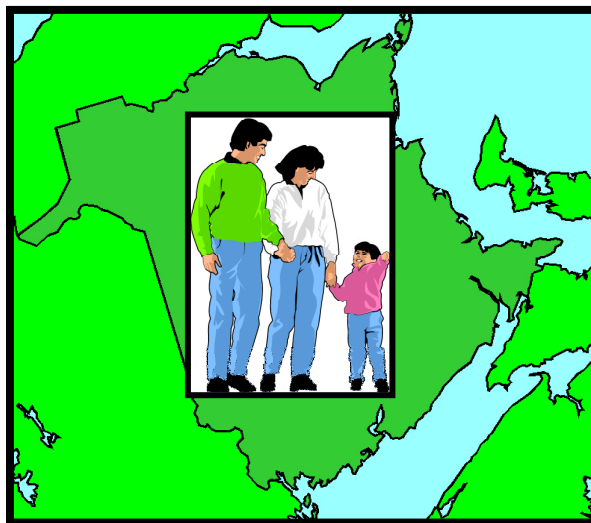


IMPACT OF FOOD PRICE INCREASES ON LOW-INCOME NEW BRUNSWICKERS



Report of a survey on the cost of food in
New Brunswick in July and August 2010

Study conducted by the members of
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TABLE OF CONTENTS

| | |
|---|----|
| 1. INTRODUCTION | 3 |
| 2. OBJECTIVES OF THE SURVEY | 5 |
| 3. METHODOLOGY | 6 |
| 4. RESULTS AND DISCUSSION | 6 |
| 4.1 Food cost in N.B. cities, towns and village | 6 |
| 4.2 Food cost according to food chain..... | 7 |
| 4.3 Cost of feeding a specific household in 2010 based on a survey of 12 stores | 8 |
| 4.4 Faces of people at risk of going hungry | 10 |
| 4.5 Cost of feeding specific Saint John households between 2006 and 2010 | 12 |
| 4.6 Changes in food prices in three Saint John stores between 2006 and 2010 | 13 |
| 5. CONCLUSION..... | 16 |
| 6. RECOMMENDATIONS | 17 |
| 6.1 Social assistance rates | 17 |
| 6.2 Inadequacy of minimum wage | 18 |
| 6.3 Low income seniors | 19 |
| 6.4 New Brunswickers experiencing food insecurity | 19 |
| 6.5 Collaboration between government, the private sector and the media ... | 20 |
| 7. ACKNOWLEDGEMENTS | 21 |
| ANNEX A: List of 66 items in Health Canada’s method of calculation of a nutritious food basket | 22 |
| ANNEX B: Calculations for a 2010 monthly income of six households | 24 |

LIST OF FIGURES

| | |
|---|----|
| Figure 1. Total cost price of 66 items in 9 cities, 2 towns and 1 village..... | 7 |
| Figure 2. Food cost in three food chains | 7 |
| Figure 3. Some monthly incomes and 2010 food cost in N.B..... | 9 |
| Figure 4. Expenditures made for food by certain social assistance recipients, minimum wage workers and seniors | 9 |
| Figure 5. Indirect estimates of monthly food cost for four types of Saint John households in 2006 and 2010 | 12 |
| Figure 6. Dramatic increases in basic food items..... | 15 |

LIST OF TABLES

| | |
|--|----|
| Table 1. Cost of a healthy diet based on food prices in 12 grocery stores in July-August 2010 | 8 |
| Table 2. Changes in food prices for 49 items in three Saint John stores surveyed in 2006 and 2010 | 14 |

1. INTRODUCTION

In New Brunswick, the Common Front for Social Justice (CFSJ) provides information to the public about the consequences of social and economic policies on people living in poverty. One of CFSJ's motivations to carry out advocacy work is rooted in Article 25 of the Charter of Human Rights which states: “*Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including **food**, clothing, housing and medical care and necessary social services ...*”. Minimum wage, social assistance rates and old age security pension place many New Brunswickers below the poverty line. Income from work has not kept pace with the rate of inflation. CFSJ is concerned that many poor people in New Brunswick (N.B.) are experiencing difficulty to cover one of their basic human rights, namely that of feeding themselves adequately.

The first indication that the Canadian social safety net was falling, leaving people hungry, was in 1981, when food banks were established. Like other antipoverty activists, CFSJ members believe that food insecurity is associated with several factors: unemployment, polarization of the job market into "good" and "bad" jobs, minimum wage below the poverty line, inadequate welfare benefits, high cost of housing, regressive taxation policies, off-loading of social programs to communities, and the unequal distribution of wealth. These factors, as mentioned by researcher Elaine Power, are the main cause of income insecurity which leads to food insecurity¹. She states: "*Without social justice for the poor in the larger society... programs aimed at improving the food problems of the poor will only reinforce individualistic solutions to structural problems, no matter what the intentions of the programmers.*"

A Canadian Community Health Survey conducted in 2007-2008 revealed that 7.7% of household experienced food insecurity². About 5.1% experienced moderate food insecurity, meaning that quality and/or quantity of food consumed was compromised. About 2.7% experienced severe food insecurity, meaning that there was an indication of reduced food intake and disrupted eating patterns. **Households with food insecurity in N.B. totalled 9.6%, and were therefore, higher than the Canadian average of 7.7%.**

When prices for basic foods go up, many turn away from fresh produce, a change that can increase their sugar and salt consumption³. Convenience foods are popular when money gets tight. At the meat counter, many shoppers select less nutritious cuts like hot dogs.

Household food insecurity has been associated with poor physical and mental health outcomes, multiple chronic conditions, obesity, distress and depression. Individuals living in poverty are more likely to develop cardiovascular disease, Type II diabetes and obesity. They also generally have a lower life expectancy than people with higher incomes.

¹ Power, E. M. Combining Social Justice and Sustainability for Food Security (Google search)

² Statistics Canada - www.statcan.gc.ca/pub/82-625-x/2010001/article/11162-eng.htm

³ <http://www.cbc.ca/health/story/2008/05/09/f-nutrition.html#ixzz0vVmRaqNX>

The cost of food, as measured by the Canadian Consumer Price Index (CPI), is on the rise⁴. The CPI, an indicator of changes in consumer prices, compares through time, the cost of a fixed basket of commodities purchased by consumers. The CPI allows one to compare, in percentage terms, prices in any given time period to prices in the official base period which, at present is 2002=100. Between 2005 and 2009, important annual increases in the N.B.'s CPI were recorded for food: 33.1% for vegetables and vegetable preparations; 28.2% for bakery and cereal products; 17.7% for fruit, fruit preparations and nuts; 13.5% for dairy products; 4.7% for meat prices.

In 2006, the Greater Saint John Community Foundation funded a project to determine the cost of a nutritious food basket in five Saint John stores⁵. One of the participants, Martha MacLean, graciously shared with CFSJ one set of the July 2006 data they collected. They used the food costing tool developed by Health Canada that measures the cost of healthy eating based on recommendations set by Canada's Food Guide to Health Eating⁶. The 66 food items selected represent a “bare bones” nutritious diet and do not include processed foods, snack foods and restaurant/take-out foods. It is based on the assumption that people have the necessary food skills to be able to prepare most meals from scratch. Estimated energy requirements are those for people with a normal Body Mass Index and whose physical activity is set at “low active”. Using data collected during 2006-2007, Ms. MacLean and her colleagues calculated that to purchase a nutritious food basket for a reference family of four required \$127.34 per week.

In 2009, the Heart and Stroke Foundation of Canada compared food prices by region across the country⁷. The study found that 4 out of 10 Canadians “occasionally” had to go without buying a particular type of food because of cost⁸. Almost one-quarter of Canadians (23%) occasionally went without lean meat and poultry, and this was followed closely by fruit and vegetables, when 20% of Canadians left these on the shelf. Almost half (47%) of Canadians occasionally went without fresh fruit, vegetables, dairy products, whole grain products, lean meat or fish because they were too expensive. One in five Canadians surveyed said that they did not buy a particular type of food “almost every time” they went shopping because of the cost. Evidently, the cost of food presents a significant barrier for many people to eat well. That survey found that marginalized groups were also more likely to be affected by high food prices.

In 2009, Saskatchewan Public Health Nutritionists reported that the monthly cost of a National Nutritious Food basket for a reference family of four was \$887.65⁹. They pointed out that food insecurity is a complex problem but that there are solutions.

