



Prince Edward Island Poverty Progress Profile

OVERVIEW

The Prince Edward Island government has announced the development of a poverty action plan (PAP) in May 2012.¹ Titled the “*Social Action Plan to Reduce Poverty*” the three year plan will focus on strengthening existing social programs through modest financial investments. Based on ideas from an earlier discussion paper entitled *Preventing and Reducing Poverty in Prince Edward Island: A Strategy for Engagement* in 2011, that was released by the PEI government shortly before the provincial election, this plan represents a step forward. The original engagement strategy lead by the Ministry of Community Services, Seniors, and Labour, outlined possible government action measures, and consulted community organizations and other ministries to assist in the formalization of this strategy.²

According to 2009 Low-Income Cut-Off (LICO) measures, PEI’s poverty rate is 4.8%, the lowest in the country;³ however, the situation is seen by many social action groups as worsening. Several provincial and local chapters of non-governmental organizations (NGOs) are using their existing sets of networks to collaborate with each other and create a unified response to the government’s anti-poverty proposition. The PEI Working Group for a Livable Income⁴ is one such network, and has been operating since 2003, with a focus of keeping poverty issues, especially livable income, in the public mind and on the political agenda.

Action on the Ground and Plan Development

On May 30, 2012 the Government of Prince Edward Island launched a new PAP for the province. With a focus on community services and seniors, the PAP will bring \$4 million in new investments to “prevent and reduce poverty”. These investments will be targeted to health, education, childcare, and other existing social services such as welfare.⁵ The PAP is centered on two goals:

- 1) Support people as they move out of poverty by strengthening their educational and economic opportunities and their participation in the labour force.
- 2) Protect and enhance the standard of living and quality of life for those unable to participate in the labour force for whatever reason.⁶

The groundwork for the PAP was laid during community consultations and captured in the 2011 discussion paper. Among the chief community groups consulted during the formation of the discussion paper were Poverty Bites, PEI Working Group for a Livable Income, the Cooper Institute, and the Advisory Council on Status of Women. These interwoven networks of NGO’s have several common recommendations:

1. Clear benchmarks for the definition of poverty, measurement tools, and goals around reducing poverty.

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2. Increases in allowances offered by, and easier accessibility to, both Social Assistance and Employment Insurance.
3. Guarantees of a livable wage for those who are fully employed, but unable to meet daily living expenses due to low wages.⁷
4. Improvement in food security to address the increases in food costs, food bank use (especially first time users), decreasing profit yields and other challenges for farmers.⁸
5. A greater focus on the different needs facing seniors, women, and those with disabilities.⁹

MEASURING PROGRESS

Statistical Indicators of Poverty in Prince Edward Island (unofficial measurement tools)

	LICO¹⁰ Low Income Cut-off After-tax	LIM¹¹ Low-Income Measurement	MBM¹² Market Basket Measure	Food Bank Usage¹³	Welfare Recipients¹⁴
2000	12,000, 9.1%	21,000, 14.6%	20,000, 14.6%	-	8,400, 6.2%
2005	7,000, 5.5%	15,000, 11.2%	14,000, 10.2%	-	6,900, 5.0%
2009	7,000, 4.8%	17,000, 12.0%	12,000, 8.8%	2,706, 1.73%	4,813, 3.4%
2010	-	-	-	3,068, 2.17%	5,758, 3.9%

* – data not available

Views from Outside the PEI Government

The most marked criticism of the PEI government’s movements towards eradicating poverty comes from Michelle MacCallum, the Executive Director of the Women’s Network PEI. Ms. MacCallum stated that for thirty years her group and others have been informing the various cabinets and ruling parties on what can and should be done to eliminate poverty in the province, with little action over that time.¹⁵ Other concerns are directed specifically at the government’s *Preventing and Reducing Poverty in Prince Edward Island: A Strategy for Engagement* paper from June of 2011. Among them are the lack of clear goals and timelines for poverty reduction,¹⁶ the inconsistent reliance on proxy poverty measurement tools,¹⁷ and the lack of better transitioning programs for those going pursuing education, in particular women with children.¹⁸

