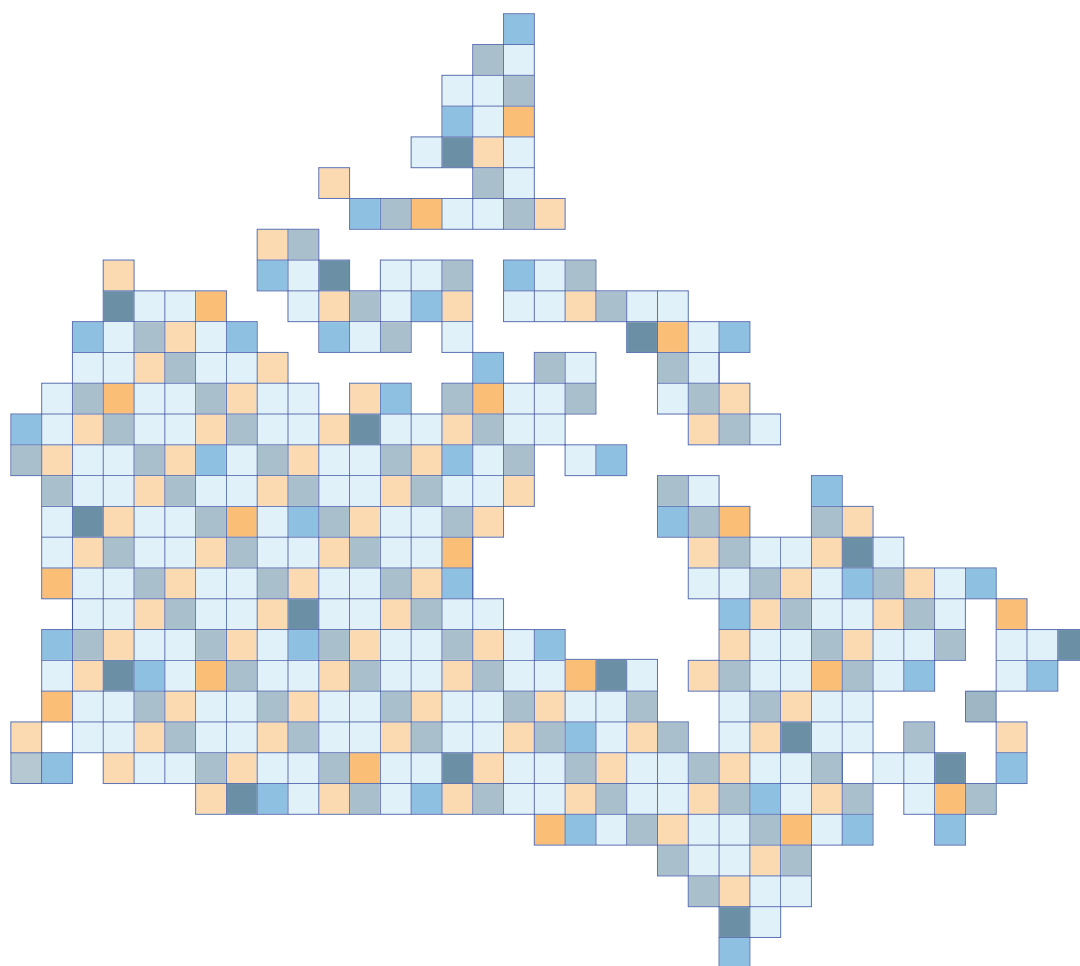


New Brunswick Poverty Progress Profile



2016



CANADA WITHOUT POVERTY
CANADA SANS PAUVRETÉ

Poverty is a violation of human rights.

OVERVIEW

One in five children in New Brunswick lives in poverty. This translates to 28,510 or approximately 21% of children in the province. Child and single mother poverty is particularly pervasive. The city of Saint John is host to the highest child poverty rate of Canada's larger urban areas.¹

In 2009, New Brunswick became the sixth Canadian province to adopt a poverty reduction strategy.² 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 four sectors (citizens, non-profit, business, and government). One-third of the Board includes people with lived experiences of poverty.

In May 2014, the 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. This is to be done concurrently while providing opportunities for employment, personal development, and community engagement.³ The *Economic and Social Inclusion Act* requires the province to adopt a new plan every five years.⁴ Unaccomplished goals from 2009 are continuing priorities for the 2014 strategy. The new plan aims to reduce poverty by 25% and deep poverty by 50%.⁵

The cost of poverty in New Brunswick is estimated at \$2 billion a year.⁶

Plan Components and Highlights

The 2014 plan focuses on four pillars with 28 priority actions, including:⁷

Community Empowerment

- Support for community development
- Communication and networking
- Volunteerism