⁴ <http://www.statecan.gc.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=2301&lang=en&db=imdb&adm=8&dis=2>

⁵ Kelly, J. MacLean, M., Murphy, B., Borsic, S. and McGraw, B. 2008. The Cost of a Nutritious food Basket in Saint John, New Brunswick (a 16-page manuscript).

⁶ www.hc-sc.gc.ca/fn.../basket.../index-eng.php

⁷ <http://www.newswire.ca/en/releases/archive/February2009/09/c6632.html>

⁸ www.heartandstroke.com/site/apps/nlnet/content2.aspx?c=ikIQLcMWJtE&b=49559

⁹ Public Health Nutritionists of Saskatchewan Working Group. 2010. The cost of healthy eating in Saskatchewan in 2009

Public education about nutrition does little for individuals who cannot access or afford healthy food. Policies that regulate the price of healthy food items would go a long way towards ensuring that every Canadian could afford to eat well. A Heart and Stroke Foundation poll found Canadians would overwhelmingly support these policies¹⁰. For example, 84% of people they surveyed believed that Canadian governments should raise the income of poor Canadians so they can afford to eat well, and **86% believed that the government should regulate food to make it equally affordable across the country.** Ontario's Network for Poverty Reduction is currently asking the provincial government to provide a **\$100-per-month healthy food supplement to adults on social assistance.**

In N.B., poverty is a harsh reality. Based on the 2006 Census, 729,995 people lived in the province and 100,740 of them (13.8%) were living in poverty¹¹. At that time, of the 320,700 employed people in N.B., 38,480 of them earned less than \$8 per hour¹². According to Statistics Canada, of the 369,400 New Brunswickers employed in October 2009, 57,400 were part-time workers¹³. In September 2010, the count of N.B. individuals on social assistance totalled 40,570¹⁴. Social assistance rates have not kept up with rising food costs. For example, in October 2005, the welfare rate of a single individual in the "transitional" category was \$494 per month. Today, it is \$537 which is only an 8.7% increase. Between 2005 and 2010, inflation has risen by 9.06%¹⁵

Much too often, the working poor, people on social assistance and seniors on old age security pensions lack the necessary income to meet their basic nutritional needs. This is what has motivated CFSJ to conduct a survey to document the urgency to raise the income of those living below the poverty line so that these citizens can remain healthy. The following pages will summarize the objectives of the survey, its methodology, and its major findings and will make some recommendations.

2. OBJECTIVES OF THE SURVEY

The objectives of the survey were fivefold:

1. To survey and analyze the price of 66 food items sold in 12 provincial grocery stores, including three major chain stores situated in cities, towns and villages in N. B.;
2. To inform the public regarding the high proportion of the revenue of low income households needed to cover food cost;
3. To document changes in the cost of nutritious food in Saint John between 2006 and 2010;
4. To compare the 2006 prices of 49 food items in Saint John versus those prices in 2010;
5. To acquire factual information in order to make recommendations to government and the food industry.

¹⁰ www.newswire.ca/en/releases/archive/February2009/09/c6632.html.

¹¹ New Brunswick Government. 2009. Bringing the pieces together - Developing a poverty reduction plan, page 12.

¹² New Brunswick Government. 2009. Bringing the pieces together - Developing a poverty reduction plan, page 12.

¹³ <http://www.statcan.gc.ca/subjects-sujets/labour-travail/lfs-epa/t091106a3-eng.htm> (Page 2).

¹⁴ www.gnb.ca/0017/statistics/10-11-e.asp.

¹⁵ www.bankofcanada.ca/en/rates/inflation_calc.html

3. METHODOLOGY

Seven members of the CFSJ and two non-CFSJ members teamed up to carry out a survey based on the **National Nutritious Food Basket** (NNFB) methodology developed by Health Canada. It measures the cost of healthy eating based on Canada's Food Guide to Healthy Eating¹⁶ but does not include foods that are not part of *Canada's Food Guide*. When an item was on sale, it was the one selected as this is the probable decision made by low-income people (See Annex A for a list of the 66 items surveyed).

Attention was paid to include grocery stores located in cities, towns and village. The 12 following stores were surveyed during July and August 2010:

- Three stores in Moncton: Sobeys on Vaughn Harvey Blvd, Atlantic Superstore at 165 Main St and Coop Centre Food Market at 90 Mountain Road (July 2).
- Three stores in Saint John: Sobeys on Lansdowne Ave, Superstore on Fairville Blvd and Coop at 944 Fairville Blvd (August 10).
- Three stores in Miramichi: Sobeys on Pleasant St., Atlantic Superstore on King George Hwy and Beaubear Coop on Coughlan St. in Nelson-Miramichi (July 22).
- One store in Lamèque: Coop de Lamèque, 68, rue Principale, Lamèque.
- One store in Tracadie: Atlantic Superstore, 3455, rue Principale, Tracadie-Sheila.
- One store in Rogersville: La Coop de Rogersville, 28, rue Boucher, Rogersville.

Prices recorded were inspected for accuracy by a nutrition specialist (A.C.) and entered into the NNFB computerized program which automatically calculates the cost of a nutritious diet for various ages and for gender.

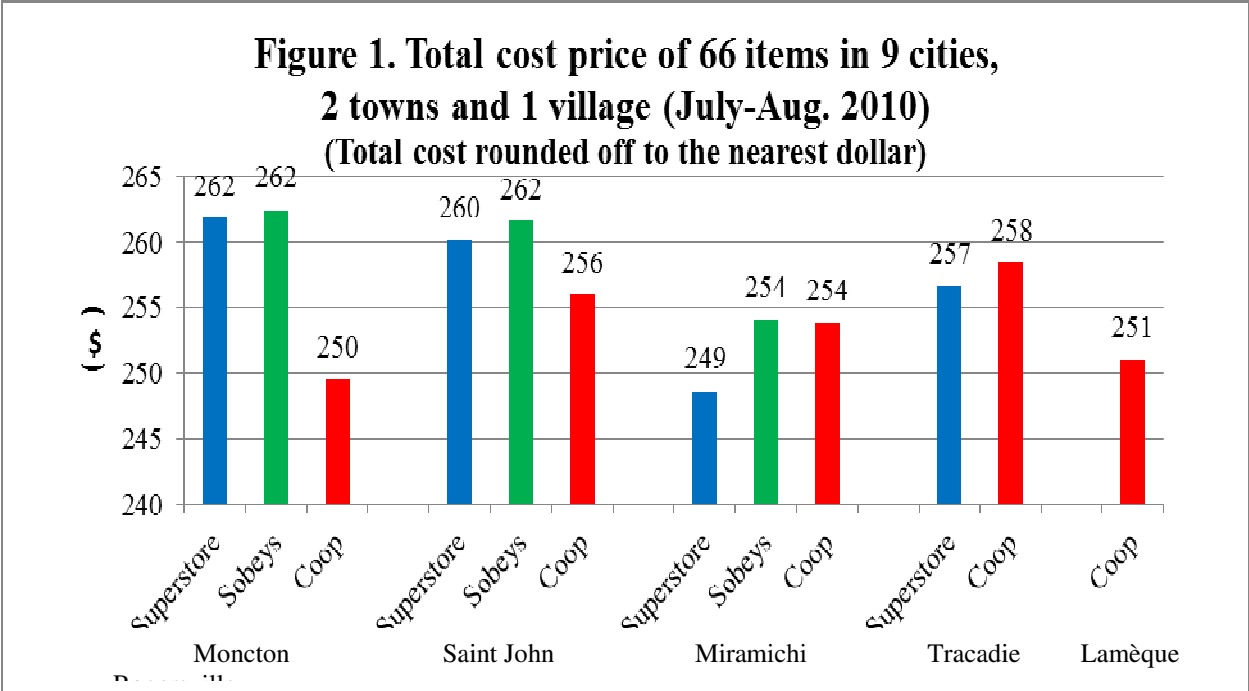
4. RESULTS AND DISCUSSION

4.1 Food cost in N.B. cities, towns and village

The cost of a grocery list comprising the 66 items described in Annex A is presented in Figure 1 on page 7.

