



LET'S MEND OUR  
SOCIAL NET!

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## **Social Assistance**

# **Information Document**

**March 2018**

 [www frontnb.ca](http://www.frontnb.ca)

 **Common Front Commun NB**



**Common Front for Social Justice**

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# 1. Summary of our proposals for changes

*Like slavery and apartheid, poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings. Nelson Mandela.*

## 1. Basic rates

- Increase the basic rate by 13% in 2018-2019 for employable individuals and index it for inflation afterwards.
- Increase the basic rate by 5% in 2018-2019 for all other recipients and index it for inflation afterwards.
- Have total annual revenues equal the Market Basket Measure gradually throughout 10 years (2018-2028) for all recipients.

## 2. People with a disability

- Implement a new program called *New Brunswick Assured Income for the Disabled*.
- Increase the basic rate by 5% in 2018-2019 and index it for inflation afterwards.
- Have the total annual revenue equal to the Market Basket Measure.

## 3. Modification of the Social Assistance Policy Manual

### a. Modifications to be made in 2018-2019

- ✓ Deduction of Employment Income
- ✓ Recognized disability
- ✓ Appeal System.

### b. Revisions to be made in 2019-2020 and afterwards

- ✓ Adult children living with parents
- ✓ CPP deduction at 60 years of age
- ✓ Special Benefits
- ✓ Economic Unit Policy
- ✓ Termination of assistance

## 4. Housing

- Use a significant portion of the \$78 million from the federal and provincial governments to invest in the renovation of existing social housing.
- Reserve a significant portion of the money for social housing managed by the cooperative or the not-for-profit sectors, rather than the private sector.

## 5. Prejudices

Develop a strong public awareness provincial campaign to fight prejudices towards people living in poverty.

## **2. Who are the recipients of social assistance?**

*Like slavery and apartheid, poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings - Nelson Mandela.*

### **The situation**

In January 2018, there was a monthly average of 36,850 men, women and children on Social Assistance in our province. Out of that number, 6,908 recipients (91.4% of them being single) were on Extended Benefits meaning they are certified disabled. All the other 29,942 recipients were in the Transitional Assistance category. In this category, slightly more than two thirds are single individuals and one-fifth of them are one-parent family.<sup>1</sup> Two thirds of social assistance recipients rely on food banks to survive.

### **Who are they?**

There are different life situations that explain what brings an individual or a family to rely on social assistance to survive.

*Jane was married with two young children. Because her husband was working at low wages and they did not have enough revenue to put their children in day care, she stayed at home. When they separated, she had to apply for social assistance because her ex-husband could not pay child support.*

*Rob is a young worker who has not finished his grade 12. He only works part-time at the minimum wage and must rely on social assistance to survive.*

*Mary is a middle-age woman who worked all her life at the minimum wage. She developed cancer, lost her job, had no economic cushion, so she had to apply for social assistance.*

*George had an accident that left him handicapped and it prevents him from working. He is certified disabled.*

*Steven has mental challenges and cannot hold a job.*

*Diane comes from a family who was on social assistance. She became a single parent very young.*

According to certain people's beliefs, those who depend on social assistance want to live like that. The reality is that the clear majority don't have any choice.

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<sup>1</sup> Social Assistance Caseload Trends and Caseload and Recipients, February 2018, Social Development Department

### 3. Social Assistance's *innadequate* revenue

*Like slavery and apartheid, poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings - Nelson Mandela.*

#### Revenue

All the men, women and children living on social assistance are in the category of low income as defined by the Market Basket Measure (\$19,234 for a single individual). None of them can meet their basic needs in terms of food, housing, transportation, clothing, etc. As Table 1 shows, they experience a significant annual deficit and are forced to live in constant economic insecurity.

