New Brunswick Poverty Progress Profile

CANADA WITHOUT POVERTY, 2015

OVERVIEW

In 2009 New Brunswick became the sixth Canadian province to adopt a poverty reduction strategy.\(^1\) In 2010 the Economic and Social Inclusion Act introduced its legislative framework. The Economic and Social Inclusion Corporation (ESIC), a Crown corporation, was created to oversee development of these plans. Its Board of Directors is comprised of representatives of all four sectors (citizens, non-profit, business and government); one third of the Board includes people with lived experiences of poverty.

In May 2014 ESIC created “Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan, 2014-2019.” Its vision is for all people of New Brunswick to be able to meet their basic needs and to live with dignity, security, and good health, while providing opportunities for employment, personal development and community engagement.\(^2\) The Economic and Social Inclusion Act requires the province to adopt a new plan every five years.\(^3\) Unaccomplished goals from 2009 are continuing priorities in 2014. The new plan aims to reduce income poverty by 25% and deep income poverty by 50%.\(^4\) The cost of poverty in New Brunswick is estimated at $2 billion a year.\(^5\)

Plan Components and Highlights

The 2014 plan focuses on four pillars with 28 priority actions,\(^6\) some of these include:

1. COMMUNITY EMPOWERMENT
   - Support for community development
   - Communication and networking
   - Volunteerism
2. **LEARNING**
   - Child and youth education
   - Adult education, training and preparation to work

3. **ECONOMIC INCLUSION**
   - Participation in the labour market
   - Business activity

4. **SOCIAL INCLUSION**
   - Food security
   - Housing
   - Transportation

**Community Engagement in Plan Development and Implementation**

Phase 2 (known as *Overcoming Poverty Together 2* or *OPT2*) of the plan builds on issues from the original plan released in 2009. *OPT2* is unique because it revised the previous plan according to community feedback. In the Fall of 2013, twelve Community Inclusion Networks representing twelve regions across New Brunswick participated in dialogue sessions, including three meetings with regional and provincial stakeholders.7

The engagement process collected close to 5,000 comments from 750 individuals and 50 organizations. Many comments were also submitted online. The process contributed to the creation of the 2014 plan. Phase 2 has been in effect since Phase 1 expired in November 2014.8
MEASURING PROGRESS AND SUCCESS

Statistical Indicators of Poverty *(Unofficial Measurement Tools)*

<table>
<thead>
<tr>
<th>Year</th>
<th>LICO(^{10}) Low Income Cut-off After-tax</th>
<th>LIM Low-Income Measurement</th>
<th>MBM Market Basket Measure</th>
<th>Food Bank Usage(^{***})</th>
<th>Welfare Recipients(^{11})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>67,000, 9.2%</td>
<td>108,000, 14.8%</td>
<td>100,000, 13.7%</td>
<td>19,890, 2.7%</td>
<td>54,180</td>
</tr>
<tr>
<td>2008</td>
<td>55,000, 7.5%</td>
<td>121,000, 16.7%</td>
<td>99,000, 13.7%</td>
<td>15,638, 2.0%</td>
<td>38,742</td>
</tr>
<tr>
<td>2009</td>
<td>50,000, 6.9%</td>
<td>102,000, 14%</td>
<td>94,000, 12.9%</td>
<td>17,889, 2.4%</td>
<td>39,044(^{12})</td>
</tr>
<tr>
<td>2010</td>
<td>40,000, 5.5%</td>
<td>108,000, 14.8%</td>
<td>97,000, 13.3%</td>
<td>18,517, 2.5%</td>
<td>40,491</td>
</tr>
<tr>
<td>2011</td>
<td>43,000, 5.8%</td>
<td>92,000, 12.6%</td>
<td>88,000, 12%</td>
<td>18,539, 2.5%</td>
<td>40,747</td>
</tr>
<tr>
<td>2012</td>
<td>52,000, 7.1%</td>
<td>118,000, 16.2%</td>
<td>108,000, 14.7%</td>
<td>19,524, 2.6%</td>
<td>40,104</td>
</tr>
<tr>
<td>2013</td>
<td>*</td>
<td>109,000, 15.0%**</td>
<td>*</td>
<td>19,989, 2.6%(^{13})</td>
<td>39,200</td>
</tr>
<tr>
<td>2014</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>19,590, 2.6%(^{14})</td>
<td>38,808</td>
</tr>
</tbody>
</table>

*Note: 2009 – Phase 1 of poverty reduction plan created
* Data not available
* * Please note that data from the 2013 calculation of Low Income Measure (LIM) is from the Canadian Income Survey (CIS) instead of the Survey of Labour and Income Dynamics (SLID).”

