

# Poverty 2.0



**Backgrounder for the consultation process  
regarding the New Brunswick  
Poverty Reduction Plan**

**New Brunswick Common Front for Social Justice Inc.**

**March 2019**

*The Common Front for Social Justice is fighting to build a more human society based on the respect and dignity of all. We want a New Brunswick without poverty. We want a society which gives each and everyone a decent living through an adequate minimum wage and social income rates on which citizens can live on and not just exist. We believe that every citizen can develop his or her full potential and become fully engaged in the social, economic and cultural development of New Brunswick.*

*The Common Front for Social Justice is one of the largest democratic and popular organizations in New Brunswick. It brings together individuals as well as local, regional and provincial organizations to work towards the eradication of poverty.*

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# Backgrounder for consultations related to the New Brunswick's Poverty Reduction Plan

"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

This quote by Nelson Mandela, first black president of South Africa, is the vision that we should all have when talking about poverty reduction.

Every human being has the right to dignity, to be given a helping hand by public programs administered by its government that are based on the notion of social justice and not on charity.

## Introduction

In 2009, the province of New Brunswick initiated a consultative process which ended with the adoption, one year later, of the *Economic and Social Inclusion Act*, and the creation of the Economic and Social Inclusion Corporation, a crown corporation to administer the Act.

The *Economic and Social Inclusion Act* celebrates its 9<sup>th</sup> anniversary this year. The Economic and Social Inclusion Corporation will conduct, in 2019, a provincial consultation to develop its third 5-year plan.

We consider this consultation to be an excellent opportunity to suggest certain actions to be taken, that, if implemented, would make, in the next five years, a real difference in the lives of thousands of individuals and families who currently live in poverty.

We are proposing changes in five areas: minimum wage workers, social assistance recipients, the New Brunswick Drug Plan, social housing, and the child day care system.

In order to better understand each of the five areas requiring changes, we will analyze the modifications made during the last decade, and we will explain the reasons behind our proposals for change.

## Overall Picture of New Brunswickers' Income

In 2009, within the total population of New Brunswick, there were 103,000 low-income citizens (14.2%) as identified by the Market Basket Measure, the current federal government poverty line. The latest data available (2017) shows that there were then 71,000 citizens (9.7% of the population) with low-income, a reduction of 32,000 citizens (4.5%) with low-income in the province<sup>1</sup>. This is good news. More than half (19,000) of this reduction occurred in the group of persons classified as “economic families” by Statistics Canada. One of the reasons for this reduction is the introduction of federal child benefits<sup>2</sup>. Another reason is that there are 37,600 workers now making more than \$15.00 an hour compared to 2009<sup>3</sup>.

As Table 1 shows, in New Brunswick, during seven years, the after-tax median income for “couple families” rose by \$10,320 (18%), that of lone parent families by \$7,770 (26%) and that of persons not in “census families” (meaning single persons) by only \$3,370 (16%).

**Table 1. After-tax median income of couples, lone parent families and persons not in census family in 2009 and 2016.**

<b>Family type (Census definition)</b>	<b>2009</b>	<b>2016</b>	<b>Income difference</b>	<b>Percent difference</b>
<b>Couple families</b>	\$59,050	\$69,370	\$10,320	18%
<b>Lone parent families</b>	\$29,830	\$37,530	\$7,700	26%
<b>Persons not in census families</b>	\$20,500	\$23,870	\$3,370	16%

Statistics Canada. Table 11-10-0017-01.

For the following three categories of citizens, the reality is not encouraging. The thousands of single employable persons on social assistance who have a total annual income as low as \$7,122. Moreover, a high percentage of minimum wage workers and seniors receiving the Old Age Pension and the Guaranteed Income Supplement do have an income below \$23,870, namely the median income of persons not in census families.

On the positive side, the overall financial picture of New Brunswickers has improved somewhat since the adoption of the Poverty Reduction Plan.

<sup>1</sup> Statistics Canada, Table 11-10-0035-01.

<sup>2</sup> Department of Families, Children and Social Development. News release. February 26, 2019.

<sup>3</sup> Special Statistics from Statistics Canada and the Department of Post-Secondary Education, Training and Labour.