Learning

- Child and youth education
- Adult education, training, and preparation to work

Economic Inclusion

- Participation in the labour market
- Business activity

Social Inclusion

- Food security
- Housing
- Transportation

Community Engagement in Plan Development and Implementation

Phase 2 of the plan, known as *Overcoming Poverty Together 2*, builds on issues from the original plan released in 2009. It is unique to the province's strategy for poverty because it revised the previous ideas based on community feedback. In Fall 2013, twelve community inclusion networks representing regions across New Brunswick participated in dialogue sessions.⁸ The engagement process collected close to 5,000 comments from 750 individuals and 50 organizations. The process contributed to the creation of the 2014 plan. Phase 2 has been in effect since Phase 1 expired in November 2014.⁹

Although there has not been a more recent engagement process concerning the poverty reduction strategy, there has been a consultation for the strategic planning of the 2016 budget. This process was launched in January 2015. It included 14 public dialogue sessions across the province, 5 regional stakeholder sessions, community hosted groups, and online forums.¹⁰

MEASURING PROGRESS AND SUCCESS

Statistical Indicators of Poverty (unofficial measurement tools)^{†11}

	LICO Low-Income Cut-off After-tax ¹²	LIM Low-Income Measure After Tax ¹³ ***	MBM Market Basket Measure ¹⁴	Food Bank Usage ***	Social Assistance** Recipients¹⁵	Minimum Wage¹⁶
2000	67,000, 9.2%	*	100,000, 13.7%	19,890, 2.7%	54,180	\$5.75
2008	55,000, 7.5%	111,020	99,000, 13.7%	15,638, 2.0%	38,742	\$7.75
2009 ****	50,000, 6.9%	107,860	94,000, 12.9%	17,889, 2.4%	39,044 ¹⁷	\$8.25
2010	40,000, 5.5%	105,110	97,000, 13.3%	18,517, 2.5%	40,491	\$9.00
2011	43,000, 5.8%	105,540	88,000, 12%	18,539, 2.5%	40,747	\$9.50
2012	52,000, 7.1%	104,890	108,000, 14.7%	19,524, 2.6%	40,104	\$10.00
2013	*	106,410	*	19,989, 2.6% ¹⁸	39,200	\$10.00
2014 *****	*	106,810	*	19,590, 2.6% ¹⁹	38,808	\$10.30
2015	*	*	*	18,986 2.5% ²⁰	38,807	\$10.30
2016	*	*	*	19,769 2.6% ²¹	*	\$10.65

† The LICO, LIM and MBM rates in this chart should be compared vertically to understand trends in poverty from year-to-year. As there is no official low-income threshold, and data is calculated differently based on a variety of factors, these rates are not comparable horizontally

* Data not available

** "Social Assistance" refers to the total number of people assisted by all Social Assistance programs in the province. The Social Assistance rates do not include individuals receiving support who are also living on a First Nations Reserve. This lowers the rates significantly²²

*** *Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan, 2014-2019* does not specify which statistical indicator of poverty is used to measure poverty the province

**** In 2009, Phase 1 of the poverty reduction plan created

***** In 2014, Phase 2 of the poverty reduction plan created

While welfare recipient and food bank usage statistics are stable, other poverty indicators such as food insecurity show a marked increase. Food insecurity increased from 10.2% in 2012 to 15.6% in 2014.²³ Food insecurity is defined as not having access to the variety or quantity of food that is needed due to lack of resources.²⁴

Progress to Date

With Phase 2 of the new plan in its infancy, government progress reports to date only review the progress from the first phase. 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.²⁵

Opportunities for Becoming: Increased licensed daycare spaces, infant and preschool spaces, and increased elementary school literacy programs.²⁶

Opportunities for Belonging: *Hope is a Home* housing strategy, adult literacy and training, and access to continuing education.²⁷

Phase 1 of the plan outlined 22 action items that culminate in the following goal: “By 2015, New Brunswick will have reduced income poverty by 25% and deep income poverty by 50%, and will have made progress in achieving sustained economic and social inclusion”.²⁸ According to the Economic and Social Inclusion Corporation 2015 report, while the income poverty saw improvements, deep poverty rates did not improve and in fact saw a slight increase.²⁹ Although the action items are in process there is debate concerning the service delivery model of the plan and no progress has been measured recently.

Notes on Critical Thematic Areas

Human Rights: Neither the 2016 budget nor the social inclusion plan frame poverty through a human rights framework.

Income and Employment Support: While the current minimum wage is \$10.65, the government plans to increase the minimum wage at the rate of inflation, aiming for a goal of \$11.00 per hour by 2017.³⁰

New Brunswick has the highest unemployment rate in the country. Canada’s unemployment rate in 2016 is 6.8%,³¹ while New Brunswick’s unemployment rate is much higher at 10.3%.³²

Youth unemployment has increased steadily over the last five years. In April 2014, there were 5,400 jobs lost in New Brunswick – 80% of these belonged to youth.³³ This situation is only getting worse. As of February 2016, New Brunswick had the

highest rate of youth unemployment in the country with a rate of 17.1% – well above the national average of 13.6%.³⁴

Housing: In March 2016, a point-in-time homeless count funded by the federal government in the cities of Saint John, Moncton, Fredericton, and Bathurst found approximately 200 people living rough on the street or in transitional housing or shelters. This number does not take into account those experiencing hidden homelessness.³⁵

