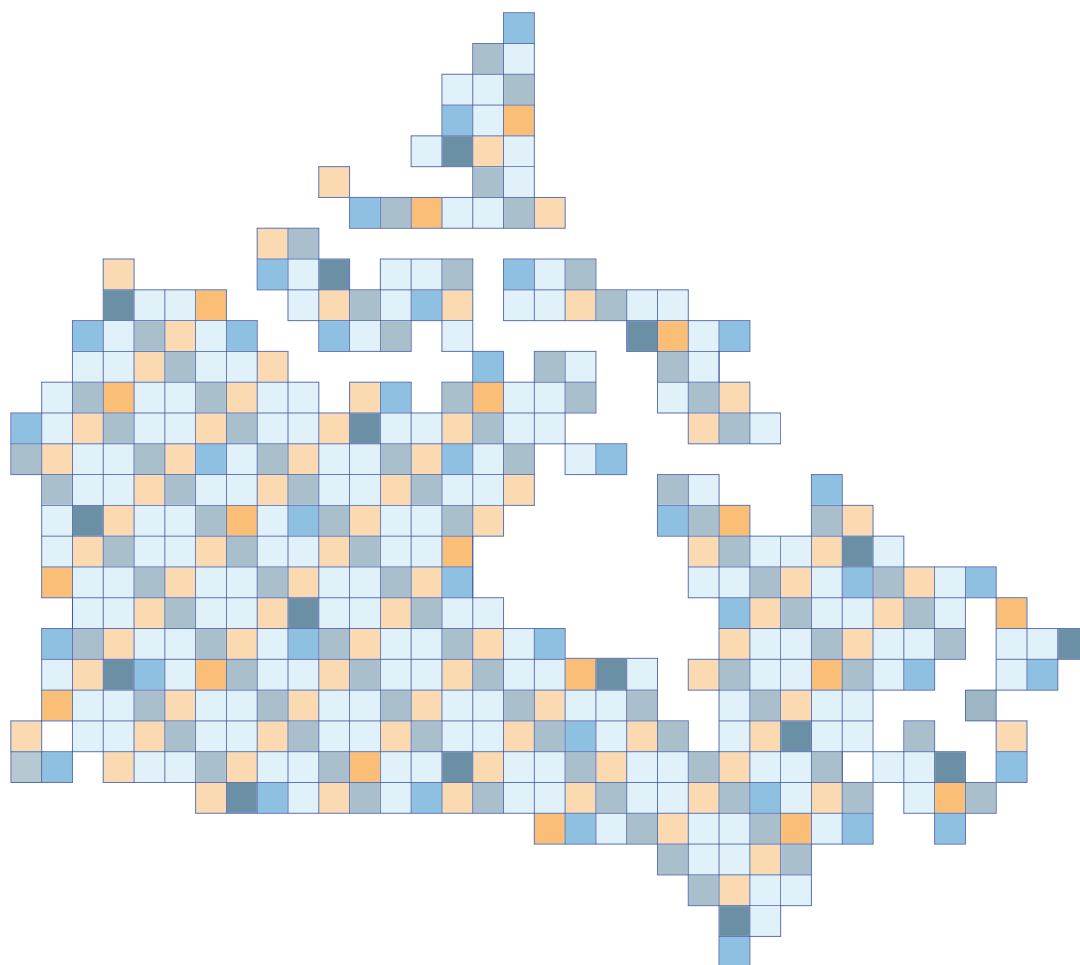
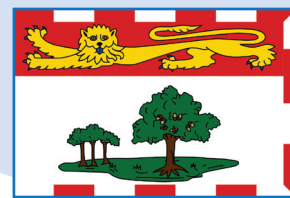


Prince Edward Island Poverty Progress Profile



2016



CANADA WITHOUT POVERTY
CANADA SANS PAUVRETÉ

Poverty is a violation of human rights.

OVERVIEW

Although the direct cost of poverty for the Government of Prince Edward Island (PEI) has been calculated at almost \$100 million per year (with additional indirect costs of \$220 million),¹ the government has not made additional commitments to ending poverty in the province since the expiry of its poverty plan in 2015. The previous poverty plan, entitled *Social Action Plan to Reduce Poverty*, was created in response to a commitment in the 2010 Speech from the Throne and covered a three-year span. The plan's primary focus included employment and education. Poverty in PEI manifests in visible ways for the small island population. Concretely, PEI is host to high rates of food insecurity, unemployment, and low minimum wages.

Plan Components and Highlights

The 2012 strategy, which has now expired, included the following priority areas:²

- Increase access to affordable housing.
- Improve the Social Assistance Program.
- Continue to enhance services for persons with disabilities and apply the disability lens to program planning.
- Continue enhancements to early learning.
- Improve literacy and support adult learning, training, and work.
- Continue increases to minimum wage; index increases.
- Change tax policies to assist low-income Islanders.
- Improve access to needed prescription medications.
- Strengthen mental health and addictions services.
- Enhance family supports in such areas as justice services.