**Table 1. Annual revenue for different categories of citizens on social assistance, 2017 (\$)**

| Category                     | Total annual revenue (\$) | Poverty line (Market Basket Measure - 2015) | Annual deficit (\$) |
|------------------------------|---------------------------|---|---------------------|
| Single <sup>2</sup>          | 7,028                     | 19,232                                      | - 12,204            |
| Single disabled <sup>3</sup> | 9,740                     | 19,232                                      | - 9,492             |
| One parent, one child        | 18,577                    | 27,193                                      | - 8,636             |
| Couple, two children         | 26,368                    | 38,463                                      | -12 095             |

Source: Department of Social Development and Cansim 206-0093

#### Inflation and loss of purchasing power

One of the ways to change the situation of social assistance beneficiaries is to increase their basic rate. The basic rate is not high enough and has not even followed the rate of inflation. For example, the last time the basic rate for a single employable individual was increased was in 2010, and since then, no increase has been made, so their purchasing power has decreased.

As Table 2 shows, if the basic rate of individuals had followed the inflation rate, their basic rate would be \$604.18 per month in 2017, instead of \$537 per month. For three other categories, their basic rate has not increased since 2014 and when we take inflation in consideration, again, we see a significant shortfall. All these citizens on social assistance have seen their purchasing power decreased.

If we want beneficiaries to keep pace with inflation, this means that in 2018, a single employable in the Transitions Assistance category should receive a 13%

<sup>2</sup> Heating supplement has not been included because it is not for everyone.

<sup>3</sup> Ibid

[Texte]

increase and all the other recipients should receive a 5% increase. Afterwards, the rates should be indexed to follow inflation.

**Table 2. Current basic rates with these rates indexed to inflation for four categories of citizens on social assistance (2010-2017). (\$)**

|  | <b>Current basic rate (year in effect)</b> | <b>Basic Rate indexed to inflation</b> | <b>Difference</b> | <b>Inflation rate</b>     |
|--|--|--|-------------------|---------------------------|
| <b>Transitional Assistance Single individual</b> | \$537 (2010)                               | \$604,18 (2017)                        | \$67.18           | Inflation 13% (2010-2017) |
| <b>Extended benefits Single individual</b>       | \$663 (2014)                               | \$697.47 (2017)                        | \$34.47           | Inflation 5% (2014-2017)  |
| <b>Single parent, 1 child</b>                    | \$887 (2014)                               | \$933.12 (2017)                        | \$46,12           | Inflation 5% (2014-2017)  |
| <b>Couple, 2 children</b>                        | \$995 (2014)                               | \$1,046,73 (2017)                      | \$51.73           | Inflation 5% (2014-2017)  |

Source: Department of Social Development and Bank of Canada Inflation Calculator (Access March 16, 2018)

#### **Our proposals:**

- 1. Increase, in 2018-2019, the basic monthly rate of all categories of recipients to compensate for the loss of purchasing power they have experienced in the last years, due to inflation. Single employable individuals in the Transitional Assistance category should have their basic rate increased by 13%, and all the other recipients should get a 5% increase and index for inflation after.**
- 2. Adopt a minimum income standard to calculate the total annual income which social assistance recipients should receive. This amount should be based on the Market Basket Measure and be a combination of social assistance basic rate plus other income sources. This measure would be implemented during the next ten years.**

## **4. Person with a disability**

*Like slavery and apartheid, poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings - Nelson Mandela.*

### **People with a disability**

In November 2017, the NB Common Front for Social Justice published a report entitled *Disability and Deep Poverty in New Brunswick* which paints a dark picture of the situation that social assistance recipients with a disability are experiencing in our province.

*“Why, in a province like New Brunswick, known for its most generous people, are we allowing for people living with a severe disability to be left in a financial situation where they are struggling to make ends meet? They are not guaranteed three meals per day on a regular basis, not certain if they will find a home where they will even be able to access their front door or their bathroom (because of lack of accessible housing), not sure that they will have enough to pay the rent, not able to access para transit services that are, in many cases, their only option for getting from point A to point B”.*

### **Income**

Most of the total annual income of citizens with a disability is composed of a basic rate, plus a yearly supplement. The other revenue comes from the GST/HST rebates. As the clear majority are single, their annual income is \$ 9,740. The poverty line, as identified by the Market Basket Measure (2015), is \$19,232, so they experience an annual deficit of \$ 9,492.

