



Nova Scotia Provincial Poverty Profile

OVERVIEW

Nova Scotia's Poverty Action Plan (PAP) was released in April 2009, and is intended to benefit not just low-income people but also those at risk of falling into poverty. The PAP focuses particularly on citizens most vulnerable to poverty, including people with disabilities, single individuals, youth, lone-parent families, seniors, Aboriginal people, African Nova Scotians, recent immigrants, and people without a high school education. The PAP builds on government initiatives already being implemented by adding new commitments and financial investments.¹

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."*² The four main goals developed to achieve this are:

1. Enable and reward work

- \$97 million (from federal and provincial governments) for literacy, adult education, and job-related training
- Remove tax disincentives to work through exempting the Working Income Tax Benefit (WITB) from income claims
- Increase the minimum wage to \$9.65 by 2011
- Continuing high school and community college work readiness programming (already in existence)³

2. Improve supports for those in need

- \$59 million in affordable housing
- Index Income Assistance (IA) rates to keep pace with inflation
- Exempt Registered Disability Savings Plans (RDSP) from taxes⁴
- Review the Employment Support and Income Assistance (ESIA) program, focusing on improving supports for the 45% of IA clients with disabilities
- Develop a long-term housing strategy
- Develop an accessible, multi-jurisdictional transportation strategy
- Develop informational products about government programs for low-income people⁵

3. Focus on our children

- Expand the Nova Scotia Child Benefit, making more children eligible for the Benefit and accompanying pharmacare program, as well as evaluate the consolidation of pharmacare programs
- \$3.5 million to create more subsidized, portable child-care spaces
- Create a learning disabilities strategy

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- Expand family recreation and early education programs; Improve access to mental health and addiction services⁶

4. Coordinate and collaborate

- Establish a poverty reduction committee (comprising of Ministers from nine government departments and a Coordinator of Poverty Reduction)
- Enhance involvement of private sector, non-profit sector, and federal government in efforts to combat poverty
- Raise public awareness on the causes and consequences of poverty
- Advocate for a national anti-poverty strategy and housing strategy⁷

Community Engagement in Plan Development and Implementation

In May 2007, representatives from community non-profits, universities, people living in poverty, and other members of civil society gathered to develop a poverty reduction framework for Nova Scotia.⁸ This framework acted as an impetus for the government to start the process of developing an official provincial PAP. In December 2007, the government passed Bill 94 to establish a Poverty Reduction Working Group, which took the lead on developing main recommendations for action on poverty. The Bill was limited in that it did not provide for how the government's action on poverty would be monitored or evaluated, or how a PAP would be maintained in the future. Nevertheless, the government moved forward with developing a plan. It received 1300 responses to a public survey sent out in March 2008,⁹ reviewed civil society organizations' reports; and held consultations with provincial groups.¹⁰ In June 2008, the Working Group issued its report with recommendations on how to best tackle poverty, which formed the basis of the PAP.¹¹ The report stipulated that the PAP should include accountability measures, including regular reporting on progress.

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

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)

	LICO¹² <i>Low Income Cut-off After-tax</i>	LIM¹³ <i>Low-Income Measurement</i>	MBM¹⁴ <i>Market Basket Measure</i>	Food Bank Usage¹⁵	Welfare Recipients¹⁶
1995	124,000, 13.7%	134,000, 14.8%	-	-	-
2000	105,000, 11.6%	144,000, 15.9%	129,000, 14.2%	20,917, 2.2%	73,700, 7.9%
2005	78,000, 8.6%	135,000, 14.8%	108,000, 11.8%	25,453, 2.7%	52,300, 5.6%
2009	73,000, 8.0%	154,000, 16.9%	119,000, 13.1%	20,344, 2.2%	40,000, 4.3%
2010	-	-	-	22,573, 2.4%	-

*2009 - PAP came into place

* – data not available

The Nova Scotia Government's Success Indicators

Four indicators linked to four goals: (more refined measures are being developed)¹⁷

- 1. Enable and reward work** – Uptake in the Working Income Tax Benefit (WITB)
 - Benchmark: forthcoming