Community Engagement in Plan Development and Implementation

The expired 2012 strategy was formulated in consultation with various community members and advocacy groups including: people living in poverty, people with disabilities, representatives of business, labour groups, health coalitions, women, Indigenous persons, as well as newcomers.³ The provincial government indicates that 22 submissions were received from community interest groups (including social justice groups and labour unions) as well as 25 submissions from online contributors.

The provincial government also conducted 19 personal meetings with Island groups in order to create solutions to poverty. It partnered with front-line service organizations such as Life Bridges Inc., the Canadian Mental Health Association, and the Prince Edward Island Community Advisory Committee on Homelessness.⁴

MEASURING PROGRESS AND SUCCESS

Statistical Indicators of Poverty (unofficial measurement tools)[†]

	LICO Low-Income Cut-off After-tax ⁵	LIM Low-Income Measure After Tax ⁶	MBM Market Basket Measure ⁷ ***	Food Bank Usage⁸	Social Assistance** Recipients⁹	Minimum Wage¹⁰
2000	12,000, 9.1%	*	20,500, 15.0% ¹¹	*	*	\$5.60
2009	7,000, 4.9%	17,280	16,000, 11.2%	2,706, 1.9%	5,529	\$8.40
2010	5,000, 3.9%	17,140	19,000, 13.7%	3,068, 2.2%	5,668	\$9.00
2011	6,000, 4.4%	17,220	19,000, 13.0%	3,095, 2.1%	5,724	\$9.60
2012 ****	5,000, 3.7%	17,500	19,000, 13.1%	3,406, 2.3%	5,809	\$10.00
2013	*	17,940	*	3,502, 2.4%	5,597	\$10.00
2014	*	18,260	*	3,432, 2.3%	5,406	\$10.35
2015	*	*	*	3,153, 2.15%	5,335	\$10.50
2016	*	*	*	3,370, 2.3%	*	\$11.00

[†] 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 significantly.¹²

*** The *Social Action Plan to Reduce Poverty* uses Market Basket Measure as its statistical indicator of poverty in the province.

****The *Social Action Plan to Reduce Poverty* was introduced in 2012.

Progress to Date

Since 2012, the provincial government has increased minimum wage and employment supports, reduced generic drug costs, and increased investments in education.¹³ There has not been a progress report on the *Social Action Plan to Reduce Poverty* since 2014, as the poverty strategy has not been renewed.

In the 2014 progress report, the provincial government cited a PEI-Canada Affordable Housing Agreement, a new provincial drug program, and the new *Disability Supports Act* as major achievements.¹⁴ The three reports produced in 2012, 2013, and 2014 contain action goals for measuring progress by:

- Labour force participation
- Unemployment rates (all workers and youth unemployment)
- Highest level of education achieved
- Population in core housing need
- Income inequality
- Kindergarten readiness
- Self-reported health status
- Self-reported mental health
- Life expectancy

Two areas of major concern for the province's future that are not measured in progress reports are child poverty and food insecurity. According to 2016 *HungerCount* data, 3,370 Islanders access a food bank in an average month (a 16.5% increase since 2008) with 35.5% of users being children.¹⁵ The plan also fails to reference child poverty rates as a measurement indicator, despite the fact that twenty-seven years after the House of Commons committed to ending child poverty in Canada, the child poverty rate has significantly increased on the Island – from 13.8% in 1989¹⁶ to 21.5% in 2014.¹⁷

Notes on Critical Thematic Areas

Human rights: The 2011 discussion paper preceding the official poverty strategy mentions human rights mechanisms as protection for individual rights. However, despite the mention of social justice, PEI's expired poverty strategy does not connect housing, education, health or any other area of the strategy to human rights.

Income and Employment Support: In the *Social Action Plan to Reduce Poverty*, the provincial government announced a \$2 million increase in funding for shelter and food rates.¹⁸ The last progress report by the government noted that shelter rates had increased by 3% and food rates increase by 5%.¹⁹

As of September 2015, food allowances for those living on social assistance increased by 17% across the board for all family types. A single adult on social assistance will end up with \$17 more per month for food. Community advocates on the ground in PEI have noted that this is a dismal increase in relation to soaring food costs across the country.²⁰

Additionally, as of May 2016, the unemployment rate in PEI is 10.4% – nearly double the national rate of 6.9%.²¹ The provincial minimum wage has increased to \$11.00 as of October 2016.²² This is the third increase since the implementation of the poverty strategy in 2012. The rate remains one of the lowest in the country.

Housing: Housing costs on the island are rising, especially in urban areas. For example, the average rent for a two-bedroom unit in Charlottetown has increased from \$814 in 2014²³ to \$845 in 2015.²⁴ There is no mention of homelessness in the 2016 PEI budget and housing is referenced twice – although only in the context of tax benefits.²⁵

PEI does not have a provincial housing and homelessness strategy.