The 2016 budget recommitted one-time funding to continue the Home First program,³⁶ a program that was created in May 2014 when the government invested \$7.2 million for the three-year plan to enhance community supports allowing seniors to remain in their homes longer and avoid or delay costly care services.³⁷ The strategy is built on three pillars: 1) healthy aging; 2) appropriate supports and care; and 3) a responsive, integrated, and sustainable system.³⁸ There have been some major concerns with the implementation of the programming, or lack thereof. By 2015, little had been done to advance the program and the government is considering scrapping the initiative altogether.³⁹

Other than the commitment to additional funding for *Home First* and reference to property transfer taxes, there is no mention of housing or homelessness in the province's 2016 budget speech.⁴⁰

In September 2016, the federal government announced that the city of Saint John would be host to the *Tackling Poverty Together Project*, an initiative to study local poverty reduction initiatives across the country to inform the Canadian Poverty Reduction Strategy.⁴¹

Education and Early Childhood Development: The 2016 budget increases funding for the Department of Education and Early Childhood Development by slightly more than \$19,000.⁴²

There are 25,557 licenced spaces available in the province for childcare (including 1,970 spaces for infants and 10,707 for pre-school aged children) as reported by the province in the Child Day Care Services Annual Statistical Report 2014-2015. New Brunswick's childcare subsidy covers a maximum amount of \$24.25 a day for full-time care for a child over two. Parents are responsible for covering the gap between this rate and market rates for care.⁴³ According to a December 2016 report from the Canadian Centre for Policy Alternatives, these out-of-pocket expenses in the city of Saint John average \$193 per month for a sample low-income family.⁴⁴

In 2016, the *Provincial Student Financial Assistance Program* eliminated spousal and parental contributions to make loans more accessible and tuition more affordable for post-secondary students.⁴⁵ However, during the implementation of this program to increase loan accessibility for students, the budget also indicated that contributions from the government to universities and colleges would be frozen. In particular, the budget noted that increasing fiscal efficiency for the province 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.”⁴⁶

Healthcare: As of April 2015, voluntary drug insurance coverage offered for those on social assistance includes a \$2000 limit per year on premiums and deductibles.⁴⁷ However, this plan does not include a prescription drug plan for the working poor.⁴⁸ The annual premiums range depending on annual income, being single, having a family, or being a single parent with children.⁴⁹ For example, a single parent with children could still pay an annual premium of \$800 to access prescription drugs.⁵⁰

Inequality: In 2012, the Assembly of First Nations Chiefs of New Brunswick proposed a ten-point anti-poverty strategy: *Restoring Hope for First Nations*. Now in its fourth year in 2016, no progress reports on the First Nations poverty strategy have been released. 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. It also focuses on increasing high school completion and participation rates to match non-First Nations students, and a reduction in social assistance usage.⁵¹

Marginalized groups experience disproportionately high rates of poverty in the province. Children from lone-parent families, for example, are five times more likely to live in poverty as compared to those from two-parent families. Additionally, 51.2% of children in lone-parent families, often led by single mothers, live in poverty.⁵²

Food Security: Food bank usage has increased significantly from 17,889 people in 2009 (when the poverty reduction plan was started) to 19,769 in 2016. Since 2008, food bank usage in the province has increased by 26.4%.⁵³ These numbers are especially concerning because New Brunswick reported 46,600 people being classified as food insecure in 2014.⁵⁴

Views From Outside the New Brunswick Government

In the November 2016 report card *Our Window of Opportunity: It's Time to End Child Poverty in Canada*, Campaign 2000 and the Human Development Council note the disproportionate experience of poverty for children and single parents in the province. The recommendations made to the Government of New Brunswick include increasing the childcare subsidy and bringing the minimum wage to a living wage. The groups also recommend that the government, “provide sustained funding for poverty reduction programs in order to achieve the targets set out in the Economic and Social Inclusion Act”.⁵⁵

One measure to address women’s poverty is by introducing pay equity legislation, a recommendation noted in the 2014 poverty plan.⁵⁶ New Brunswick’s Coalition for Pay Equity advised swift action to avoid prolonging wage inequity, arguing that “[i]t 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.”⁵⁷

THE BOTTOM LINE

The Government of New Brunswick has taken some noteworthy steps to address poverty with a community engagement approach to policy on poverty, including the provincial budget. Additional efforts to address poverty, in particular through the federal government's *Tackling Poverty* initiative, could also result in significant changes for Saint John.

The province is lagging behind in some areas. For example, minimum wage was recently increased to \$10.65, yet still ranks among the lowest in the country. Unemployment rates for New Brunswick are the highest in the country. Poverty, in particular for marginalized groups – including Indigenous persons, single mothers, and children – remains pervasive. However, there is growing momentum in the province to address poverty, in particular for marginalized groups – as Campaign 2000 and the Human Development Council state in their 2016 report card, “[n]ow, it is critical that we build on the existing momentum and seize this window of

FOR MORE INFORMATION



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