The basic monthly rate of \$663 has not increased since 2014. On the other hand, inflation has increased by 5% since then, meaning that persons with a disability have experienced a loss of their purchasing power. They are poorer than they were four years ago.

Citizens with a disability have specific requirements such as following special diets, specially adapted housing, medication, ways of meeting travel need, etc. Such needs are not always considered. As the report shows, their income from Social Development is not enough.

To be able to have a better life, they need more revenue. We are proposing that their annual revenue be equal to the Market Basket Measure, namely \$19,232 per year.

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## **New program for people with disability**

The recommendation from CFSJ's *Disability and Deep Poverty* Report was that the province put in place a new program; the New Brunswick Assured Income for the Disabled. The province of Alberta and Saskatchewan have such a program and other provinces are looking at this concept. We believe the province of NB needs to move on this issue and put in place a specific program for citizens with disability, apart from the social assistance one.

### **Our proposals:**

- 1. Increase, in 2018-2019, the basic monthly rate of recipients with disability to compensate for the loss of purchasing power they have experienced since 2014 due to inflation. Their basic rate should be increased by 5% and indexed for inflation afterwards.**
- 2. Adopt a minimum income standard to calculate the total annual income which social assistance recipients should receive. This amount should be based on the Market Basket Measure and be a combination of social assistance basic rate plus other income sources. The goal should be to progressively reach the Market Basket Measure in the coming years.**
- 3. Implement a new program: *New Brunswick Assured Income for the Disabled***



## 5. High cost of Housing

*Like slavery and apartheid, poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings - Nelson Mandela.*

### Housing

Housing cost is one of biggest expenses of individuals and families.

According to the Canada Mortgage and Housing Corporation, in New Brunswick (October 2017), the annual cost for a bachelor apartment was \$6,564, for a one-bedroom unit, \$7,680, for a two-bedroom apartment, \$9,396, and for a three-bedroom dwelling, \$10,644<sup>1</sup>. When analyzing Table 3, which shows the total net annual income in four categories of citizens on social assistance, it is quite clear that they must spend an amount higher than their income if they want adequate housing.

For a single person, it appears that adequate housing is not affordable, since he or she must spend 93% of his or her income. The only other option the person has is room and board. A disabled person must spend 79% of his or her total net annual income, a single-parent family 50% and a couple with 2 children, 35% of their total net annual income. These expenses do not include heating and electricity.

When analyzing Table 3, it is obvious that the majority of people on social assistance must spend more than 30% of their total annual net income on rent.

**Table 3: Annual net income, average annual cost for rent and percentage going for rent in New Brunswick.**

|  | <b>Total Net annual Income (\$)</b> | <b>Average annual cost for rent (\$)</b> | <b>Amount spent on rent (%)</b> |
|--|-------------------------------------|--|---------------------------------|
| <b>Individual in Transitional Assistance</b> | 7,028                               | 6,564 (bachelor)                         | 93%                             |
| <b>Person with a disability</b>              | 9,740                               | 7,668 (1 bedroom)                        | 79%                             |
| <b>Single parent family, 1 child</b>         | 18,557                              | 9,336 (2 bedrooms)                       | 50%                             |
| <b>Couple, 2 children, 2 incomes</b>         | 26,368                              | 9,336 (2 bedrooms)                       | 35%                             |

Source: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#undefined/1/1/undefined>

[Texte]

<sup>1</sup> CMHC. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#undefined/1/1/undefined>

## **Social Housing**

One of the ways to offset high rental costs is certainly social housing. Those having access to social housing do not pay more than 30% of the household's income before taxes for rent. The problem is that there is not a sufficient amount of social housing.

In November 2017, there were 4,878 people on the waiting list for social housing in the province<sup>2</sup>. Consequently, social assistance beneficiaries must choose between affordable housing that is inadequate or pay more and deprive themselves of other necessities of life.

Currently, the federal government and the province will invest close to \$78 million (2014-2019) in housing<sup>3</sup>.

