



“Investing” in Social Assistance

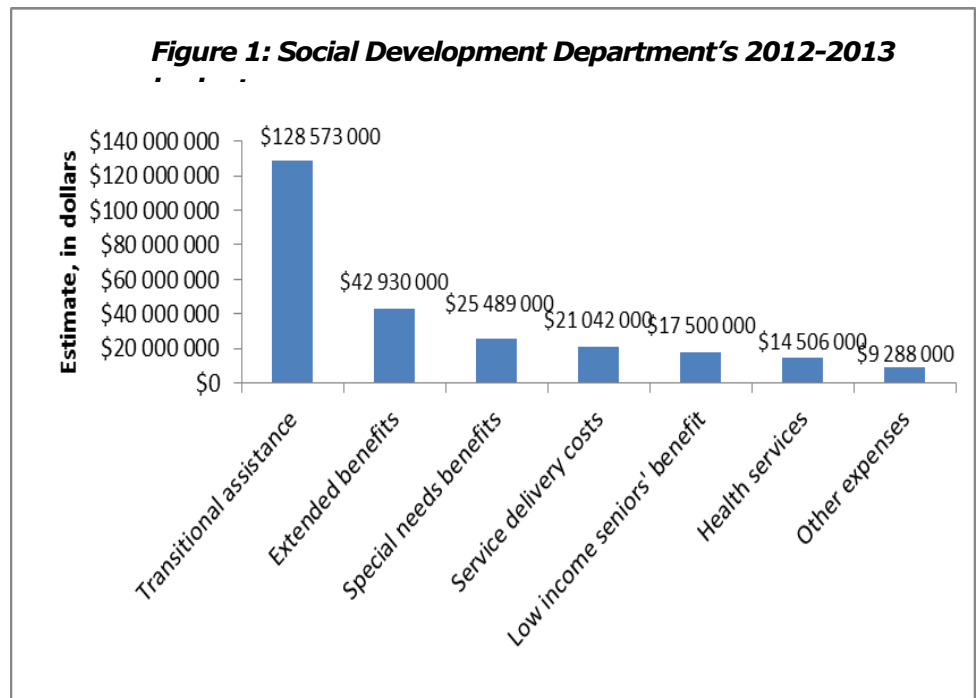
The Department of Social Development’s budget for 2012-2013 shows \$257.4 million will be spent on income security in New Brunswick this year, not counting money for housing and care facilities. The budget says this money is to "provide financial services to individuals and families in need and, where appropriate, self-sufficiency assistance to improve their work skills."

About 33,000 people get benefits from the Transitional Assistance Program (TAP). TAP spends about 49% of the Department’s total \$257.4 million budget.

The Extended Benefits Program (EBP) provides slightly less than \$43 million (about 16.7% of the total budget) to 7,000 people certified as disabled. EBP is the Department’s second biggest program.

The rest of the Department’s budget pays for various programs, including medical expenses, special needs and vision care. (See Appendix A)

In August 2012, 10,355 people needing help from TAP were receiving \$537 per month – a ‘starvation’ rate that is actually less than 50% of Statistics Canada’s official *Low Income Cut-off* (LICO) poverty line. If the government really wants to reduce the suffering of New Brunswick’s children, women and men forced to live in poverty, it should immediately provide these people with a 10% increase in their benefits under TAP an EBP. This help for people forced to live in poverty would only cost the province around \$17 million.



From September 2010 to September 2012, the NB government gave more than \$60 million to 81 private businesses, supposedly to help them be more profitable!



Department of Social Development 'Investment' in Poverty Reduction (continued)

In 2012-2013, the Department will spend \$2.79 million on its Poverty Reduction Plan (PRP), not shown in Figure 1. The money is supposed to coordinate and support twelve community inclusion networks developing local plans dealing with everything from food security to public transportation to drug addiction.

As well, PRP money will be used to manage the Economic and Social Inclusion Fund that supports the implementation of the PRP. In terms of the 100,000 people living in poverty, the PRP amounts to between \$2 and \$3 a month each!

The implementation of the Poverty Reduction Plan has also generated other expenses. In a May 2012 press release, the Minister said her 2012-13 budget was increased by \$42 million to cover the following expenses:

- \$21.5 million for ongoing support of poverty reduction;
- \$1.1 million more to support affordable housing rent supplements;
- \$2.6 million for school supplies for low-income families;
- \$1.6 million to increase funding for services by private home care workers;
- \$400,000 to complete redesigning the child protection system;
- \$305,000 to increase funding for the disability supplement that assists disabled persons with health and disability related expenses;
- \$250,000 for homeless shelters;

In addition, it is estimated that dental and

vision care plans for the children of low income families will cost the PRP \$4.3 million.

Are we forgetting people in poverty in New Brunswick?

More than 100,000 New Brunswickers live in poverty. Yet, the 2012-13 Budget never once uses the word "Poverty."

In fact, this budget actually cuts spending to help people most in need by \$7.5 million!

For years the CFSJ has called for an increase in social assistance rates and a narrower income-gap between the rich and the poor.

According to a study by the Canadian Centre for Policy Alternatives, poverty alone costs N.B.'s health care system an extra \$200 million every year.

Economically, it's cheaper to get rid of poverty than to tolerate it!

The New Brunswick government, however, is using money that could eliminate poverty to give important tax cuts for the wealthy and for corporations.

Thus, in New Brunswick people are forced to live in poverty so the wealthy can become wealthier and private businesses can generate more profit.



Appendix A

**Elements of the program of the Department of Social Development
and estimated expenditures for the year 2012-2013.**

Program	Program Objectives	Estimates
1. TRANSITIONAL ASSISTANCE PROGRAM	Provision of assistance for families and individuals who have the potential to achieve self-sufficiency.	\$126,573,000
2. EXTENDED BENEFITS PROGRAM	Provision of assistance to those clients who, because of disability, have a longer-term predictable need for financial support.	\$42, 930,000
3. HEALTH SERVICES	Provision of basic health services, including dental services, vision services, and medical equipment and supplies.	\$14, 506, 000
4. SPECIAL NEEDS BENEFITS	Provision of supplementary and emergency financial assistance for individuals and families.	\$25,489,000
5. ASSISTANCE WITH RENTAL COSTS	Provision of financial assistance to the existing clientele of low income senior citizens and disabled persons to enable them to purchase adequate accommodations in the private rental market.	\$49,000
6. CAREER DEVELOPMENT OPPORTUNITIES	Provision of specialized assessment, and establishment of individualized case plans, which include interventions, designed to identify and remove barriers to employability, and to provide opportunities that enhance the potential for labour market attachment.	\$3,288,000
7. SERVICE DELIVERY COSTS	Management and service delivery staff and supporting costs for central and regional offices including client information system costs.	\$21,042,000
8. LOW-INCOME SENIORS' BENEFIT	To provide eligible seniors with a \$400 credit on their personal income taxes to assist with taxes on living expenses.	\$17,500,000
9. HOME ENERGY ASSISTANCE PROGRAM	To provide qualifying low-income households with \$100 in financial assistance to help offset energy costs.	\$6,000,000
Total		\$257,377,000



CFSJ Fact Sheet

► Number 3 / October 2012