*** While welfare recipient and food bank usage statistics are stable, other poverty indicators such as food insecurity show a marked increase. As of 2012, New Brunswick ranked among the top three food insecure provinces in Canada. Food insecurity increased from 10.2% in 2012 to 15.6% in 2014. Food insecurity is defined as not having access to the variety or quantity of food that is needed due to lack of money.\(^{16}\)

Food bank usage has increased significantly from 17,889 Canadian citizens in 2009 (when the poverty reduction plan was started) to 19,590 in 2014. For those receiving social assistance, food bank usage increased from 60% in 2009 to 63.2% in 2014.\(^{17}\)

Progress to Date

With Phase 2 of the new plan in its infancy, provincial government progress reports review the first five years of Phase 1. There are areas of notable progress and achievement, including the following highlights:

**OPPORTUNITIES FOR BEING:** adjustments to social assistance (i.e. a rate increase), an increase in the minimum wage, and $900,000 to support community transportation.\(^{18}\)
OPPORTUNITIES FOR BECOMING: increased licensed daycare spaces, infant and preschool spaces, and increased elementary school literacy program.¹⁹

OPPORTUNITIES FOR BELONGING: includes the Hope is a Home housing strategy, adult literacy and training, and access to continuing education.²⁰

The provincial government has also maintained its commitment to include individuals experiencing poverty in the governance structure. Since its creation ESIC has helped initiate community action in over 110 projects in various communities,²¹ holding 1,150 meetings mobilizing 9,110 people and garnering investments of $4.3 million total in regional and provincial funding.²² Three committees – Social Assistance Reform, Health Benefits and Social Enterprise and Community Investment Funds – have also been established to assist in new initiatives. Each committee is composed of community members from all four sectors, including ESIC’s Board of Director members.²³

Healthy Smiles, Clear Vision, a dental and vision plan for children of low-income families, took effect in 2012.²⁴ In 2014 a new drug plan providing coverage to those who are uninsured or under-insured became available in New Brunswick.²⁵ The provincial government invested $27 million in the plan, noting that 20% of the population did not have drug benefits.²⁶ Originally, a voluntary Phase 1 was to be replaced by a mandatory Phase 2 in April 2015.²⁷ However, public outcry over the potential to adversely affect low-income earners forced the provincial government to retract the mandatory plan, continuing with the voluntary program.²⁸

Notes on Critical Thematic Areas

1. HUMAN RIGHTS: Many of New Brunswick’s poverty reduction strategies are still framed as good policy or social inclusion. The Government of New Brunswick has yet to frame the problem as a human rights violation.

2. INCOME SUPPORT: In 2009 single employable individuals on social assistance received an increase from $300 to $540 per month.²⁹ By April 2014 the provincial government increased social assistance rates by 7% for some groups, although the increase was not available for single employable individuals.³⁰ This increase was completed over two years, with an increase of 4% in 2013 and 3% in 2014. In October 2013 the provincial government introduced a 30% increase on wage exemptions.³¹ In 2014 the wage exemptions for single and two-person families in which at least one individual has a disability had nearly doubled. Allowable assets, including life insurance and business assets, have been increased for all client groups. RRSP and liquid asset exemptions remain only for clients with disabilities.³²
3. **HOUSING:** In May 2014 the provincial government invested $7.2 million in the *Home First* strategy—a three-year plan to enhance community supports allowing seniors to remain in their homes longer and avoid or delay costly care services. The strategy is built on three pillars: 1) healthy aging, 2) appropriate supports and care, 3) a responsive, integrated and sustainable system.

In April 2014 the provincial and federal governments together contributed $78 million toward affordable housing units, including construction of new units, rental subsidies and maintenance of existing units. This strategy, *Hope is a Home*, will expire in 2019 at the same time as the current poverty reduction plan. The strategy is framed as good policy for social inclusion, touching only briefly on the right to adequate housing in the introduction. Progress reports in 2014 show that 170 new rental units have been created and over 5,000 households are no longer in need of housing as a result. Nearly 2,000 units have been brought to an appropriate standard of health and safety. However, over the next 20 years New Brunswick will experience a nearly $700 million loss in subsidies to housing programs if federal agreements are not renewed.