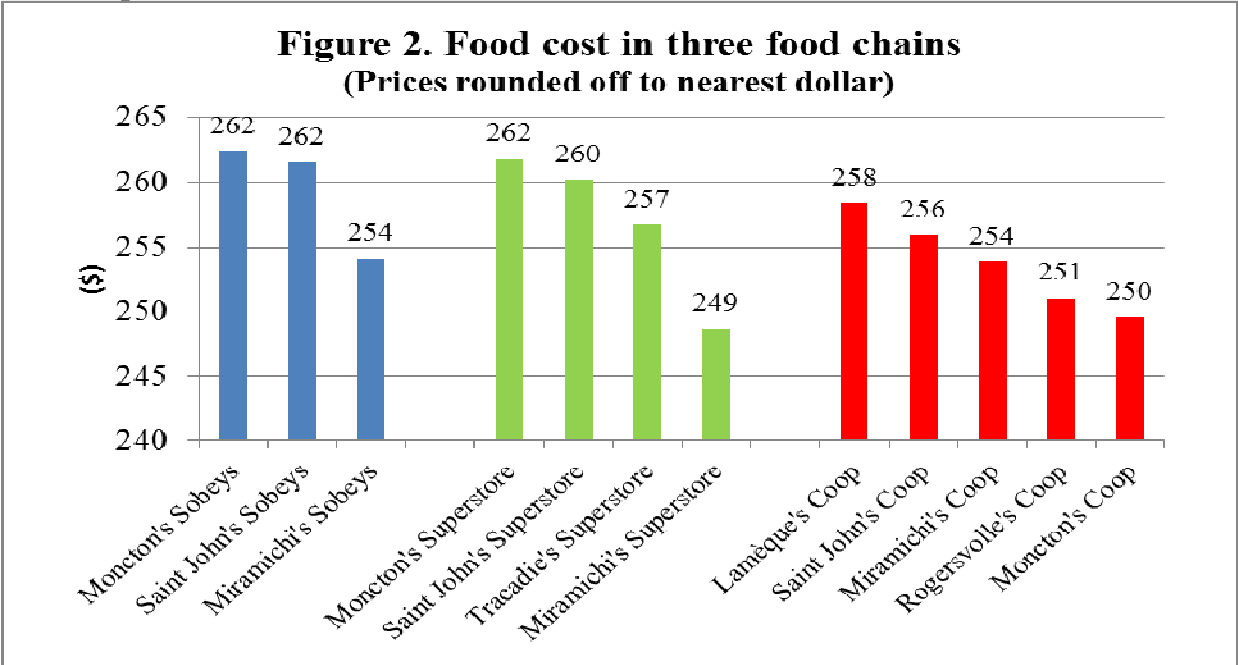
The average cost for the 66 items in the nutritious food basket in the nine **city** stores (3 in Moncton, 3 in Saint John and 3 in Miramichi) was **\$256.46**. The average cost for the two **town** stores of Tracadie and Lamèque was **\$257.55**. In the **village** of Rogersville, the cost was **\$251.05**. These differences are not very great. Admittedly, this survey was conducted in only 12 stores, a small sample size, but the results are nevertheless contrary to the commonly held belief that food prices are higher in rural areas than in urban ones. In large chain stores, competition may be fierce enough at the regional level to keep price differences at a minimum. Small country stores were not surveyed. Prices are probably higher there.

¹⁶ www.hc-sc.gc.ca/fn.../b



4.2. Food cost according to food chain

In each of the three cities surveyed, we collected data in the Sobeys, Superstore and Coop food chains. The overall price of the 66 items in the nutritious food basket was higher at Sobeys, followed by Superstore while the Coop stores had the least expensive nutritious basket. Figure 2 presents the total cost of the 66 nutritious food items according to the three food chains where they were purchased. The average for the three Sobeys stores was **\$259.37** while the average for the four Atlantic Superstores was **\$256.37** and that of the five Coop stores was **\$253.76**.



4.3 Cost of feeding a specific household in 2010 based on a survey of 12 stores

The methodology of the National Nutritious Food Basket provides a template to calculate the cost of a diet based on Canada’s Food Guide to Healthy Eating. No pre-packaged convenience foods or restaurant food are included in the list of 66 food items intended to maintain an adequate nutritional status for various age groups (See Annex A). Food cost for infants less than two years is not given as there are no recommendations for that age group. It is assumed that the Body Mass Index of individuals is normal and that their level of activity is “low active”. Food cost for males and females of varying ages are presented in Table 1.

Table 1. Cost of a healthy diet based on food prices in 12 grocery stores in July-Aug 2010

| Sex | Age (years) | Cost per week (\$) | Cost per month (\$)* |
|----------|-------------|--------------------|----------------------|
| Male | 2-3 | 27.46 | 118.90 |
| | 4-8 | 35.04 | 151.72 |
| | 9-13 | 45.85 | 198.53 |
| | 14-18 | 63.13 | 273.35 |
| | 19-30 | 60.84 | 263.44 |
| | 31-50 | 55.24 | 239.19 |
| | 51-70 | 53.37 | 231.09 |
| | Over 70 | 52.80 | 228.62 |
| Female** | 2-3 | 26.95 | 116.69 |
| | 4-8 | 34.02 | 147.31 |
| | 9-13 | 39.56 | 171.29 |
| | 14-18 | 46.75 | 202.43 |
| | 19-30 | 47.48 | 205.59 |
| | 31-50 | 47.03 | 203.64 |
| | 51-70 | 42.20 | 182.73 |
| | Over 70 | 41.38 | 179.18 |

* Because of the months with more than 28 days, the multiplier 4.33 is used to obtain the monthly cost.

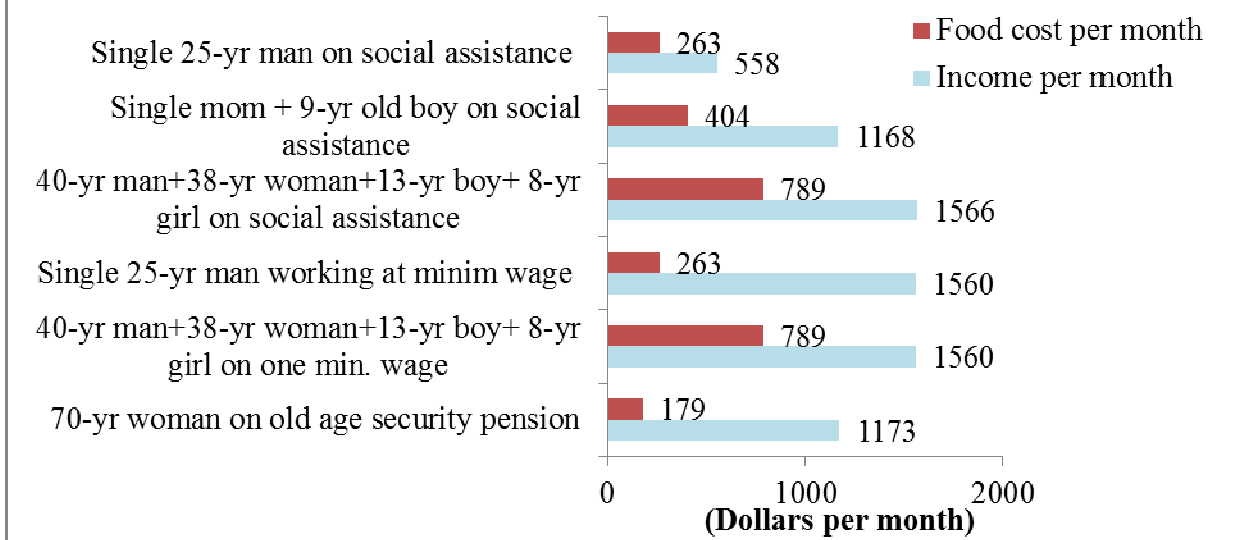
**Pregnant mothers’ food cost/week goes from \$50.85 to \$52.13 and lactating mothers, from \$53.63 to \$54.91.

Food cost represents an important percentage of the monthly budget of people living on limited means. The rising food cost is in strong contrast with the stable social assistance rates of the past few years. For example, for one person in the “transitional category”, the social assistance rate went from \$494 per month in 2005 to \$537 in 2010. This is an 8.7% increase. Between 2005 and 2009, the Consumer Price Index for food in N.B. rose by 16%¹⁷.

To keep up with the rising cost of nutritious food, social welfare recipients need to invest an increasing proportion of their revenue to purchase healthy food. The same is true for minimum wage-workers and seniors on old age security pension. This is illustrated in Figures 3. Details for the calculations of these groups’ income are presented in Annex B.