## 1. Minimum Wage Workers: **No significant gains**

New Brunswick lost 3,600 jobs in all industries (excluding self-employed) between 2009 and 2018<sup>4</sup>. The number of minimum wage workers increased by 5,200 workers (30%) between 2009 and 2017,<sup>5</sup> **a regretful situation.**

In 2009, at the outset of the Poverty Reduction Plan, the gross yearly salary of minimum wage workers<sup>6</sup> was \$15,600, and ten years later, it stands at \$21,938, an increase of \$6,338 over ten years. The average expenditure per household in the lowest quintile (poorest 20% of the population), which includes minimum wage workers, was \$24,768 in 2010, and \$28,180 in 2017<sup>7</sup>, a \$3,412 increase for those seven years. This means that these workers barely kept pace with what it costs to live in this province.

Most of minimum wage workers are not unionized, so employment standards are the only protection they have in the workplace. However, most of the employment standards have remained virtually unchanged since 2009. Even now, employment standards do not include paid sick leave, overtime paid at time-and-a-half of the hourly salary rate, adequate annual holidays, etc.

If we want to make a real change in the lives of low-income workers in the next five years, we need to adopt the following proposals.

### **Proposals to improve the conditions of low-wage workers**

- **Increase the minimum wage** by \$1.00 an hour per year, starting in 2019-2020 until it attains \$15 an hour and then, index it.
- **Provide a financial subsidy to salaries paid by community organizations** that provide services to low-income citizens or to citizens in need and that are presently subsidized by the government. This financial subsidy would be equal to the minimum wage increase, including the employer's portion, for each employee of that organization who receives the minimum wage.
- **Allow Sick Leaves.** After 90 days with the same employer, the worker would accumulate one half-day per month of sick leave to a maximum of five (5) paid leaves per year. These leaves would not be cumulative.
- **Pay overtime hours** at the rate of time-and-a-half the regular wage of the employee after 40 hours a week, as it is the standard in five other provinces and at the federal government.

<sup>4</sup> Statistics Canada. Table 14-10-0027-01. Employment by class of worker, annual (x 1,000). Self-employed excluded.

<sup>5</sup> Special statistics from Statistics Canada and Department of Post-Secondary Education, Training and Labour

<sup>6</sup> Note: The gross annual salary is: Minimum wage X 37.5 hours X 52 weeks.

<sup>7</sup> Statistics Canada. Table 11-10-0223-01.

- **Provide uniforms.** Where it is mandatory to wear a uniform with a company logo, the employee must not be required to pay for it or for its cleaning.
- **Provide vacation pay.** Allow a 6% vacation pay after five years or more as it is the case in British Columbia, Alberta, Manitoba, Ontario, Québec and at the Federal government
- **Ensure Pay Equity.** Adopt the principle of *Equal Pay for Work of Equal or Comparable Value*.
- **Extend Access to the Medical card.** Minimum wage workers who don't have a workplace medical plan should have access to the white medical card of the Social Development Department.

**Note:** A complete list of the proposed changes to the Employment Standards can be found at: [www.frontnb.ca](http://www.frontnb.ca) under the bullet Fight for 15+ Justice.

## 2. Social Assistance: **No significant gains**

In 2019, nine years after the ratification of the New Brunswick Economic and Social Inclusion Plan (ESIC), it is important to acknowledge what has been accomplished. It is also essential to point out some key areas related to social assistance recipients that have not been implemented or corrected as promised.

### **Accomplishments of Economic and Social Inclusion Corporation**

Following is a partial list of the actions proposed by Economic and Social Inclusion Corporation (ESIC) and implemented by the provincial government, which have had positive impacts on social assistance recipients:

- Establishment of 12 Community Inclusion Networks to address issues of poverty;
- Elimination of the interim social assistance program rate of \$252 per month;
- Three-year extension of the health card to transition from social assistance to work;
- Collaboration between departments to transition social assistance recipients to work;
- Investment in early learning, child-care and support of literacy mentors;
- Development of social enterprises and community investment funds;
- Introduction of the *Healthy Smiles, Clear Vision Program*;
- Changes to the policy of the Economic Unit;
- New legislation for roomers and boarders.
- Reports on Transportation, One Stop Shop Solutions and Living Wage and Pay Equity.

## Five areas of social assistance requiring reforms

### a. Increases in social assistance rates

The province of New Brunswick has some of the lowest social assistance rates in Canada and all of them need to be significantly increased. For single employable individuals, no rate change and no indexation has occurred since 2010. In 2013 and 2014, raises in the other categories were made but were not indexed for inflation.