With the recent announcement of “Social Action Plan to Reduce Poverty”, organizations were disappointed that the plan did not heed to the advice of adding specific targets and timelines. The plan also seemed to be a reiteration of existing programs was noted as not being ‘pro-active’ around poverty measures,¹⁹ and maintains a focus on employment as a way out of poverty.²⁰ However, a steering committee has been created to monitor progress , although specific dates of reporting are not defined.²¹

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NGO's and coalitions commenting previously on the discussion paper highlighted the need for better support for unattached individuals,²² increased allowances for those on SA,²³ and a renewed call for the province to push for a national Guaranteed Livable Income.²⁴ Also mentioned is that the measurement tools used to assess poverty in PEI are inconsistently applied, with LICO and MBM used interchangeably.²⁵

While the addition of funds for 154 new social housing units, with another 150 planned for 2012, is well-received, it is clear that more is needed, especially in the area of accessible housing. In the new PAP promises \$800,000 towards rental supplements, and grants for renovations that benefit seniors living at home may be a start.²⁶ Overall, while various groups have acknowledged many positive advances by the provincial government in the last three years, the strategy paper was too weak and vague to offer concrete hope of a workable, effective anti-poverty plan for PEI,²⁷ and the new PAP appears to have left a number of gaps unaddressed.

Notes on Critical Thematic Areas

- 1. Human Rights:** The discussion paper released in July 2011 references international covenants, treaties, and the provincial Human Rights Act as mechanisms that offer protection for individual rights. No explicit recommendation has been made to incorporate a human rights framework in a poverty strategy.²⁸
- 2. Income Support:** Social assistance (SA) rates have increased minimally since 2009,²⁹ when four percent of the Island's population that receives SA³⁰ saw a rise of 10% for food allowances and 5% for shelter.³¹ In 2010, the shelter allowance increased another 2%, in line with allowable rent increases,³² although still short of many rental rates.³³ SA rates in PEI are not indexed to cost of living or the Consumer Price Index. Currently, welfare rates in PEI are inadequate to cover both rising food costs and shelter costs.³⁴ Food bank use in PEI was up 16.5% from 2001 to 2011, and while more than half of food bank clients are on Employment Insurance or Social Assistance, another 19.6% are employed.³⁵ In 2011, 3,095 people were forced to rely on food banks across PEI.³⁶ Another recent change has been to move SA payments to direct deposit, helping to lift some of the stigma and preventing delays.³⁷ The new PAP mentions enhancements to social assistance and HST rebates for low income individuals, as well as regular food rate increases.³⁸
- 3. Housing:** While PEI has relatively low housing costs when compared to Central and Western Canada, in contrast to other Maritime province's rental rates and house prices are among the highest, second only to Halifax.³⁹ Renters are particularly vulnerable as rental accommodations, especially in rural PEI, are scarce prompting migration to the province's cities where housing costs are higher but more choice exists.⁴⁰ PEI has met stated commitments to new spending on housing, with \$4 million pledged and delivered on by 2008, though there is still a need for another 6,200 homes.⁴¹ Individuals on social assistance benefitted from a 5% increase in shelter allowances in 2009,⁴² though there are still gaps for those who are on disability benefits, as a limited number of units are accessible. The first Report Card on Homelessness was produced in April of 2010, which indicated that in 2009, 242

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people had used shelters as a last resort, with an additional 68 people being turned away.⁴³ While one-sixth of rental units in the province are subsidized to 25% of the occupant's income,⁴⁴ 811 seniors and families are on waiting lists for social housing.⁴⁵

Consistent with previous spending, under the new PAP the government will continue to invest in supports for home heating. New investments of \$1 million between 2012-14 will be offered for Seniors Home Care Renovations Program as well as enhancing the existing Seniors' Home Repair Program.⁴⁶