The provincial government has continued its Shelter Enhancement Program, increasing the number of units available and increasing forgivable loans for shelter repair. In April 2014 the federal government granted the *Homelessness Partnering Strategy* close to $600 million to be used over the next five years for the *Housing First* approach. Canada’s 2015 *Economic Action Plan* reiterates these initiatives, adding a renewed focus on homeless Canadians facing mental health challenges.

4. **EDUCATION:** The 2015-2016 provincial budget increases funding for the Department of Education and Early Childhood Development by 3.1%, targeting literacy.

In 2016 the *Provincial Student Financial Assistance Program* will eliminate spousal and parental contributions making loans more accessible and tuition more affordable for post-secondary students. Contradictorily, the provincial budget indicates that increasing fiscal efficiency includes: “freezing contributions to universities and community colleges so that they become more focused and efficient in delivering their important services to New Brunswick students.” The provincial government also invested $187,000 in a positive mental health initiative for post-secondary schools in collaboration with *The University of New Brunswick’s Health and Education Research Group*. 
5. **HEALTHCARE:** As of April 2015 voluntary drug insurance coverage offered for low-income New Brunswickers includes a $2000 limit per year on premiums and deductibles.\textsuperscript{46} Annual premiums range according to income with a 30% or $5 maximum co-pay required for individuals earning $17,884 or less.\textsuperscript{49} The co-payment for individuals making $75,000 or more is $30 per prescription.\textsuperscript{58} Originally meant to be a mandatory program for individuals and business with no drug plans, the government is looking for more participants to use the plan.

6. **EMPLOYMENT SUPPORT:** As of May 2015 Canada’s unemployment rate is 6.8%.\textsuperscript{51} New Brunswick’s unemployment rate is nearly double at 10.0%, with a youth unemployment rate of 17.5%. These figures are the third and second highest rates, respectively, in all of Canada’s provinces. Youth unemployment has increased steadily over the last five years. In April 2014 5,400 jobs were lost in New Brunswick – 80% of these belonging to youth.\textsuperscript{52} Despite recent growth in Canadian jobs in May 2015, New Brunswick was among three provinces showing a loss in positions.\textsuperscript{53}

In December 2014 minimum wage in New Brunswick increased from $10.00 (April 2012) to $10.30 – still the third lowest rate in Canada next to Saskatchewan and Alberta.\textsuperscript{54} Approximately 28,000 employed New Brunswickers are earning minimum wage. The provincial government plans to increase wages at the rate of inflation, aiming for a goal of $11.00/hour by 2017.\textsuperscript{55}

7. **FIRST NATIONS:** In 2012 7 of the 10 poorest postal codes in all of Canada belonged to New Brunswick First Nations.\textsuperscript{56} About 34% of Aboriginals in New Brunswick living in poverty.\textsuperscript{57} Youth living in Aboriginal communities 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.\textsuperscript{58} Despite this concentrated problem, the Government of New Brunswick’s vulnerable group statistics include youth, seniors and single parents, yet they do not reference Aboriginal people.\textsuperscript{59}

As part of the 2014 poverty reduction plan, the provincial government is investing $3 million in education initiatives for Aboriginal individuals pursuing post-secondary education.\textsuperscript{60} Aboriginal post-secondary student enrolment has increased nearly 20% since 2012.\textsuperscript{61} *Canada’s Economic Action Plan 2015* includes a section on investment in Aboriginal communities, including improvement for on-reserve education and *Indspire* – a scholarship and bursary program for Aboriginal students, as well as support for mental health services.\textsuperscript{62} A progress report released by the provincial government on their mental health action plan demonstrates meaningful engagement: Aboriginal communities will be involved in designing, defining and implementing mental health-care programs for Aboriginal people.\textsuperscript{63}
In 2012 the Assembly of First Nations Chiefs of New Brunswick proposed a ten-point anti-poverty strategy: Restoring Hope for First Nations. The plan focuses on employment, education and cross-governmental support. The three main goals outlined in the plan are: “1) create partnerships and opportunities for our economic leaders today, 2) offer the dignity of work and training for those of working-age today, and 3) attack the root causes of poverty for the next generation of First Nations leaders.”