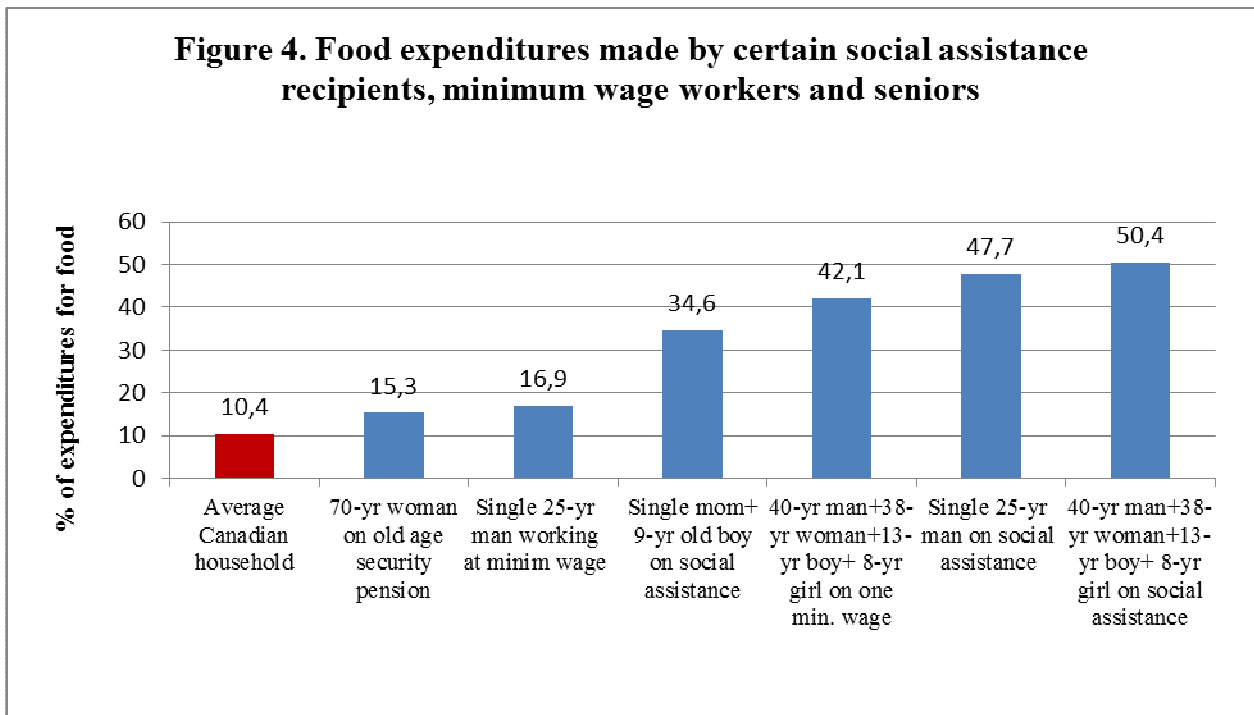
¹⁷ www.statcan.gc.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=2301&lang=en&db=imdb&adm=8&dis=2

Figure 3. Some monthly incomes and 2010 food cost in NB



Statistics Canada reports that in 2008, the average consumption expenditure of Canadians totalled \$71,384 per household, and that out of this amount, \$7,435 went to **food** which, percent-wisely, comes to **10.4% of the total expenditure**¹⁸. Many New Brunswick households spend considerably more than 10.4% on food as is illustrated in Figure 4.

Figure 4. Food expenditures made by certain social assistance recipients, minimum wage workers and seniors



¹⁸ Statistics Canada. Spending Patterns in Canada – 2008. Catalogue no. 62-202-X

4.4 Faces of people at risk of going hungry

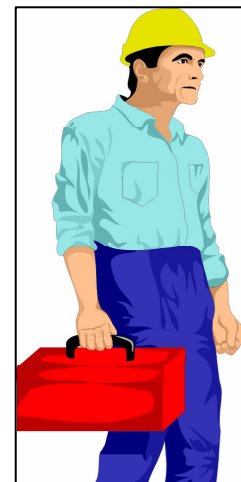
Figure 4 indicates six different types of New Brunswick households which run the risk of going hungry. These are: low income female senior relying solely on old age pension and the guaranteed income supplement; single person working at minimum wage; lone mother with one child on social assistance; family of four with a single breadwinner working at minimum wage; single employable person on social assistance and a family of four on social assistance. Some of their difficulties are described below.

Low income senior women. In 2007, 14.5% of women aged 65 and over and living alone were below the Low Income Cut-off (before tax) and, compared to men, these women were three times more at risk of living in poverty¹⁹. In 2009 in N.B., more than half of senior women (52%) qualified for the guaranteed income supplement compared to 42% for senior men. The majority of seniors are poor but, just as for other age groups, poverty has a feminine face.



Women have a longer life expectancy than men so they endure poverty for a longer period. As indicated in Figure 4, a 70-yr old woman needs \$179 per month to buy nutritious food. The price of food observed in 2010 indicates that **15.3% of her total income goes to cover her food purchases, compared to 10.4% for an average Canadian household.**

Minimum wage workers. A single man working at \$9.00 an hour brings home \$18,720 per year or \$1,560 per month. Extrapolating the before-tax Low Income Cut-off data (LICO), he would need to earn an additional \$996 per year to reach the poverty line. At the 2010 food price level, that individual spends **16.9% of his earnings on food**, which is more than the Canadian average of 10.4%. Supposing this 40-year old man is the sole breadwinner for his family (38-year old wife, 13-year old boy and 8-year old girl), he still only brings home \$1,560 per month and, from his take-home check, \$789 are required to feed his family. **This is more than half of his earnings (50.6%)** and almost five times the Canadian average for expenses on food. Once the shelter cost of this head of household is covered, there is practically no money left. If an individual has to struggle to live on a minimum wage income, it is even more difficult for a four-member family to survive on it. The extrapolated before tax LICO (poverty line) in 2010 for a four member household is \$36,705. That breadwinner with three other dependants would need to earn \$18.08 per hour to reach the poverty line. These situations point to the need to increase the minimum wage. More and more, socially minded citizens are promoting a living wage rather than a minimum wage.



¹⁹ NB Advisory Council on the Status of Women. Status Report 2010, p.35.

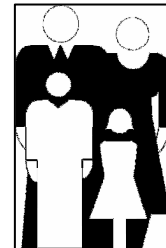
Social assistance recipient: lone mother with one child. A needy single mother on social assistance, even with her child-related government benefits, needs to spend **over one third of her financial resources (34.5%) on food for herself and her child.** Consequently, it is improbable that she will buy the quality and the quantity of the food that she needs. Her situation is aggravated by the present high cost of housing.



Social assistance recipient: single person. Given the very low social assistance rate for this category of individuals (**\$537 per month**), a 25-year old man would have to invest **\$263 out of his monthly allowance to purchase a healthy diet; this is 47.7% of his total income, including his GST rebate.** Almost half of his income is therefore required for his food, yet to avoid being homeless, he needs to set aside over \$300 for a small room in a rooming house. Single women on the “Transitional Assistance” category are also having great difficulties making both ends meet. These people are regular clients of soup kitchens and food banks. In September 2010, there were **9,962 one-person households** in N.B. in the “**transitional assistance**” program and thus, only receiving \$537 monthly. They represent “the hidden face of poverty”!



Social assistance recipient: family of four. A reference family of four (40 year-old man, 38 year-old woman, 13 year-old boy and 8 year-old girl) needs to spend \$789 per month to purchase the nutritious food required for the whole family. **Food alone engulfs 50.4% of their monthly budget.** Their family income of \$789 per month only brings them up to 28.8% of the extrapolated before tax LICO, generally called the “poverty line”.