According to published information, the funds will be used for:

- New construction projects
- Improving accessibility to housing through rental subsidies
- Upgrading and preserving existing housing stock occupied by low-income owners and by renter households
- Implementation of measures to promote autonomy and security for persons with disabilities and seniors<sup>4</sup>.

### **Our proposals**

- 1. Use a significant portion of the \$78 million investment by the federal and provincial government to renovate social housing.**
- 2. Reserve a significant portion of the money for social housing which is managed by cooperatives or by the not-for-profit sectors, rather than the private sector.**

<sup>2</sup> Communications from the Department of Social Development. December 13, 2017

<sup>3</sup> Communications from the Department of Social Development. December 13, 2017

<sup>4</sup> Ibid.

## 6. Prejudices against social welfare recipients

*Like slavery and apartheid, poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings - Nelson Mandela.*

### The prejudices

A prejudice is an unfavorable opinion or feeling formed beforehand or without knowledge, thought, or reason. It is unreasonable feelings, opinions, or attitudes, especially of a hostile nature, regarding an ethnic, racial, social or religious group.

Citizens living in poverty, and more so those who are on social assistance, are very much familiar with the concept of prejudice because they are constantly bombarded by them. Five commonly held prejudices are listed below.

**1<sup>st</sup> prejudice: There isn't very much we can do about people living in poverty because poverty will always be with us.**

**Reality:** There is nothing unavoidable or inevitable about poverty, and everyone can help do something about stopping it. People are forced to live in poverty when their income is inadequate, because of illness or when there is not enough help for them to deal with crises in their lives.

The causes of poverty will be eliminated when governments, both at the Federal and Provincial levels, make the issue of poverty a real priority. They need to develop a real anti-poverty strategy with a long-term vision and measurable targets and timelines. They also need to invest money in a system to monitor progress.

**2<sup>nd</sup> prejudice: People living in poverty can always find a job if they want one.**

**Reality:** There are hundreds of individuals who are working but are living in poverty because their salary is not adequate, or they can only find a part-time job. Many others, including those with mental or physical illness, the disabled and seniors, simply can't find a job that will support them and their dependents.

People living in poverty often don't have the skills or training employers want. It's simply not true that there is always a job available for anyone who wants one.

**3<sup>rd</sup> prejudice: People living in poverty in NB still have it pretty good.**

**Reality:**

Someone working at minimum wage is still close to poverty if he or she is the sole earner and has a family. Right now, an individual on social assistance is receiving

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\$537 per month. The situation has not changed for them since 2014. A single person with a disability on social assistance has an income of only 55% of the Market Basket Measure (poverty line). Close to two thirds of individuals and families (35% of them are children) who must use food banks in NB are on social assistance, meaning they can't even feed themselves with what they are receiving. People living in poverty generally have inadequate housing, poorer health, less education, and lead shorter lives. There is nothing "good" about living in poverty. No one forced to live in poverty has ever found the experience "pretty good."

**4th prejudice: You can be poor without going hungry.**

**Reality:** One of the clear indications of the level of poverty is that people must rely on food banks and soup kitchens to avoid hunger when their shelves are bare. A single person on social assistance in NB receives only \$7,028 a year while the poverty line is \$19,232. It is estimated that you need to spend \$3,624 just on food to feed a single person (\$11,769 for a family of four), so it is clear these people cannot afford to feed themselves adequately.

**5<sup>th</sup> prejudice: Poverty does not rob people of their dignity.**

**Reality:** Failing to have enough to eat, a decent place to live, or an income to support your children robs a person of dignity. Going to a food bank because food prices are too high also robs people of their dignity.

Only those who have never lived in poverty say it does not rob people of dignity.

**Our proposal**

**Develop a strong public awareness provincial campaign to fight prejudices towards people living in poverty.**

## 7. Modification of Social Assistance Policies

*Like slavery and apartheid, poverty is not natural. It is man - made and it can be overcome and eradicated by the actions of human beings - Nelson Mandela.*

### Social assistance policies

It is a known fact that social assistance beneficiaries are governed by a myriad of policies, some positive, but a lot are restrictive. It is time to seriously consider changing some of these policies.