The plan outlines targets for 2017, including 1,000 new jobs in First Nations communities with at least 50% generated from First Nations-led businesses, increased high school completion and participation rates to match non-First Nations students and a reduction in social assistance usage with an accompanied increase in employment. Now in its third year, no progress reports have been released. The 2013 New Brunswick Child Poverty “Report Card” advises that the province respond quickly and favourably to the recommendations in the First Nations plan, though there are no indications of success to date.

**Views From Outside the New Brunswick Government**

The 2014 poverty plan included a recommendation for comprehensive pay equity legislation in the private sector. New Brunswick’s Coalition for Pay Equity was pleased about this, advising swift action to avoid prolonging wage inequity. The New Brunswick Common Front for Social Justice adds that women are overrepresented in poverty in the province. In 2011 it was reported that 10% of men and 13% of women in New Brunswick were living in poverty. 45.4% of single mothers in New Brunswick are living in poverty, one of the largest groups of impoverished people.

Since the launch of the 2014 plan, the Coalition has been critical of the provincial budget: $600 million in budget cuts have resulted in few remedies for pay inequity and women are still bearing the brunt of these decisions. The Coalition has been very vocal about this, stating on its website: “It would be wrong to perpetuate inequality and pay discrimination against women in an attempt to balance the budget. Human rights are not a luxury. They are at the very core of our democracy.”

Community members have expressed concern that the increase in social assistance is not enough, adding as little as five extra dollars per week for some. The Caledon Institute of Social Policy remarks that while New Brunswick has made some commendable policy changes, serious flaws remain. The Institute shares the view that more must be done to provide effective opportunities to reduce poverty.
One community group – Tele-Drive Albert County – has expressed positivity about changes to transportation investment. New services are particularly beneficial for at-risk seniors to access basic services and medical appointments that were previously out of reach. Changes to wage exemption policies for people with disabilities accessing social assistance have also been met with public positivity.

As of 2014 the provincial government has delivered on less than 50% of its promised increase in budgeted spaces for daycares. This promise is reiterated in the 2015-2016 provincial budget. Workers in the early childhood care sector are disappointed, suggesting that people must make tough choices about the opportunity cost of working.

Although the provincial minimum wage increased in December 2014, New Brunswick will have one of the lowest hourly minimum wage when compared to other provinces by the end of 2015. New Brunswick will remain the province with the lowest minimum wage until 2017, providing the planned increase is finalized. This results in a two year period of time (2015-2016) in which workers are losing their purchasing power.

When comparing the vocabulary used in Phase 1 (2009-2014) and Phase 2 (2014-2019) there exists a large difference in terms. Phase 1 includes action oriented terms, while Phase 2 includes verbs that are non-action oriented. This supports the viewpoint that Phase 2 is lacking change from Phase 1, and does not include many new ideas.

**THE BOTTOM LINE**

The Government of New Brunswick fulfilled its commitment to revisit their poverty plan in 2014 with an emphasis on community engagement. Since then, New Brunswick’s minimum wage has increased by 30 cents. It is important to note that it still ranks among the lowest in the country. With many women, single parents and youth working low-wage jobs, it is difficult for the most vulnerable sections of the population to escape poverty.

In the coming years the Government of New Brunswick must revisit affordable housing strategies to accommodate a growing waitlist. The needs of an aging population must be accounted for in the provincial budget. This will be difficult to achieve without cuts in related areas that intensify problems for low-income earners.

The loss of the mandatory long form census in 2011 has made poverty particularly hard to measure. In 2006 13.8% of New Brunswickers were living in poverty. Since then, both ESIC and government figures have reported that the success of the 2014 plan has been difficult to track.
For More Information

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ENDNOTES


3 Economic and Social Inclusion Act, SNB 2010, c E-1.105, s 41(1).


7 Ibid, p 4.


19 Ibid, pp 31-32.

20 Ibid, pp 33-34.


23 Ibid, p. 9.

24 Ibid, pp. 9-10.


34 Ibid.


45 Ibid.
46 Ibid.
61 Ibid, p 58.
65 Ibid, p 3.