According to the PEI Report on Homelessness, the number of households on the wait list for social housing in 2014/15 was 308, decreasing from 406 in 2011/12. However, the number of seniors on the list has increased to 801 in 2014/15 from 483 in 2011/12.²⁶

The same report noted a finding that those experiencing homelessness on the island are "coping with frequent and extended periods with the absence of this basic need. The greatest proportion (19%) of those who had experienced

homelessness were without a home for 2-4 months. For 50% of those identified, this was not the first episode of homelessness”.²⁷ The PEI Report on Homelessness notes that PEI has adopted a Housing First approach introduced through federal funding from the Homelessness Partnering Strategy’s Rural & Remote Program. The program is aimed at those who are chronically homeless and creates partnerships across levels of government. Funding for the program will continue until March 2019.²⁸ In a 2016 point-in-time count, 81 individuals on the island were identified as experiencing visible homelessness, in comparison to a count in January 2015 which identified 209 individuals.²⁹

Education: The high school dropout rate in the province has decreased from 18.9% in 1993 to 8.1% in 2012.³⁰ Despite improving literacy rates among primary students, the PEI Literacy Alliance states that 43% of working-age Islanders lack the reading and writing skills needed to participate fully in our knowledge economy.³¹ Recent changes to the high school curriculum will affect all students beginning in grade 10. This group of students will be the first to complete a literacy test as a graduation requirement.³² The Department of Education believes this new change will help better prepare graduates for the workforce and post-secondary education.³³

Healthcare: The province’s *Catastrophic Drug Program* ensures that Islanders are able to access needed medications without contributing further to poverty.³⁴ Rates are fixed according to household income – for example, once a household with an income of \$20,000 or lower has spent 3% of its income on prescription medication, the remainder is covered through the program for the rest of that year.³⁵ Critics on the ground have voiced concerns, however, that drug coverage is far from adequate as not all Islanders are able to access the drug program.

Public consultations have led to an off-Island transportation program that would help Islanders in need access medical services.³⁶ This program is not be immediately accessible; individuals accessing the service will be screened by a committee to determine if they meet eligibility requirements.

Food insecurity: According to a 2016 report from PROOF, the percentage of Island households not able to afford healthy food in 2014 has dropped down to 15.1% (8,700 households) – a 1.6% decrease from the previous year. While this is the first time PEI’s food insecurity rate has dropped since 2005, PEI is tied with New Brunswick as the province with the highest level of children living in food insecure households at 22%, a number that has not changed since 2012.³⁷

Views from Outside the Prince Edward Island Government

Civil society organizations in the province have been calling for the government to take immediate action regarding food insecurity in the province as it directly correlates to health costs. In fact, it has been estimated that health costs were 23% higher for individuals experiencing food insecurity in the province.³⁸

Several advocacy groups are also calling for a housing strategy, particularly for adults with intellectual disabilities. Partners for Change (along with groups such as

the PEI Coalition for a Poverty Reduction Program and the PEI Health Coalition) suggests that too many adults are being housed in hospitals because no viable alternative exist.³⁹ Currently, no comprehensive provincial housing strategy exists in PEI.

The lack of action by the PEI government to renew the province's poverty reduction strategy has also been met with significant critique by civil society organizations. In the November 2015 report, *Lingering Too Long. But Why?*, the MacKillop Centre for Social Justice and the PEI Coalition for a Poverty Eradication Strategy encourage the provincial government to recommit to a poverty strategy. The groups note some successes from strategies in Newfoundland and Québec and point to the government's failure to revitalize the expired strategy despite the commitment of the House of Commons to end child poverty in 1989, as well as Canada's human rights obligations. As stated in the report, "The rights of the child cannot continue to be violated by governments...Peoples' needs especially the needs of the most vulnerable should come first. But how can they when poverty is largely a forgotten issue, barely on the radar of the PEI government when budget choices and priorities are made? There is little determined effort to tackle the problem or recognize what it does to people".⁴⁰

The MacKillop Centre has called on the provincial government to create a strategy which: has clear legislated targets and timelines measured by multiple concrete methods; deals with multiple dimensions and causes of poverty including improved wages, social programs and greater assistance to people with disabilities; a focus on marginalized groups; and province wide consultation with those most affected by the strategy.

THE BOTTOM LINE

PEI has made some progress in the years since its strategy was developed in 2012. However, considerable work remains. Child poverty is particularly prevalent on First Nations reserves – a fact the expired provincial strategy failed to address. Community organizations have been encouraging a greater focus on equality in future initiatives, but little progress has been made on this front, particularly in provincial budgeting. Low wages across the province are largely responsible for food bank usage, food insecurity, and many Islanders' inability to meet their basic needs.

Without a renewed commitment to address poverty in a poverty reduction strategy – particularly a strategy with a revitalized focus on human rights including clear targets and timelines; accountability mechanisms; and multiple success indications – there is little progress to be made for those living in poverty in PEI.

FOR MORE INFORMATION



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ENDNOTES

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