#### a. Proposals for an urgent modification of three policies in 2018-1019:

##### i. Deduction of Employment Income

- That the revenue be calculated in the same way as regular employees, from the first to the last of the month;
- That the basic exemption for employment income be set at \$500, and that 30% of succeeding income be exempted;
- That the annual maximum revenue be increased on a ten-years bases to attain the Market Basket Measure.

##### ii. Changes in the recognition disability

- In NB, the refusal rate for disability certification in 2012-2013 was 54% (610 refusals for 1,114 applications, even though in most cases, physicians had indicated that the applicant would remain unable to work.
- The present Medical Advisory Board should be dissolved and replaced by travelling Boards members comprising three persons: a psychiatrist, a general practitioner and another specialist.
- Applicants for disability pension certification should be able to have a hearing **in person** and be accompanied by a representative if they so wish.
- The right to appeal should be respected. In case of refusal, applicants should be able to appeal to an independent physician-arbitrator

##### iii. Appeal System

- The area review should be eliminated and replaced by a primary review (between the manager and his supervisor or designate), preventing unnecessary delay in reaching the Appeals Board.
- The Appeals Board should have three members: Chair nominated by government, one representative from business and one representative from the NB Federation of Labour; this representative must be a person currently living on social assistance.

## **b. Proposals for the revision of five policies in 2019 and onwards**

### **i. Adult Children living with parents**

- The current policy deduction of adult children living with parents contributes to impoverishing unemployable adults who live with their parents and it should be abolished.
- This policy has the negative effect of depriving these persons of part of their income, although they often help to look after their parents and are doing them a service by living with them. If they weren't there, these elderly or sick parents would need home care services.
- Most of the time, these adult children live with their parents because they aren't self-sufficient.

### **ii. CPP deduction at 60 years old**

- At age 60, the Minister of Social Development forces eligible social assistance recipients to draw their Canada Pension Plan retirement pension early. They aren't allowed to wait until they reach 65. The full CPP monthly amount they receive is deducted from their assistance.
- The pension amount paid to seniors would be higher if they waited until age 65 to file for their CPP retirement pension, so they could live better after 65 years of age.
- **It is proposed that the deduction of Canada Pension Plan be ceased for social welfare recipients aged from 60 to 65.**

### **iii. Special Benefits**

- Broaden the special benefits program to adequately meet exceptional or emergency situations.
- Remove the definition of "priority group" and the urgency criterion so that all individuals and families will have access, when needed, to special benefits, especially in cases where children's living conditions are at stake and they are at risk, when a family is continuously monitored by the Department, when there are extraordinary circumstances and where it is a case of basic necessities

### **iv. Economic Unit**

The policy should apply to all qualifying social assistance recipients, regardless of the time they chose to dwell with another social assistance recipient.

### **v. Termination of assistance**

Details of the policies that need changes can be found in the document: *Proposed modifications regarding social assistance policies* on our website at [www.frontnb.ca-  
http://frontnb.ca/userfiles/file/Information%20document%20\(7\)\\_Modified\(1\).pdf](http://www.frontnb.ca-http://frontnb.ca/userfiles/file/Information%20document%20(7)_Modified(1).pdf)

## 8. History of Social Assistance

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### Canadian Public Assistance Plan

One must go back to the 1960's to find the origin of social assistance in New Brunswick. At the time, the federal government and provinces had made a deal whereby the cost for public assistance would be shared equally.

The Canada Assistance Plan(CAP) was a well-designed model, covering different aspects of poverty and ensuring some control on the part of the federal government.

Right from the start public assistance was designed as a combination of financial assistance and personal assistance. There was a recognition that those needing social assistance needed not only income support but also some assistance in managing their affairs.

Around 1970, the province decided to split the two components on the assumption that some needed only financial support and nothing else. This, supposedly, would allow social workers to do more counseling (social assistance was then administered by social workers).