- 2. Improve support for those most in need** – Low-income gap for persons with work-limiting disabilities (in relation to LICO, does not specify before- or after-tax LICO)
 - Benchmark: forthcoming, as Statistics Canada doesn't break down data by disability

- 3. Focus on children** – Prevalence and number of children under 18 living in low-income (as defined by LICO)
 - Benchmark: 16,000 children under 18, corresponding to 8.7% of the child population

- 4. Coordinate and collaborate** – Percentage of the population informed about the causes and consequences of poverty
 - Benchmark: forthcoming¹⁸

Progress to Date

The PAP was introduced at a time of recession but also at a time when the percentage of Nova Scotians living in poverty was lower than it had been in a decade and lower than the Canadian average.¹⁹ The strategy was accompanied by initial investments of \$155 million in 2009,²⁰ with particular emphasis on affordable housing and job training for employment.²¹

Views from Outside the Nova Scotia Government

In recent years, the government of Nova Scotia has taken a fiscally conservative approach to social spending and an individualistic approach to welfare. Many civil society organizations had hoped that the PAP signalled the government's commitment to a more comprehensive and partnership-based approach to poverty reduction.²² However, while civil society organizations have viewed the PAP as a step in the right direction, they have criticized it as insufficient to address poverty in the province. The Canadian Center for Policy Alternatives (CCPA) Nova Scotia office critiques the PAP's lack of targets and meaningful measures of progress.²³ Stella Lord, a member of the Steering Committee for the Community Coalition to End Poverty in Nova Scotia, sees the PAP as weak in general and calls on the government to uphold its commitment to review the income support system, raise benefit rates and reorient income support away from being a system of last resort.²⁴ Stephanie Hunter, and advisor to the PAP, agrees that while the PAP is a good first step for poverty reduction but echoes that income support rates should be increased.²⁵

Notes on Critical Thematic Areas

- 1. Human Rights:** Neither the PAP does nor the Act situates poverty elimination within a human rights framework.
- 2. Income Support:** The government committed to a comprehensive review of the Employment Support and Income Assistance (ESIA) program, focusing on improving supports for the 45% of clients with disabilities and other individuals not able to work.²⁶ In the interim, the PAP committed to fully indexing income support to keep pace with inflation, reflecting an investment of \$2 million.²⁷ In 2009, the government increased income assistance for seniors, benefiting 18,000 seniors who are exempt from paying income tax.²⁸ As well, the government introduced a new Poverty Reduction Credit, which provides \$200 annually to 15,000 income assistance clients and is indexed with the cost of living. In 2011, the Income Assistance Personal Allowance was increased by \$15/ month, benefiting 31,000 people.²⁹
- 3. Housing:** The government committed to affordable housing by investing \$59 million over 3 years for building new units, improving existing units, and extending subsidies.³⁰ Affordable housing that meets the needs of seniors, people with disabilities, and Aboriginal people will be prioritized.³¹ In 2010-2011, the government invested \$70 million in the Affordable Living Tax Credit for families with income less than \$30,000, which will result in benefits for more than 240,000 households and has been indexed to keep pace with cost of living.³² The credit is \$240 per household and \$57 per child. The government also committed to developing a long-term housing strategy, which is currently under development.³³
- 4. Education:** In the PAP, total of \$97 million (from both provincial and federal contributions) was committed for investment in adult education and job-related training, and a further \$7 million in

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provincial funds has been earmarked for training initiatives in future years. Education opportunities include adult high school programming, literacy initiatives, skills training, and English as a second language (ESL).³⁴ The government committed to working with partners to develop a learning disabilities strategy and implement strategies for improving literacy and numeracy in schools.³⁵ In 2009-2010, the government invested \$1.4 million in a literacy improvement initiative, \$1.5 million for literacy mentors, and \$2.1 million for math mentors.³⁶