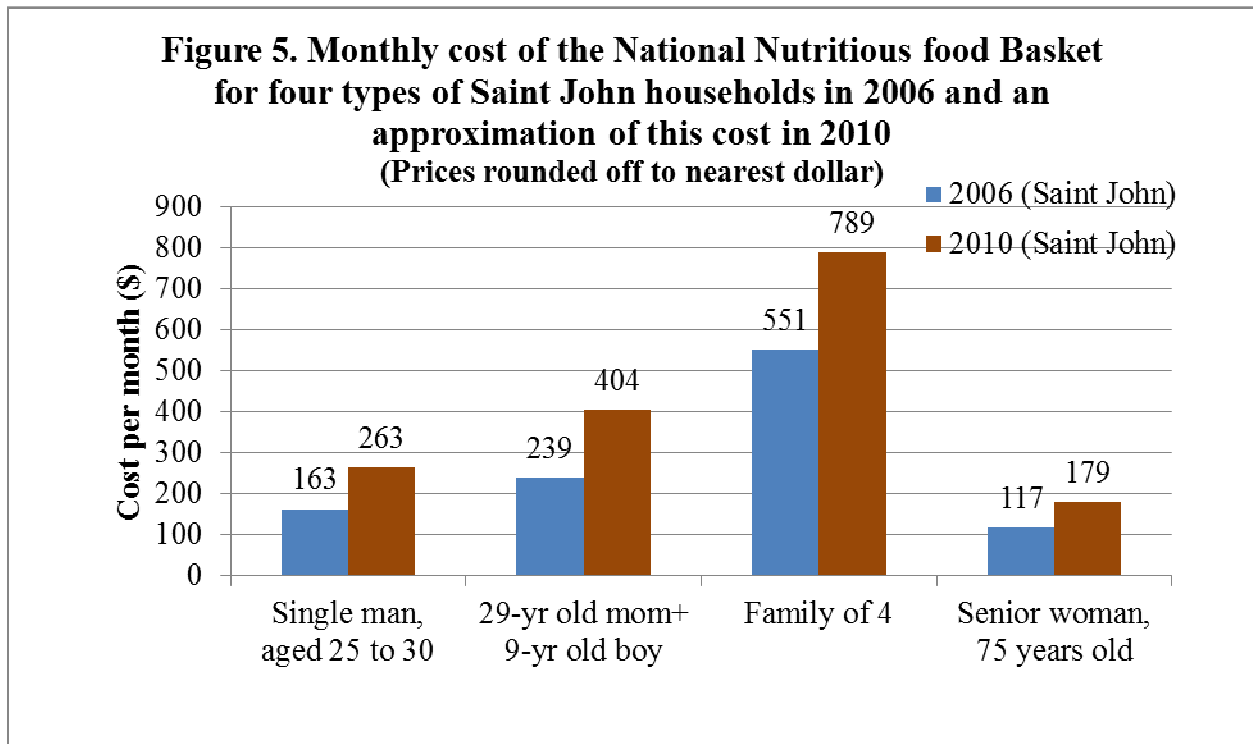


Depending on their type of household, social welfare recipients would need to invest from 35% to over 50% of their income on food. Presently, many cannot buy the nutritious food they need because of their high shelter costs. A 2008 report by Statistics Canada states that the poorest 20% of Canadian households earn an average of \$21,268 but they spend \$7,051 annually on shelter. This averages out to \$588 per month for housing alone. Consider the case of a social welfare recipient in the “transition category” and who is unable to work. Such an individual only gets \$537 per month in social assistance but his room costs him \$325 per month. That person uses 60.5% of his welfare allocation for housing alone and is really “food insecure”.

Researchers have demonstrated that financial insecurity leads to poor physical health, multiple chronic conditions and obesity. The latter is often attributable to the consumption of low-cost fatty foods and cheap junk food. From a psychological perspective, financial insecurity can also triggers distress and even depression. In the case of seniors who do not have the money to cover both food and prescribed medication, a hard choice has to be made.

4.5 Cost of feeding specific Saint John households between 2006 and 2010

One of the objectives of this survey was to document the changes in the cost of a nutritious food basket for individuals and families between 2006 and 2010. This was made possible through the sharing of data offered by Ms. Martha MacLean, a Saint John nutritionist. In 2006, a Saint John partnership (Public Health, Community Health Centre, Urban Core Support Network and the Family Resource Centre Inc.) conducted a study, using the 1998 National Nutritious Food Basket (NNFB) method developed by Health Canada²⁰. In 2010, the CFSJ used a revised version of the NNFB which was published in 2008. Although a direct comparison between the 2006 and the 2010 prices is not 100% accurate, it does provide a good estimate of food price increases during a four-year period. In the 2010, 49 out of 66 food items surveyed by the CFSJ were similar to those priced in 2006. Both surveys were designed to determine the cost of feeding a low-cost nutritious diet to individuals and families. As shown Figure 5, food price estimates of most foods required by four types of households have dramatically risen during this four-year period.



The 2006 prices presented in Figure 5 are taken from the data published in the Saint John study²¹. The 2010 Saint John food prices were recorded by the CFSJ in three chain stores and the prices for each item were averaged out.

²⁰ Kelly, J. MacLean, M., Murphy, B., Borsic, S. and McGraw, B. 2008. The Cost of a Nutritious food Basket in Saint John, New Brunswick (a 16-page manuscript).

²¹ The Cost of a Nutritious Food Basket in Saint John, New Brunswick – 2006-2007, page 8.

In Saint John, the estimated cost of a "no frill" nutritious diet rose by **43% to 68%** between 2006 and 2010, depending on the sex, age and size of the household. Estimated price increases during those four years are:

- For a single man, aged 25 to 30, the price rose by 61.8%.
- For a single mother with a 9-yr old boy, the price rose by 68.7%
- For a family of four (man 40, woman 38, boy 13 and girl 8) the price rose by 43.0%
- For a 75-year old women, the price rose by 52.7%.

This rise in food cost is in strong contrast with the social assistance rate increases granted through 2006 and 2010. As indicated earlier, for one person in the transitional category, the social assistance rate went from \$494 per month in 2006 to \$537 in 2010, an 8.7% increase. To keep up with the rising cost of nutritious food, it is evident that higher incomes are needed.

4.6 Food prices changes in three Saint John stores between 2006 and 2010

Food prices were surveyed in July 2006 in Saint John. CFSJ conducted another survey of in that city in July 2010. **Out of the 66 food items which were part of the National Nutritious Food Basket in 2006, 49 of these were exactly the same in the 2010 food basket.** This provided a unique opportunity to observe which particular food items have had the greatest price increase during the four-year period. These results are summarized in Table 2 on the following page.

In 2006, the price at the cash register for the 49 items included in the National Nutritious Food Basket was \$146.32, compared to \$176.73 in 2010. **This is an overall 20.8% price increase** and is more than three times the rise in the Consumer Price Index, which was 6.57% between the two time periods. Possible explanations behind some of the food price increases between 2006 and 2010 are the following:

Dairy products. *Fluid milk* price rose by 7.5%, practically the same as the CPI (6.57%). This may be attributed to the fact that the *New Brunswick Farm Products Commission* sets the price of fluid milk to retailers²². Cheese and yoghurt prices rose considerably more, namely between 28.9% and 42%.

Protein-rich foods. *Chicken legs* appear to have decreased in price by 9.3% during the four-year period but this may be due to a 2010 anomaly, namely that in one of the three Saint John stores, chicken legs were \$2.2 less per kg than in the other two stores. The price of *ground beef* and *pork chops* rose more slowly than the CPI. The price of *eggs* rose by 21.9%, even if this is a farm product which is regulated by the N.B. Natural Products Act. Baked beans and tuna, two canned products, rose in price by 48.8% and 102.5% respectively.

Fruit. *Apples* were 28% cheaper in August 2010 compared to August 2006, probably because apples in cold storage were being moved out to make room for the new crop. The price of orange juice and fresh oranges rose three times faster than the CPI. Canned apple juice almost doubled in price, possibly due to increasing energy and metal can costs.

²² www.gnb.ca/0062/acts/acts/n-01-2-htm; 2006-2007 Annual Report of the New Brunswick Farm Products Commission

Table 2. Changes in price for 49 items in three Saint John stores between 2006 and 2010