The province created two different divisions around 1975. In the financial division, there was clerical staff that was trained to give out financial assistance. They were supposed to refer any social problems to the other side, i.e. the social workers, but that never really happened.

The social workers were soon restricted to Child protection services and they were not involved with social assistance clients anymore. The general social services were eliminated.

There were programs such as annual reviews which were supposed to be a check and balance mechanism and do prevention, but unfortunately, the annual reviews became more like investigations and those doing them were not able to detect social problems.

Over the years, the social workers became more and more distant from the daily problems of the poor.

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Telephone booths were installed in the waiting rooms of the welfare offices to avoid direct contact and social assessments were carried out through phone interviews.

A phone interview is the worse method one can find to analyze a social problem since such things as the body language, the condition of the environment, the family support system and other particulars related to the context are ignored.

Initially, social workers used to make home visits at their discretion to provide educational assistance and were able and detect latent problems before they aggravated. They could then provide a better support to the individuals in need. We should return to that.

### **In New Brunswick**

Social assistance, which was developed in NB in 1966, has evolved considerably over the years, but not in the direction we would have liked.





As indicated in table 4, five prime ministers and fifteen ministers responsible for social services presided over its destiny since 1990.

Unfortunately, the original mission has deteriorated over the years, especially under the Frank McKenna government, to a point where instead of a public-funded income support system for those in need, it has become a system where a number of services to beneficiaries are provided by the community sector.

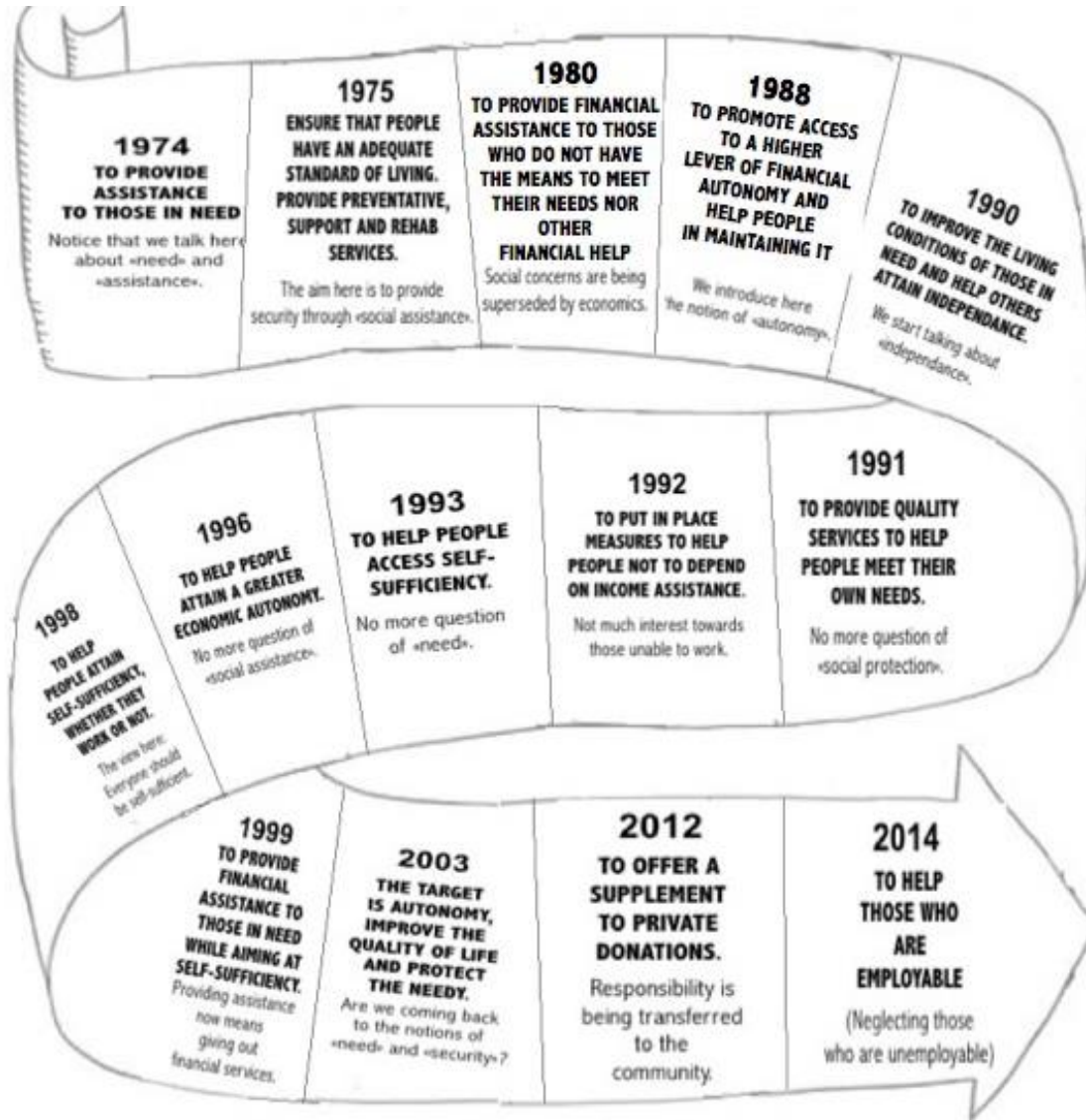
Figure 1 shows that an important shift in the social Development department occurred between 1974 and 2014.