Currently, close to 36,000 social assistance recipients are unable to fulfill their basic needs. The restructured rate for single employable individuals and the rate increases for all other categories were insufficient to keep up with inflation.

The Market Basket Measure (MBM) is the poverty line accepted by the Canadian government. In 2016 in New Brunswick, the MBM for one person was \$19,296 per year; for a two-person household, it was \$27,285 and for a couple with two children it was \$38,592. As shown in Table 2 below, everyone, within a 10-year period, should have a total annual income equal to the MBM. The 2019-2020 NB budget should allocate additional revenue to the Department of Social Development so these persons can, within 10 years, come closer to moving out of poverty.

**Table 2. Annual social assistance income, MBM and proposed rate adjustments for 2019-2020.**

Transitional assistance category	Total current annual income	MBM in 2016	Amount of 10% MBM deficit to catch-up	Proposed total annual income for 2019-20
Single, employable	\$7,122	\$19,296	\$1,217	\$8,339
1 person - designated	\$7,590	\$19,296	\$1,171	\$8,761
1 adult and 1 child	\$19,920	\$27,285	\$737	\$20,657
Couple, with 2 children	\$26,412	\$38,592	\$1,218	\$27,630
<b>Extended benefit category</b>				
1 person	\$9,837	\$19,296	\$946	\$10,783
1 adult and 1 child	\$20,964	\$27,285	\$632	\$21,596
Couple with 2 children	\$27,576	\$38,592	\$1,102	\$28,678

Source: Department of Social Development and calculation by the NB Common Front for Social Justice.

### Proposals regarding social assistance income

- Raise social assistance rates so that the recipients can come closer to moving out of poverty.
- Over a period of 10 years, raise social assistance recipients' total annual income (basic social assistance rates, additional social assistance benefits, GST rebate, federal and provincial child care benefits and provincial tax credits) up to the MBM annual amount.
- Increase the 2019-2020 Social Development Budget to cover the "Proposed total annual income" as presented in Table 2.

## **b. Change the salary exemption for those who transition from social assistance to work**

Currently, social assistance recipients in the transitional category who are working, are exempt \$150 per month while households of two or more are exempt \$200. Persons in the extended benefit category are exempt \$500. Any higher earnings are clawed back from their monthly check.

### **Proposal regarding exemption of earned income**

- Increase the basic salary exemption to \$500 per month for everyone and allow social assistance recipients to keep 30% of all earning over \$500.

## **c. Appropriately restructure the rates for people with disability**

Currently, the decision to be recognized as disabled is taken by the Medical Advisory Board. It is final and is based on only two reports: medical report and social report. This process is too restrictive as cognitive deficiencies are not considered.

Another issue regarding disabled persons is income. Their basic rate has not increased since 2014. The current policy regarding disability needs to be completely overhauled.

### **Proposals to reform the recognition of disability**

- Implement a new program, a *New Brunswick Assured Income for the Disabled* and provide enough budgetary resources to deal with the specific needs of disabled persons.
- Increase, over a period of ten years, total annual income of social assistance recipients to equal the Market Basket Measure annual amount.
- Modify the current criteria to recognizing people with disability.

## **d. Mental health**

It is reported that one in three Canadians will be affected by mental illness during their lifetime. Mental illness does not discriminate between men and women, rich or poor. It has a very direct impact on individuals, their family, their workplace and society.

Poor mental health is more likely to affect people subjected to social and economic disadvantages. In other words, this includes people living in poverty. More unequal societies are more likely to have higher levels of mental illness in their population.

### **Proposal to improve the situation of people with mental illness**

- Increase, over a period of ten years, the total annual income of social assistance recipients with mental illness to equal the Market Basket Measure annual amount.
- Increase the availability of supported and social housing.
- Develop more peer support and social connections for mentally challenged people.

### **e. Improvements in the delivery process of social services.**

Presently, social workers and case managers have heavy workloads, making the delivery of quality services difficult. Information is not always shared, resulting in duplication. Some workers lack proper training to guide social assistance recipients. There is a need for efficient filing systems to retrieve files of recipients requesting their personal information.