- 4. Education:** Within the *Strategy for Engagement*, PEI's provincial government has made a stated commitment to preventing poverty through improved access to education⁴⁷. In 2010, Kindergarten was moved into the public school system and more educational assistants were been hired.⁴⁸ High school completion rate has improved (from 81% in 1990 to 91% in 2010), though more improvements to primary and secondary public education are being drafted and considered, with no specific goals set. A new bursary worth \$2,000 for Island students enrolled in their first year of studies at the University of Prince Edward Island or Holland College has been promised in the *Engagement* paper,⁴⁹ however, as of January, 2012, this scholarship is not in place and the timeline for its implementation is vague.⁵⁰
- 5. Early Childhood Education and Care:** In 2009, a funding commitment for early childhood education began rolling out with additional funding promised for 2012. The initial funds allowed the opening forty new Early Year's centres, offering both increased support for parents and an additional 1,340 daycare spaces.⁵¹ These new openings are also accompanied by measures ensuring families on social assistance are exempt from paying extra fees.⁵² Another two centres are slated to open by 2013 in connection to the newly established PAP.⁵³ The 2009 funding also included increases in the wages for early childhood educators has also meant better staff retention and higher quality care in the new and existing centres.⁵⁴ Last year saw the government end the 'claw back' of the National Child Benefit for families on social assistance, allowing the families an additional \$66 per month to meet their needs, benefitting approximately 1,600 children.⁵⁵ A voluntary, in-home support program, CHANCES Best Start, provides services for 400 families on social assistance. These families receive weekly visits, providing support for health and safety, breastfeeding, and information on development, nutrition, mental health for the parents and children.⁵⁶
- 6. Health Care:** PEI offers a range of assistance programs to share health care costs that arise outside of the jurisdiction of Medicare. Primarily handling drug costs, there are programs tailored specifically to seniors, families and individuals on SA, and those living in long-term care facilities.⁵⁷ Dental care for children is also covered by a program providing all children ages 3 to 17 with dental services including preventive cleaning and fluoride treatments, a yearly check, treatment for cavities, and appliance-based orthodontic services. Low-income families are exempted from the 20% co-pay fee in all private and public clinics. Dental care to treat pain or infection is also provided to SA recipients and preventive dental care is provided to residents in long-term care facilities.⁵⁸ In terms of mental

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health, PEI currently spends only 1.6% of the Health PEI budget on community-based mental health initiatives and 2.9% on acute mental health services.⁵⁹

- 7. Employment Support:** There have been major shifts in employment security in the province, particularly in PEI's primary industries, fishing and farming, as changes since 1996 to the EI program have been felt very acutely across the province. Improvements for non-union employees came in 2009, with amendments to the Employment Standards Act enforcing increased benefits and better access to work leave.⁶⁰ Recent cutbacks to Employment offices have led to long queues and delays in processing that have been detrimental to some Islanders.⁶¹ Many seasonal jobs typically lack benefits, time guarantees, or safety protocols;⁶² these positions tend to be filled by temporary migrant workers, who pay into EI but never benefit from it.⁶³ As of April 1, 2012 the minimum wage was increased to \$10 an hour,⁶⁴ but this continues a pattern of low wages. There are training programs and educational incentives to attain higher-level skills, though many are focused on a single demographic,⁶⁵ for example, women in trades, or Aboriginal young people.⁶⁶
- 8. Community Building/ Investments:** The PEI government put forth a community-building concept they call "One Island",⁶⁷ and there is a sense among PEI residents that they are part of a welcoming community.⁶⁸ Several groups within PEI have formed coalitions, including the Working Group for a Livable Income,⁶⁹ the Women's Network PEI,⁷⁰ and PEI Food Security Network,⁷¹ in order to pool resources and funding.

THE BOTTOM LINE

With a relatively low rate of poverty, and a small population, there are many in PEI who believe that eliminating poverty is well within the means of the government.⁷² A new poverty strategy offers hope that change is on the horizon, but even the Minister of Community Services and Seniors Valerie Docherty stated that the plan did not encompass everything that was need, but "was a start".⁷³ The strategy commits government to continuing, and in some cases enhancing, existing social programs over the next three years, but expectations are mixed without the necessary measurement tools in place.

FOR MORE INFORMATION

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

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ENDNOTES

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