Table 4. Social assistance: from a support system to help only

|   |  | <b>MINISTERS</b>   | <b>VALUE FRAMEWORK</b>   |
|---|--|--|--|
|    | <b>1987-1997</b><br>LIBERAL GOV.<br>UNDER F. MCKENNA | ANN BREault<br>MARCELLE MERSEREAU<br>GEORGIE DAY                                     | <ul style="list-style-type: none"><li>▶ Work incentives, less security</li><li>▶ Informers and investigations</li><li>▶ Intolerance, attacks on dignity</li><li>▶ More pitfalls to overcome</li></ul>  |
| ↓   |  |  |  |
|    | <b>1999-2006</b><br>P. C. GOV.<br>UNDER B. LORD<br>⊕ | PERCY MOCKLER<br>JOAN MACALPINE<br>TONY HUNTJENS<br>JOAN MACALPINE<br>MADELEINE DUBÉ | <ul style="list-style-type: none"><li>▶ Maintains strict regime</li><li>▶ Access is more difficult</li><li>▶ Abuse of power is tolerated</li><li>▶ Hardening and oppression</li><li>▶ New restrictions on eligibility</li><li>▶ Policies are ambiguous and complex</li></ul> |
| ↓   |  |  |  |
|   | <b>2006-2010</b><br>LIBERAL GOV.<br>UNDER S. GRAHAM  | CARMEL ROBICHAUD<br>MARY SCHRYER<br>KELLY LAMROCK                                    | <ul style="list-style-type: none"><li>▶ Weakening of public sector</li><li>▶ Impunity and permissiveness</li><li>▶ More control on the information</li><li>▶ Unclear and complex policies</li></ul>  |
| ↓   |  |  |  |
|  | <b>2010 +</b><br>P.C. GOV.<br>UNDER D. ALWARD        | SUE STULTZ<br>MADELEINE DUBÉ   | <ul style="list-style-type: none"><li>▶ Allows more inequity</li><li>▶ Systematic inequalities</li></ul>   |
| ↓   |  |  |  |
|  | <b>2014 +</b><br>LIBERAL GOV.<br>UNDER B. GALLANT    | CATHY ROGERS<br>STEPHEN HORSMAN  | <ul style="list-style-type: none"><li>▶ Welfare is a shared responsibility</li><li>▶ Partnerships with private sector</li></ul>  |

**Figure 1. Drastic changes in the mission of the Dept. of Social Development between 1974 to 2014**



Source: Annual reports of the Department of Social Development, from 1974 to 2014.