#### **Proposal to improve the social assistance delivery process**

- Review the current delivery process of social assistance to implement the changes invoked in the Poverty Reduction Plan.  
([www.povnet.org/node/3539](http://www.povnet.org/node/3539) Overcoming poverty together- NB's first ever poverty) reduction.)

### **f. Campaign to confront prejudices against people living in poverty**

In 2009, it was recommended: "To develop a strong public awareness campaign, which is critical to the success of the poverty reduction plan"<sup>8</sup> Organizing a public campaign against prejudices to address stigmas against the poor will change the public's perception.

#### **Proposal against prejudice**

- Develop a strong public awareness provincial campaign to fight prejudices towards citizens living in poverty and include social assistance recipients in the formulation and evaluation of the campaign.

## **3. Social Housing: No significant gains.**

Housing is a basic need. It is also a Human Right.

### **The New National Housing Strategy**

Canada's National Housing Strategy, announced on November 22, 2017, is a 10-year, \$40-billion plan that will give more Canadians a place to call home. In July 2018, the province, along with the federal government, signed an agreement that could invest nearly \$300 million dollars to protect, renew and expand social and community housing, and support New Brunswick's priorities related to housing repairs, construction, and affordability.

### **Cost of accommodations**

The annual net income of a single individual at the minimum wage in 2018 was \$20,610 and for a single employable social assistance recipient, the total annual income was \$7,028. With such incomes, people cannot afford a decent apartment. The cost of housing

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<sup>8</sup> [www.povnet.org/node/3539](http://www.povnet.org/node/3539) Overcoming poverty together- NB's first ever poverty reduction.

for low-income citizens is always a major part of their budget, so affordability is key to them.

In 2018, the average rate of a bachelor's apartment was \$533 per month, for a one-bedroom, \$661 per month, for a two-bedroom, \$801 per month and for a three or more bedrooms, \$933 per month.<sup>9</sup> Many citizens with limited means are forced to live in rooming houses for which the average cost is around \$350 a month.

In 2016, 45% of household renters were spending more than 50% of their income for rent and utilities. The situation for those in the lowest income group, the first quartile (income range \$0-\$20,079) is a lot worse. For this lowest income group in New Brunswick, 82% of them spend more than 50% of their income on rent and utilities<sup>10</sup>. It is clear that low-income citizens are paying far too much for the place they live in. What they need is access to more social housing, and/or access to rent subsidies for private market housing.

Social housing is the solution for all low-income citizens because individuals or families should pay only 30% of their gross annual income on housing. Unfortunately, the demand for social housing in the province is very high and the availability is quite low. In 2017-2018, the waiting list was at 5,233 units<sup>11</sup>.

As Table 3 shows, the province has a portfolio of different types of housing. In the last ten years, the province increased its portfolio by 1,060 units, but at the same time, the list of citizens waiting for social housing units had increased by 818 citizens, instead of decreasing.

**Table 3. Number of units in the NB portfolio of housing (2009-2010 and 2017-2018)**

Year	Number of Non-Profit Units	Public Housing and Rural and Native Programs	Rent Supplement & Portable Rent Supplement	Total	Waiting List
<b>2009-2010</b>	4,942	4,959	3,256	13,157	4,415
<b>2017-2018</b>	5,240	4,608	4,369	14,217	5,233
<b>Difference</b>	+ 298	-351	+ 1,113	+ 1,060	+ 818

Source: Correspondence from the Department of Social Development. 19 February 2019.

The number of beds in homeless shelters (133 beds) and transition houses (175 beds) has not changed in the last 10 years,<sup>12</sup> while the need is considerably greater as we have seen this winter during the homeless crisis.

<sup>9</sup> Rental Market Report. New Brunswick Highlights. Date released: 2018. CMHC.

<sup>10</sup> Canadian Rental index. Rental housing Data. [http://www.rentalhousingindex.ca/en/#affordability\\_prov](http://www.rentalhousingindex.ca/en/#affordability_prov).

<sup>11</sup> Correspondance from the department of Social Development. February 2019.

<sup>12</sup> Correspondance from the department of Social Development, February 2019.

### Proposals for more social housing

- Reserve a large portion of the new housing funds for social housing for non-profit organizations or cooperative housing.
- Reduce by 25% (1,300 units) the waiting list for social housing in the fiscal years 2019-2020.