- 5. Early Childhood Education & Care:** Investments of \$2.5 million have been committed to increase the income threshold for the Nova Scotia Child Benefit and expand access to the Low Income Pharmacare for Children program (LIPC). In 2009-2010, 3,700 more children received the Benefit³⁷ and 7,500 more children became eligible for the LICP.³⁸ A review of the Benefit has also resulted in a 20% increase per month benefiting about 40,000 children.³⁹ The government also committed to investing \$3.5 million to create more subsidized, portable child-care spaces, resulting in 1,000 new subsidies and 1,200 new child care spaces since the PAP was released.⁴⁰ In 2010-2011, the provincial portion of the HST on children's shoes, clothing, and diapers was removed.⁴¹ Finally, Foster Care rates increased by 10% in 2011 and are set to increase again by 11% in 2012, benefiting 825 foster care families and 1,149 children.⁴²
- 6. Healthcare:** The government committed to evaluating and consolidating pharmacare programs to make accessing prescription drugs easier for low-income people, as well as to improving access to mental health and addiction services.⁴³ The government has subsequently announced that it is in the process of developing a new Nova Scotia Mental Health and Addictions Strategy, recommendations for which are being prepared by an Advisory Committee and are expected to be ready by the end of 2011.⁴⁴
- 7. Employment Support:** A total of \$97 million (from both provincial and federal contributions) for adult education (\$9 million) and job-related training (\$88 million), with a focus on helping people who are not eligible for Employment Insurance and/ or are underrepresented in the workforce, was committed in the PAP. The government also invested \$1.9 billion (including \$24 million for training) in a large infrastructure project that is expected to create and maintain 20,000 jobs over the next 3 years.⁴⁵ The government changed income support policies so that income tax refunds are no longer treated as income, and increased income exemptions for low-income workers on income assistance in 2011. In October 2011, the minimum wage increased to \$10/hour.⁴⁶
- 8. Community Building/Investment:** In the PAP, the government commits to developing an accessible, multi-jurisdictional transportation strategy, making communities more accessible and lessening social isolation for seniors and persons with disabilities.⁴⁷ In 2010-2011, the government invested \$250,000 in supporting public transportation in rural and under-served areas.⁴⁸ The PAP also committed to raising public awareness on the causes and consequences of poverty and to using a community development model to fighting poverty.⁴⁹

THE BOTTOM LINE

While Nova Scotia's PAP is a step in the right direction, it is too soon to tell if the plan will yield concrete results and to what extent the government will remain committed to addressing poverty in the province. The government has made some positive investments in affordable housing, job training and adult education, child care, and a few augmentations to income support. However, critics agree that much more remains to be done. As well, the success of the PAP will be difficult to assess without more robust targets, indicators, and measurements of progress; the government should make creating these tools a priority.

FOR MORE INFORMATION

Canada Without Poverty
@UnderOne Roof
251 Bank Street, 2nd Floor
Ottawa, ON K2P 1X3
613-789-0096 (1-800-810-1076); info@cwp-csp.ca

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ENDNOTES

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- ³ Ibid, 4, 19-21.
- ⁴ Ibid, 5.
- ⁵ Ibid, 25-26.
- ⁶ Ibid, 6, 32.
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- ⁹ Sherri Torjman, "A Poverty Reduction Strategy for Nova Scotia," *Caledon Institute of Social Policy*, (November 2009), 1.
- ¹⁰ Province of Nova Scotia (2009), 10.
- ¹¹ Ibid, 5; Torjman, p.2
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- ¹⁴ Ibid
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- ²⁷ Province of Nova Scotia (2009), 5.
- ²⁸ Personal communication with Dr. Ulrich vom Hagen, Coordinator of Poverty Reduction, Government of Nova Scotia
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- ³⁰ Province of Nova Scotia (2009), 27.
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- ³⁶ Province of Nova Scotia, Poverty Reduction Strategy.
- ³⁷ Province of Nova Scotia (2009), 6.
- ³⁸ Province of Nova Scotia, Poverty Reduction Strategy.

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³⁹ Ibid

⁴⁰ Ibid

⁴¹ Ibid

⁴² Ibid

⁴³ Province of Nova Scotia (2009), 32.

⁴⁴ Province of Nova Scotia, Poverty Reduction Strategy

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