| Product category | 2006 price (\$) | 2010 price (\$) | % price difference | Product category | 2006 price (\$) | 2010 price (\$) | % price difference |
|-------------------------------|-----------------|-----------------|--------------------|----------------------------------|-----------------|-----------------|--------------------|
| Dairy products | | | | Vegetable products | | | |
| Milk, 4 L | 6.40 | 6.88 | 7.5 | Lettuce, romaine, kg | 4.39 | 3.42 | -22.1 |
| Yoghurt, 750 g | 2.73 | 3.52 | 28.9 | Cucumber, kg | 2.02 | 1.61 | -20.3 |
| Cheese Cheddar, 200 g | 2.94 | 4.02 | 36.7 | Potatoes, white, 10 lbs. | 5.46 | 4.99 | -8.6 |
| Cheese slices processed 500 g | 3.09 | 4.35 | 40.8 | Broccoli, kg | 3.85 | 3.83 | -1.0 |
| Cheese, Mozzarella, 200 g | 2.83 | 4.02 | 42.0 | Rutabaga (turnip), kg | 1.59 | 1.65 | 3.8 |
| | | | | Vegetable mix frozen, kg | 2.62 | 2.90 | 10.7 |
| Protein-rich products | | | | Celery, kg | 2.65 | 3.07 | 15.8 |
| Chicken legs, kg | 6.46 | 5.86 | -9.3 | Tomato, red, raw, kg | 3.97 | 4.61 | 16.1 |
| Hamburger, kg | 7.77 | 8.06 | 3.7 | Carrots, kg | 1.50 | 1.94 | 29.3 |
| Pork chops, kg | 8.28 | 8.69 | 5.0 | Cabbage, kg | 1.14 | 1.59 | 39.5 |
| Fish fillets frozen/400 g | 4.46 | 4.80 | 7.6 | Onion, kg | 2.04 | 3.04 | 49.0 |
| Sliced ham, 175 g | 1.72 | 2.03 | 18.0 | Corn, canned per 341 ml | 0.68 | 1.09 | 60.3 |
| Eggs per dozen | 2.15 | 2.62 | 21.9 | Tomato canned per 796 ml | 0.93 | 1.62 | 74.2 |
| Peanut butter, 500 g | 2.51 | 3.09 | 23.1 | Pepper, green, raw, kg | 3.26 | 6.22 | 90.8 |
| Round steak, kg | 8.69 | 10.68 | 23.8 | | | | |
| Baked beans, 398 ml | 0.82 | 1.22 | 48.8 | Grain products | | | |
| Tuna, 170 g can | 0.80 | 1.62 | 102.5 | Oatmeal, 1 kg | 2.22 | 2.33 | 5.0 |
| | | | | Spaghetti, 900 g | 1.34 | 1.84 | 37.3 |
| Fruit | | | | Rice white long grain, 900 g | 1.69 | 2.41 | 42.6 |
| Apples, kg | 3.79 | 2.73 | -28.0 | Flour whole wheat, 2.5 kg | 3.29 | 4.81 | 46.2 |
| Pears, kg | 4.02 | 3.98 | -1.0 | Bread white enriched, 570 g | 1.63 | 2.60 | 59.5 |
| Grapes, kg | 3.42 | 3.60 | 5.3 | Hamburgers rolls (8) | 1.28 | 2.08 | 62.5 |
| Bananas, kg | 1.65 | 1.96 | 18.8 | Soda crackers, 450 g | 1.56 | 2.82 | 80.8 |
| Orange juice frozen, 355ml | 1.13 | 1.36 | 20.4 | Flour white all-purpose 2.5 kg | 2.79 | 5.16 | 84.9 |
| Oranges, fresh: 1 | 2.77 | 3.58 | 29.2 | Bread whole wheat, 675 g | 1.45 | 2.93 | 102.1 |
| Raisins seedless, 750 g | 2.96 | 5.02 | 69.6 | | | | |
| Apple juice can, 1.36 L | 1.09 | 2.00 | 83.5 | Fats and oil | | | |
| | | | | Mayonnaise type, 475 ml | 2.42 | 2.56 | 4.1 |
| | | | | Margarine non-hydrogenated, 454g | 3.58 | 4.09 | 14.2 |
| | | | | Canola oil, 1.89 L | 4.49 | 5.83 | 29.8 |

Note: Food items whose price rose by more than the Consumer Price Index (6.57%) appear in bold.

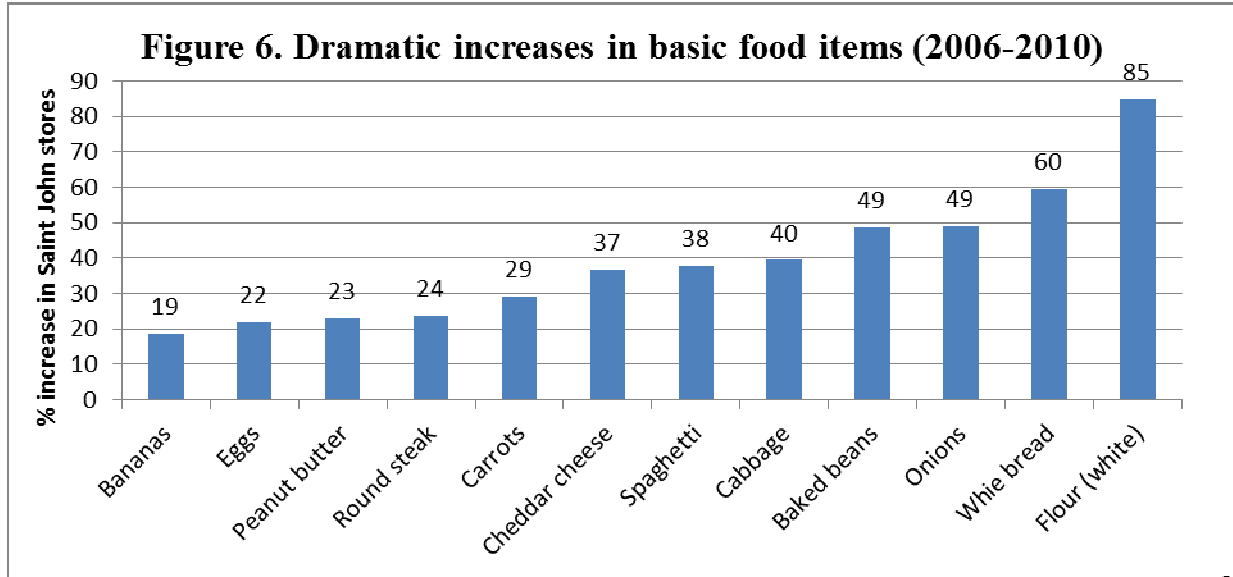
Vegetable products. Because of peaks in harvest time, Romaine lettuce, cucumbers, potatoes and broccoli were less expensive in 2010, compared to 2006. Six other vegetables had price increases ranging from 10.7% to 49%. The price of canned corn and canned tomatoes rose by as much as 60.3% and 74.2% respectively. Fresh green pepper rose in price by 90.8%!

Grain products. Except for oatmeal, the price of all other cereal-based products rose markedly. Between 2006 and 2008, international wheat prices rose from around \$200 US

per metric ton up to \$500 US, a 250% increase. This dramatic increase was passed on to the baking industry, and in turn, to the consumers.

Fats and oils. Non-hydrogenated margarine and Canola oil rose in price by 14.2% and 29.8% respectively.

As indicated in Table 2, there have been dramatic increases in basic food items between 2006 and 2010. Figure 6 presents the extent of increase for 12 commonly consumed foods. These percentages are quite striking.



Such food price increases will aggravate the level of food insecurity. As already stated, research has shown that financial insecurity leads to poor general health, mental stress and obesity. In conditions of food scarcity, caloric needs take precedence over the requirements of vitamins, minerals and other essential nutrients. When low income people only have a limited amount of money, they instinctively strive to meet their caloric needs. They will therefore try to quiet their hunger pangs by eating cheap foods, and these are often high in sugar, starch and fat. This may be the cause of a higher incidence of obesity among people living on limited means.

The N.B. government must use the evidence gathered during this survey to act on the urgent matter of reducing poverty. Knowing that the price of nutritious food has gone up dramatically, as demonstrated in this document, constitutes a fact-based justification to increase the much needed financial support for the most vulnerable ones in our society.

5. CONCLUSION

A food costing survey conducted by the Common Front for Social Justice (CFSJ) in July and August 2010 documented what many people living on limited income already knew from experience, namely that food is considerably more expensive now than four to five years ago.

The price of the 66 food items collected from nine urban grocery stores in Moncton, Saint John and Miramichi, when compared to those in less populated areas such as Tracadie, Lamèque and Rogersville, did not vary markedly. Given that there were only 12 stores surveyed, this must be interpreted with caution. Only three cities were surveyed and very few towns and villages were included. Although this study does not substantiate the suspicion that food costs more in rural areas than in urban ones, CFSJ is aware that small corner stores generally sell at higher prices than large chain stores.

There is a minor trend for certain food chains to sell at a higher price than others although the differences are not huge. **The average price of a 66-item food basket was \$253.76 at five Coop stores, compared to \$256.84 at four Atlantic Superstores and \$259.37 at three Sobeys stores.**

Important increases have occurred in the cost of a nutritious diet for individuals and families. In 2010, a reference family of four needs close to \$800 to cover its monthly grocery bill. For an average Canadian household, expenditures related to food are 10.4% but N.B. seniors invest 15.3% of their old-age pension and guaranteed income supplement on food. A 25-year old man working full time at minimum wage invests 16.9% of his income on food. If this minimum wage worker is the sole breadwinner in a 2-member household, 30.1% of his income goes for a “bare bone” nutritious diet. The situation is more critical for social welfare recipients. A single mom with a 9-year old boy has to invest 34.6% of her allocation to feed herself and her child. A single man receiving \$537 per month on social assistance uses 47.7% of his income to feed himself adequately. The worst case scenario is that of a reference family of four on social assistance (40-yr old man, 38-yr old woman, 13-yr old boy and an 8-yr old girl). Their food expenditure for a nutritious diet requires 50.4% of the total family revenue.