## 4. The New Brunswick Drug Plan: Coverage too limited

In the *Advisory Committee on Health Benefits: An Insurance Plan for Prescription Drugs for Uninsured New Brunswickers*, it was stated that the province had 70,000 uninsured families (150,000 citizens) who did not have a drug plan. Uninsured families spent between \$120 and \$150 million dollars on prescription drugs each year.<sup>13</sup> This translates in financial hardship for low-income citizens. The result is that a high percentage of them could not fill out their prescriptions, consequently their health deteriorated.

In 2012, the Economic and Social Inclusion Corporation proposed to the provincial government a mandatory drug plan that would have been funded jointly by the government (22%), by employers who did not have a workplace drug plan (15%), and by the uninsured families (63%). The total cost would have been between \$115 and \$160 million dollars.<sup>14</sup> The business lobby was so strong that in 2014, the government of the time adopted and implemented a provincial voluntary drug plan.

In 2017-2018, the plan covers **only 10,832 members including dependents, not even 10% of uninsured citizens**, instead of the 150,000 persons if the plan had been mandatory. During the same period, the province paid \$28.1 million dollars and the insured members paid \$6.5 million dollars.<sup>15</sup> Table 4 shows that the NB Drug Plan has premiums linked to gross income levels and a copayment for prescriptions. The Plan does not include any coverage for dental and eye care.

The present plan imposes a financial burden on individuals and families who are at low-income. In order to remedy this situation and help those individuals and families at low-income to have access to the drugs they need, there must be a reduction of their financial burden.

At the federal level, there is presently a push to implement a Pharmacare Plan and we hope that this will be part of the upcoming federal budget.

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<sup>13</sup> Report of the Advisory Committee on Health Benefits: An Insurance Plan for Prescription Drugs for Uninsured New Brunswickers. Prepared for ESIC Board of Directors. Final Report. December 2012

<sup>14</sup> Report of the Advisory Committee on Health Benefits: An Insurance Plan for Prescription Drugs for Uninsured New Brunswickers. Prepared for ESIC Board of Directors. Final Report. December 2012

<sup>15</sup> Department of Health. Correspondence January 2019.

**Table 4. Income levels and cost of premiums and copayments for the NB Drug Plan (2018)**

Gross Income Levels		Premiums		Copayments
Income level	Individual with children and couple with or without children	Annual premium (per adult)	Monthly premium (per adult)	30% Copay to a maximum per prescription
\$17,884 or less	\$26,826 or less	\$200	\$16.67	\$5
\$17,885 to \$22,346	\$26,827 to \$33,519	\$400	\$33.33	\$10
\$22,347 to \$26,360	\$33,520 to \$49,389	\$800	\$66.67	\$15
\$26,361 to \$50,000	\$49,390 to \$75,000	\$1,400	\$116.67	\$20
\$50,001 to \$75,000	\$75,001 to \$100,000	\$1,600	\$133.33	\$25
More than \$75,000	More than \$100,000	\$2,000	\$166.67	\$30

Source: Department of Health. The New Brunswick Drug Plan. Premiums and Copayments.

### **Proposals for a more complete Drug Plan**

- Exempt from the obligation to pay a premium those individuals who have a gross income level of \$19,296 or less as well as those individuals with children or couples with or without children who have a gross income level of \$38,592 or less. These amounts are based on the 2016 Market Basket Measure for individuals and families of four.
- Expand the present NB Drug Plan to include dental and eye care coverage. This would make the Plan more inclusive and more appealing to individuals, and more so for families.
- Give provincial support to the implementation of a Federal Pharmacare plan.

## **5. Child Day Care: Positive gains, but cost still too high**

For New Brunswick families, the availability of spaces and the cost of child day care are key to deciding on the number of children they will have, but more so for low-income families.

### **Availability:**

As Table 5 shows, between 2009 and 2018, the number of children decreased by 3,364 (2.9%). On the other hand, the total number of regulated child day-care spaces increased for infants by 1,105 spaces (96%), for preschool-aged children, by 3,641 spaces (47%) and for school-aged children by 7,091 spaces (88%). For that period, the total increase was 11,837 spaces (70%).

