup>34</sup>

Canada Without Poverty board member, Wayne MacNaughton and Community Society to End Poverty-NS member Stella Lord, also argue that more should be done by the Nova Scotia government. MacNaughton illustrates that while some have risen above the poverty line due to the increase in minimum wage and an aging population which is increasingly eligible for pensions, there has been no improvement for those on welfare or CPP disability. Both agree that since the government has never set verifiable benchmarks for poverty reduction, they are free to claim success.<sup>35</sup> Lord acknowledges that the government has consulted with the community to a certain extent- but not regarding Employment Support and Income Assistance (ESIA) reform which is a major area of concern.<sup>36</sup> Lord co-authored a report on the Special Needs benefit program which found that the current income assistance program is ineffective, exclusionary and wrought with barriers for those living in poverty. The changes which were made to the special needs provisions in 2011 have exacerbated the existing problems- many applicants are now without adequate medical treatment, feel demoralized and are experiencing even more barriers.<sup>37</sup>

*The current social assistance system has gaps, inconsistencies, and disincentives to exit, and it contributes to the stigmatization of poverty in Nova Scotia. Improvements in regulations and service delivery will lead to better outcomes for individuals and long-term savings for government. – “The Cost of Poverty in Nova Scotia”, Canadian Centre for Policy Alternatives NS*

**THE BOTTOM LINE**

The PAP has been commended as a step in the right direction; however, four years later it is still being viewed by non-governmental organizations as insufficient for solving poverty issues in the province. The cost of poverty indicates that the Nova Scotia government cannot afford to ignore the issue from a financial perspective. There also needs to be a shift in attitudes towards addressing the symptoms of poverty. Long-term costs need to be considered when developing a poverty reduction strategy alongside clearly defined benchmarks, and a full employment policy which focuses on conditions required for participation in the workforce is necessary. This would have to include monetary and fiscal, education, labour and transportation policies.<sup>38</sup>

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**FOR MORE INFORMATION**

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### **ENDNOTES**

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- <sup>15</sup> Province of Nova Scotia, "Poverty Reduction Strategy," 36-38.
- <sup>16</sup> Province of Nova Scotia, "If you get a job" [http://novascotia.ca/coms/employment/employment\\_services/Incentives.html](http://novascotia.ca/coms/employment/employment_services/Incentives.html)
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<sup>38</sup> MacEwen & Saulnier, "The Cost of Poverty in Nova Scotia," 25.