Based on 49 similar food items and 17 different ones, estimates of the cost of a nutritious food basket in the city of Saint John indicate that between 2006 and 2010, the situation was as follows following:

- For a single man, aged 25 to 30, the price of food rose by 61.8%;
- For a single mother with a 9-yr old boy, it rose by 68.7%;
- For a family of four (man 40, woman 38, boy 13 and girl 8), it rose by 43.0%;
- For a 75-year old woman, it rose by 52.7%.

In the city of Saint John, **the price paid at the cash register for the 49 same items included in the National Nutritious Food Basket was \$146.32 in July 2006 compared**

to \$176.73 in July 2010. This is an overall 20.8% price increase compared to the Consumer Price Index which rose by 6.57%.

Overall, people on social assistance, minimum wage workers and seniors on fixed income have an incredibly small amount of money to feed themselves adequately. Housing cost competes for a large portion of their monthly income. Some spend as much as 60% of their income on housing alone. With the current cost of nutritious food alone, they would need to spend from one third to one half of their allocation for food, leaving them empty-handed for all other necessities of life. An individual working at minimum wage, particularly if he or she works less than 40 hours per week, has difficulty making both ends meet. Many seniors on old age security pension live below the poverty line. If ill health sets in, bringing increases in health costs, they can no longer feed themselves adequately.

Economically speaking, it makes more sense to promote an excellent health status through adequate nutrition rather than to increase the budget of the Department of Health. Indeed, it is well documented that health care costs rise significantly when people live in poverty.

6. RECOMMENDATIONS

This food pricing survey has documented the high cost of adequately feeding New Brunswickers in 2010. Many renowned researchers have pointed out that income insecurity leads to food insecurity and that individualistic solutions will not resolve this problem as this is a structural problem. The Common Front for Social Justice has identified five problem areas related to food cost. The following recommendations are intended to address these issues.

6.1 SOCIAL ASSISTANCE RATES

The provincial government must raise the income of social assistance recipients much more rapidly than it is doing now. The January 2010 decision to raise the \$294 monthly rate for employable people to \$537 was a step in the right direction but it only benefited approximately 1,200 individuals, leaving close to 37,000 people behind, unable to afford a nutritious diet. Increasing welfare rates was part of an electoral platform in 2006 which remained unfulfilled. It may now cost 40 million dollars to implement it out, yet it still remains a high priority. With the current level of income, many social welfare recipients are forced to stay in small room, eat at soup kitchens, go to food banks, do without medications, refrain from any cultural and social events, etc.

RECOMMENDATION N° 1

**Add, by April 2011, a monthly food supplement for social assistance recipients by:
1.1 Providing to all adults on social assistance a \$100-per-month healthy food supplement.**

1.2 Providing an additional \$35 per month per child to all households with children who are receiving social assistance (this is the amount currently required to cover one week of food for a boy or a girl aged 4 to 8).

1.3 Indexing these food supplements to the cost of living.

1.4 Stipulating that these food supplements will not trigger a rent increase for social assistance recipients living in subsidized housing.

6.2 INADEQUACY OF MINIMUM WAGE IN NEW BRUNSWICK

Many New Brunswickers working at minimum wage are living below the poverty line. This is particularly true for those offered less than 40 hours of work per week as well for as those who are the sole breadwinner in a family of two or more. The N.B. government has published a schedule of increases in the provincial minimum wage and should be commended for it. However, the rate of \$9.00 in September 2010 will not allow the N.B. minimum wage to come up to par with the average of the three other Atlantic Provinces. This must be revisited if the working poor are to be able to afford a "no-frill" nutritious diet. If one extrapolates what the before-tax Low Income Cut-off (LICO) would be in 2010, using the 2000 to 2008 best fitting line, one arrives at a LICO (or poverty line) of \$19,716 per year for an individual living in an area of 30,000 to 99,999 inhabitants. For a two-person household, the poverty line is \$24,591. Currently, a minimum wage of **\$9.48** per hour is needed for one person working a 40-hour week to reach the poverty line. In the case of a two-member household with a single wage earner, it would now require an **\$11.82** per hour minimum wage.

More and more social advocates lobby for a **"living wage"**. The Canadian Centre for Policy Alternatives (CCPA) proposes that a living wage be based on 35 hours of work per week and 52 weeks of employment each year²³. CCPA researchers presume that employees are entitled to two weeks of paid sick time, plus the statutory requirements for paid vacation and statutory holidays under employment standards. When applied in British Columbia in 2008, this translated into a living wage of \$16.74 per hour for a Vancouver family of four and to \$16.39 for such a family living in Victoria. For a single-parent with one child, CCPA calculated the living wage to be \$16.73 in Vancouver and \$15.11 in Victoria. In Calgary, the municipal finance committee approved living wage policies of \$12 with benefits and \$13.25 without benefits, for all municipal employees, whether they work directly for the city or a private contractor.

CCPA states that the primary determinants of the living wage are income from employment and family expenses. However, their calculations also factors in the income which the family receives from government transfers as well as the deduction from income for EI, CPP and income taxes. Their living wage is calculated using the following formula:

²³ Richards, T., Cohen, M., Klein, S. and Littman, D. 2008. Working for a Living Wage – Making Paid Work Meet Basic Family Needs in Vancouver and Victoria.

$$\boxed{\text{Annual family expenses}} = \boxed{\text{Income from employment (living wage)}} + \boxed{\text{Income from government transfers}} - \boxed{\text{EI and CPP premiums, federal and provincial taxes}}$$

Information to calculate the living wage for New-Brunswickers is not available to CFSJ but expertise to do these calculations is available within the N.B. government.

RECOMMENDATION N° 2

Based on average expenses for households of one and more members, have the N.B. government calculate what would be a “living wage” for workers and plan its gradual implementation within two years.

6.3 LOW INCOME SENIORS

The total annual income of seniors on old age security pension who receive the maximum guaranteed income supplements is approximately \$14,075. This keeps them below the poverty line which is approximately \$19,715 per year (by \$5,640). Seniors receiving the guaranteed annual supplement are already entitled to a contribution of \$400 per year from the N.B. government. Given that the monthly food cost of a 75-year old woman has risen from \$116.69 in 2006 to \$206.19 in 2010 (a 77% increase), the provincial government's supplement should be increased by approximately \$100. Moreover, government should collaborate with the other provinces to lobby the federal government for improvements in the old age security pension and the guaranteed income supplement so that seniors do not have to live in poverty.

RECOMMENDATION N° 3

Add, to the 2011 provincial government's budget, an additional \$100 to the current \$400 supplement forwarded to seniors receiving the guaranteed income supplement; this would bring the supplement up to \$500 per year.

6.4 NEW BRUNSWICKERS EXPERIENCING FOOD INSECURITY

The World Health Organization states: “*Good nutrition is the cornerstone of good health. Poor nutrition can lead to reduced immunity, increased susceptibility to disease, impaired physical and mental development, and reduced productivity. Freedom from hunger is a human right.*” Increasing numbers of New Brunswickers use food banks to make both ends meet. The CFSJ has submitted a brief to the Department of Social Development in March 2010. Several of the recommendations are reiterated here.

RECOMMENDATION N^o 4

Improve the nutritional quality and the standards of N.B. food banks by doing the following:

- 4.1 Provide a more generous and a more stable funding to food banks and soup kitchens for the period of time that the poverty level remains high in N. B.**
- 4.2 Re-examine the administrative structure of Food Bank and Soup Kitchen's Board of Directors and ensure that there are some representatives of food bank users and of soup kitchen users on their respective Boards of Directors.**
- 4.3 Request that food bank Directors ensure that their staff and volunteers discard the donated food which has started to spoil or which is way past its "Best by" date.**
- 4.4 Request that each food bank and soup kitchen personnel enforce all provincial health regulations and policies; they should have to follow the quality control procedures and good hygienic practices mandatory in all food service establishments.**
- 4.5 Recommend that food banks and soup kitchens offer a greater variety of nutritious food and avoid serving stale food; in the long run, this will pay off as it will improve the health status of people living in poverty and reduce provincial health care costs.**
- 4.6 Organize training sessions to increase the ability of food bank clients to prepare a wider variety of foods, learn to read nutrition labels, learn about simple new recipes, etc.**

6.5 COLLABORATION BETWEEN GOVERNMENT, THE PRIVATE SECTOR AND THE MEDIA

Under the New Brunswick Natural Products Act (article 11(1), the New Brunswick Farm Products Commission has the power to "*Investigate the cost of producing, processing, distributing and transporting any farm product, prices, price spreads, trade practices, methods of financing, management, grading, policies and other matters relating to the marketing or the production and marketing of a food product*". In light of this legislation, the Farm Products Commission has the power to follow the pricing practices of food chains, and thus, greatly contribute to the affordability of nutritious food. Currently, among the nine members of the Commission, only one person is mandated to represent the interest of consumers. Given that the government has the power to nominate two other members of the Commission, emphasis should be placed on increasing the voice of consumers at this level.