**Table 5. Child Day Care Spaces in NB by age category in 2009 and 2018**

<b>Spaces available by age-group</b>	<b>2009</b>	<b>2018</b>	<b>Increase</b>	<b>Increase</b>
<b>Infants</b>	1,152	2,257	1,105	96%
<b>Preschool-age children</b>	7,764	11,405	3,641	47%
<b>School-age children</b>	8,098	15,189	7,091	88%
<b>Total child spaces</b>	17,014	28,851	11,837	70%
<b>Total number of NB children (0-14 year)</b>	114,666	111,302	-3,364	-2.9%

Source: Child Day Care Services, Annual Statistical Report, 2008-2009 and correspondence from Education and Early Childhood Development. Statistics Canada. Table 17-10-0005-01.

### **Cost of child day care services and provincial subsidies**

The cost of spaces for child day-care services is a constant financial struggle for families. The average annual cost for full-time spaces (see Table 6 below) has gone up between 2009 and 2018 by 26% for infants, by 30% for preschool children and by 36% for after-school-care spaces.

During the same period, the Day-Care Assistance Program rates increased but not enough to compensate for the rise in cost of child-care spaces. In 2018, parents need to contribute \$4.00 more for infant spaces, \$5.32 for preschool spaces and \$3.98 for after-school spaces.<sup>16</sup>

In 2018, the net annual income for a single parent with one child was \$29,924<sup>17</sup>. If this low-income parent has a child under the age of 5 who is attending an Early Learning Centre, that parent will pay nothing for day care. But if the child does not have access to the new Early Learning Centre, the parent will only pay \$1,807 a year because of the Day Care Assistance Program.

Last year, a two-parent family with two children, where the two parents worked at the minimum wage, they earned a net annual income of \$48,999.<sup>18</sup> If both children are preschoolers and not going to the new Early Learning Centre, the annual cost of full-time day care would be \$16,142. They would receive an annual subsidy of \$915 (2 children x \$1.76 daily x 260 days)<sup>19</sup>, so they would need to disburse \$15,227 (31%) of their total annual net earnings. These costs are too high for most families.

<sup>16</sup> Early Learning and Children Services, Annual Statistical Report, 2008-2009 and correspondence from Education and Early Childhood Development. Calculation by the NBCFSJ.

<sup>17</sup> An Economic Reality: Living on Minimum Wage. New Brunswick, Common Front for Social Justice. April 2018

<sup>18</sup> Ibid

<sup>19</sup> Day Care Assistance Rate Table for Licensed Care. Department of Education and Early Childhood Development.

**Table 6. Average annual cost for full-time day care in NB (2009 and 2018)**

Age group	2009	2018	Difference
Infants	\$7,324	\$9,217	+ \$1,898 (26%)
Preschool	\$6,214	\$8,072	+ \$1,838 (30%)
After school	\$3,567	\$4,797	+\$ 1,230 (36%)

Source: Early Learning and Children Services, Annual Statistical Report, 2008-2009 and correspondence from Education and Early Childhood Development, February 2019.

The number of children who took advantage of the Day Care Assistance Program increased from 5,308 children in 2009 to 6,218 children in 2018, a difference of 910 children, which translates to a 17% increase.<sup>20</sup>

The cost for children involved in the Day Care Assistance Program was \$ 11.4 million in 2009 and \$ 16.04 million in 2018; a \$4.64 million increase.<sup>21</sup>

### **New program for families who have children in the Early Learning Centres.<sup>22</sup>**

This new program guarantees free child daycare for families with an annual gross income under \$37,500 who have children aged five and under attending a designated New Brunswick Early Learning Centre. No family will pay more than 20% of their Gross Annual Income for child care.<sup>23</sup>

This program is a great help to families, but it does not go far enough.

#### **Proposals for a more affordable child day care service**

- Ask the province of New Brunswick to develop a comprehensive family policy, where part of that policy deals with the availability and costs of the Child Day Care Services.
- Mandate the Economic and Social Inclusion Corporation to study the Child Day-Care Services in Quebec to evaluate how we can implement a similar one in N.B. Quebec is the only province that has a Child Day Care Program that is easy to access and affordable.
- Increase the Day-Care Assistance rates for infants, preschoolers and just-after-school children to cover the 2019 cost of child day care.
- Gradually move early learning and children services toward a more publicly funded not-for-profit system.

<sup>20</sup> Correspondence from Education and Early Childhood Development. February, 2019

<sup>21</sup> Ibid

<sup>22</sup> News release. Education and Early Childhood Development. January 17, 2018.