## 9. Market Basket Measure

The Common Front for Social Justice is using the Market Basket Measure as the poverty line in our province. We consider that when the total annual revenue of an individual or a family is below the Market Basket Measure, they live in poverty.

In our campaign on Social Assistance, we are asking that the provincial government adopt the Market Basket Measure to determine the basic rate amounts that they will give to beneficiaries of Social Assistance. For us, the total annual revenue (basic rate, credits, GST-HST, different supplements, income from work, etc.) should equal to the amount of the Market Basket Measure. Our proposal is that this amount should be attained in ten years.

### Market Basket Measure

Based on concepts developed by Human Resources and Skills Development Canada (HRSDC), the Market Basket Measure (MBM) **is a measure of low income based on the cost of a specified basket of goods and services representing a modest, basic standard of living.** Taken into consideration are the costs of specified qualities and quantities of food, clothing, footwear, transportation, a shelter and other expenses for a reference family of two adults aged 25 to 49 and two children aged 9 and 13.

A key feature of the MBM is that it is more sensitive than other low-income measures to geographical variations in the cost of many typical items of expenditure. Calculated for 19 specific communities and 30 population centre size and province combinations, the MBM threshold recognizes differences in the cost of the basket between similar sized communities in different provinces and between different geographical regions within provinces.

An important concept underlying the MBM is that the income to be compared to the thresholds should not be gross income, but rather a measure of the income closer to what is available to purchase these goods and services. Certain deductions must be made for payments or outlays that are considered non-discretionary as they represent income that is not available to purchase the goods and services in the basket. Thus, the income compared to the basket cost is the disposable income for the MBM.

In calculating the MBM thresholds, the equivalence scale used is the square root of economic family size. This method adjusts the threshold for families of a different size<sup>4</sup>.

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<sup>4</sup> <http://www12.statcan.gc.ca/nhs-enm/2011/ref/dict/pop165-eng.cfm>

[Texte]

Notes: The Market Basket Measure (MBM), developed by Employment and Social Development Canada, attempts to measure a standard of living that is a compromise between subsistence and social inclusion. It also reflects differences in living costs across regions. The MBM represents the cost of a basket that includes: a nutritious diet, clothing and footwear, shelter, transportation, and other necessary goods and services (such as personal care items or household supplies). The cost of the basket is compared to disposable income for each family to determine low income rates.

Rural areas: includes communities with a population of less than 1,000 or with population density less than 400 persons per square kilometer that are located outside Census metropolitan areas (CMAs) or Census agglomerations (CAs). Population under 30,000: CAs below 30,000 and population centres below 10,000 persons. Population 30,000 to 99,999: CAs between 30,000 and 99,999 persons. Population 100,000 to 499,999: CMAs between 100,000 and 499,999. Population 500,000 and over: CMAs with 500,000 or more persons. Specific city name refers to the population within the CMA or CA. Text from Statistics Canada.

#### **Statistics Canada, Table 206-0093**

Market Basket Measure (MBM) thresholds (2011 base) for reference family, by Market Basket Measure region and component, in current dollars and 2015 constant dollars, annual.

**Table 5. Market Basket Measure for NB population between 30,000- 99,999**

| <b>Size of household</b> | <b>Market Basket Measure<br/>(\$ per year)</b> |
|--------------------------|--|
| <b>Single person</b>     | <b>19,232</b>                                  |
| <b>Two persons</b>       | <b>27,193</b>                                  |
| <b>Three persons</b>     | <b>33,309</b>                                  |
| <b>Four persons</b>      | <b>38,463</b>                                  |
| <b>Five persons</b>      | <b>43,003</b>                                  |
| <b>Six persons</b>       | <b>47,107</b>                                  |
| <b>Seven persons</b>     | <b>50,882</b>                                  |
| <b>Eight persons</b>     | <b>54,395</b>                                  |

Source: Statistiques Canada

<http://www5.statcan.gc.ca/cansim/a26?lang=fra&retrLang=fra&id=2060093&pattern=&stByVal=1&p1=1&p2=31&tabMode=dataTable&csid=>

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