The promotion of nutritionally dense food should be among the top priority of the Department of Health as well as the Department of Education (through its curriculum and its policies for school cafeteria). Along the same line, grocery stores owners should not distribute weekly flyers featuring items which provide calories only and are devoid of

other nutrients. Chain stores management should focus on advertising nutritionally dense foods.

The general public needs to hear more “healthy eating messages”. Television, radio and the printed media can play an important role in modifying the public’s perception of what are the “in” foods, primarily those which have a high nutritional density.

RECOMMENDATION N° 5

- 5.1 Request the New Brunswick Farm Product Commission to exercise its power to investigate the selling price of meat, eggs, poultry, milk, dairy products, fruit and vegetable products when grocery stores increase their prices by more than 10% above the Consumer Price Index.**
- 5.2 Increase the voice of consumers on the New Brunswick Farm Products Commission by requesting that the government nominate two additional members to this nine-member Board. The selections criteria for these consumer representatives should be based on their knowledge of nutrition and their concern for food security for all New Brunswickers.**
- 5.3 Request that grocery stores stop using, in their promotion flyers, food items with little or no other nutrients except calories.**
- 5.4 Request that in the placement of food items in stores, owners emphasize the most nutritious foods by making them more easily accessible.**
- 5.5 Encourage the media to promote good nutritional habits as well as the concept of food security in New Brunswick.**

7. ACKNOWLEDGEMENTS

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ANNEX A

List of 66 items in Health Canada's method of calculating the cost of a nutritious food basket

| FOOD ITEM | SUGGESTED PURCHASE UNIT |
|---|------------------------------------|
| MILK & MILK ALTERNATIVES | |
| Milk, partly skimmed, 2% M.F. | 4 L |
| Cheese, processed food, cheddar, slices | 500 GM |
| Cheese, mozzarella, partially skim (16.5% M.F.) | 200 GM |
| Cheese, cheddar | 200 GM |
| Yogourt, fruit bottom, 1% to 2% M.F. | 750 GM |
| EGGS , chicken | doz. |
| MEAT, POULTRY AND LEGUMES | |
| Chicken, legs | 1 KG |
| Ham, sliced, regular (approximately 11% fat) | 175 GM |
| Beef, hip, inside (top) round roast | 1 KG |
| Beef, hip, inside (top) round steak | 1 KG |
| Beef, ground, lean | 1 KG |
| Beans, baked, canned in tomato sauce | 398 ML |
| Peanuts, dry roasted | 700 GM |
| Lentils, dry | 454 GM |
| Peanut butter, smooth type, fat, sugar and salt added | 500 GM |
| Pork, loin, centre chop, bone-in | 1 KG |
| FISH | |
| Tuna, light, canned in water | 170 GM |
| Fish (sole, haddock, pollock, halibut), frozen | 400 GM |
| Salmon, chum (keta), canned | 213 GM |
| ORANGE VEGETABLES & FRUIT | |
| Peach, canned halves or slices, juice pack | 398 ML |
| Melon, cantaloupe, raw | 1 KG |
| Sweet potato, raw | 1 KG |
| Carrot, raw | 1 KG |
| DARK GREEN VEGETABLES | |
| Beans, snap (Italian, green or yellow), frozen | 1 KG |
| Lettuce, cos or romaine | 1 KG |
| Vegetables, mixed, frozen | 1 KG |
| Broccoli, raw | 1 KG |
| Peas, green, frozen | 1 KG |
| Pepper, sweet, green, raw | 1 KG |

OTHER VEGETABLES&FRUIT**SUGGESTED PURCHASE UNIT**

| | |
|---|---------|
| Apple, raw | 1 KG |
| Banana, raw | 1 KG |
| Grape, red or green, raw | 1 KG |
| Oranges, all commercial varieties, raw | 1 KG |
| Orange juice, frozen concentrate | 355 ML |
| Pear, raw | 1 KG |
| Raisin, seedless (sultana) | 750 GM |
| Strawberry, frozen, unsweetened | 600 GM |
| Apple juice, canned or bottled, added vitamin C | 1.36 L |
| Potato, white, raw | 4.54 KG |
| Corn, canned vacuum packed | 341 ML |
| Rutabaga (turnip), raw | 1 KG |
| Cabbage, raw | 1 KG |
| Cucumber, raw | 1 KG |
| Celery, raw | 1 KG |
| Lettuce, iceberg | 1 KG |
| Mushroom, raw | 1 KG |
| Onion, raw | 1 KG |
| Tomato, red, raw | 1 KG |
| Tomato, canned, whole | 796 ML |
| Vegetable juice cocktail | 1.89 L |

WHOLE GRAIN PRODUCTS

| | |
|----------------------------------|--------|
| Cereal, bran flakes with raisins | 775 GM |
| Cereal, oats, quick cooking | 1 KG |
| Cereal, toasted oats Os | 525 GM |
| Bread, pita, whole-wheat | 284 GM |
| Bread, whole wheat | 675 GM |
| Wheat flour, whole-grain | 2.5 KG |

NON WHOLE GRAIN PRODUCTS

| | |
|---|-------------|
| Cookie, plain (arrowroot, social tea) | 350 GM |
| Roll, hamburger | 350 GM (8S) |
| Cracker, saltine, unsalted top | 450 GM |
| Bread, white | 675 GM |
| Pasta, spaghetti, enriched | 900 GM |
| Wheat flour, white, enriched, all purpose | 2.5 KG |
| Rice, white, long-grain, parboiled | 900 GM |

FATS AND OILS

| | |
|----------------------------------|--------|
| Vegetable oil, canola | 1.89 L |
| Salad dressing, mayonnaise type | 475 ML |
| Salad dressing, Italian, regular | 950 ML |
| Margarine, tub, non-hydrogenated | 907 GM |

ANNEX B

Calculations for the 2010 monthly income of six households

| Type of household | Income per month from social assistance or salary | Basic child and family benefits | National child benefit supplement | NB Child tax benefit | GST credit (monthly equivalent) | Total monthly Income |
|---|---|---------------------------------|-----------------------------------|----------------------|---------------------------------|----------------------|
| Single employable person on social assistance | \$537.00 | 0 | 0 | 0 | \$20,83 | \$557.83 |
| Lone parent with one child on social assistance | \$808.00 | \$112.33 | \$174.00 | \$20.83 | \$52.58 | \$1,167.74 |
| Couple with two children on social assistance | \$908.00 | \$224,66 | \$328.00 | \$41,66 | \$63.50 | \$1,565.82 |
| One individual working at minimum wage | \$1,560.00 | 0 | 0 | 0 | \$31.75 | \$1,591.75 |
| Two-member household but with only one minimum wage salary | \$1,560.00 | 0 | 0 | 0 | \$41.67 | \$1,601.67 |
| Senior's on old age security + guaranteed income supplement | \$1,172.98 | 0 | 0 | 0 | \$30.80 | \$1,203.78 |

References used to arrive at the above calculations

- Social Assistance Rates in N.B.: Published in the Social Assistance Policy Manual.
- Minimum wage in New Brunswick: set at \$9.00 per hour as of September 1st, 2010.
- Seniors old age security plus guaranteed income supplement: information taken from www.servicecanada.gc.ca/eng/isp/oas/oasrates.shtml. Senior's Old Age Security Pension maximum is \$518.51 while the maximum Guaranteed Income Supplement is \$654.47.
- 2010 Basic child and family benefits: the CFSJ was guided by the National Council on Welfare to the Revenue Canada website: www.cra-arc.gc.ca/bnfts/cctb/cctb_pymnts-fra.html
- The National Child Supplement for New Brunswick was obtained with the CCTB Online Calculation for the period July 2010 to July 2011.
- The New Brunswick Child Tax benefit was obtained with the CCTB Online Calculation for the period July 2010 to July 2011.
- The GST credit was obtained with the GST/HST credit calculator for New Brunswick using the period of July 2010 to June 2011.