<sup>23</sup> [https://www2.gnb.ca/content/gnb/en/corporate/promo/improved\\_early\\_learning\\_and\\_child\\_care.html](https://www2.gnb.ca/content/gnb/en/corporate/promo/improved_early_learning_and_child_care.html)

## Conclusion

Nine years have passed since the adoption of the legislation which created the New Brunswick Economic and Social Inclusion Corporation (ESIC) whose aim was to overcome poverty and exclusion.

Motivated by a desire to respect the human rights of all citizens, regardless of their capacity to work, numerous ESIC collaborators have accomplished a series of concrete actions which have had positive impacts. It is now time to evaluate what has been achieved and focus on adequate planning for the next five years because many of the actions proposed in the Poverty Reduction Plan have remained as unfinished business. Public consultations are being planned, and this document is intended as a tool for discussion.

Employment income is key to meeting one's basic needs. In New Brunswick, the number of **minimum wage** earners has increased by 30% during the past eight years. To reduce poverty, there is a need to increase the minimum wage by \$1 per hour per year, until it reaches \$15 dollars, and thereafter, it needs to be indexed to follow inflation. Another important aspect related to work is the improvement of employment standards for workers who are not unionized. This is needed in the areas of sick leave, adequate payment for overtime, provision of uniforms where needed, adequate vacation pay, etc. Low-income workers also need access to the Social Development white medical card.

Public assistance is part of our Canadian identity. **Social assistance** must be given to people who, for various reasons, cannot enter the workforce. Current rates are among the lowest in Canada. Some have been increased in 2014, but others, not since 2010. The Market Basket Measure (MBM), the Canadian line of poverty, is based on the cost of a specific basket of goods and services representing a modest standard of living. In 2016, the New Brunswick MBM for one person was \$19,296; for a two-person household, it was \$27,285 and for a couple with two children, \$38,592 per year. The annual gap between current social assistance annual income and the MBM is huge: \$12,170 for employable individuals, \$7,370 for single parents with one child and \$12,180 for couples with two children. Closing the gap should occur over a 10-year period. Proposed annual income "catch-up amounts" for social assistance recipients have been calculated and should be incorporated in the 2019-2020 provincial budget and in the years thereafter until it reaches the MBM. Four major areas of policy changes are proposed: (1) the earned allowable income of social assistance recipients should be increased to \$500/month after which wages could be clawed back by 70%; (2) a proper restructuring of the assistance for persons with disabilities is needed; (3) the process of delivering of social assistance should be improved, and (4) the development of a strong public awareness campaign to fight prejudices towards citizens living in poverty is needed.

Adequate **social housing** is lacking for thousands of people in New Brunswick. There have been small steps in the right direction, but the number of citizens on the waiting list has increased in the last nine years. Federal-provincial funds should be judiciously utilized so that basic housing needs are adequately met.

Presently, the NB Drug Plan covers only 10% of the 150,000 citizens that are without a drug plan. The cost of medication is a constant financial burden for low-income citizens and a high number don't get their prescription filled. The present **NB Drug Plan** needs to be revisited for a more adequate cost-sharing. It should be expanded to include dental and vision care.

In the area of **child-care**, the past 10 years have seen a 70% increase in the availability of spaces, but the needs are a lot greater. Although the average cost of child day care has augmented, the Day-Care Assistance Program has moderately increased its subsidies, families are still left with an added financial burden.

The purpose of this document is to highlight five key areas where changes need to be made to improve the financial situation and overall wellness of many thousands of New Brunswickers. These concrete proposals, if implemented, would go a long way toward poverty reduction and social inclusion, which is the goal we all seek.

**For more information, you can consult the following documents on our website  
[www.FrontNB.ca](http://www.FrontNB.ca) :**

To better understand the situation of minimum wage workers:

- *Minimum Wage Information Document*. April 2018 and
- *An Economic Reality: Living on Minimum Wage*. April 2018

To better understand the situation of citizens on social assistance:

- *Social Assistance, Information document, March 2018*
- *Living in poverty in NB: NOT EASY! September 2018*
- *All aboard! Single passengers living on the Social Assistance train in New Brunswick, September 2018.*

To better understand the situation of people with disability

- *Disability and Deep Poverty in New Brunswick, September 2017*

To better understand the situation of homelessness:

- *No place to be Ourselves. Solving New Brunswick Homelessness Takes Everyone!*, February 2019.