

Small Steps towards Poverty Reduction

**2014 Annual Review
of David Alward- Brian Gallant
governments**



Executive Summary

**Common Front for Social Justice Inc.
December 2014**

Executive Summary

This year marks the 25th anniversary of the House of Commons adoption of an all-party resolution to end child poverty by the year 2000. It is also the 5th anniversary of the unanimous adoption by the New Brunswick Legislative Assembly of the *Overcoming Poverty Together, the New Brunswick Economic and Social Inclusion Plan*.

The year of the two governments

Has 2014 changed anything in the situation of the thousands of women, men and children living in poverty?

The Common Front has given each item assessed a score from 1 and 10; 10 being the highest score.

Summary of the scores obtained

The score represent the overall performance of the government under the Alward's Conservatives and Gallant's Liberals

1- Workers

a-Minimum Wage. Score - 5

b-Unemployment Insurance. Score - 3

c-Pay Equity. Score - 4

2- Social Assistance

a-Social assistance revenue. Score - 3

b-Poverty Reduction Plan. Score - 2

3- Economic situation of Seniors. Score - 3

4- Social Policies

a-NB Drug Plan. Score - 6

b- Housing. Score - 4

5- Professional Artists. Score - 8

6- Revenue

Income tax from individuals and corporations. Score - 4

1- Workers

Minimum Wage. Score – 5

The Alward government has not increased it. The Gallant government will raise it from \$10.00 an hour (Dec 2014) to \$11.00 an hour (2017) and index it after.

Unemployment Insurance. Score - 3

The Alward government, in conjunction with the other Atlantic premiers commissioned a study of the impacts of the EI cuts. The report was released in June but no action has been taken.

Pay Equity- Score - 4

Pay equity pilot projects are now completed and some pay increases has happened. The methodology used was flawed. The Liberal platform promised to fully implement the Pay Equity Act, 2009 but nothing was said in the Speech from the throne.

2- Social Assistance

Social Assistance revenue. Score – 3

The Alward government increase the basic rate by 4% but it is not applicable to the single employable. The Gallant government did not mention any increases or even poverty reduction in the Speech from the throne

NB Poverty Reduction Plan. Score - 2

The new 5-years plan is out but there are no new initiatives and no specific actions with targets and timetables.

3- Seniors. Score – 3

There are more and more seniors working after 65 years old. A high number of seniors are still living with only the Old Age Security and the Guaranteed Income supplement. There is a need for more hours per patients and more nursing home beds. The Alward government has pushed hard to reduce the public sector pension plans. The Alward government budgeted \$7.2 million for a Home First strategy in order to give more care to seniors in their homes and communities but there are no details out.

4- Social Policies

NB Drug Plan. Score – 6

The Alward government introduced the voluntary phase (May 1, 2014) and the mandatory phase (April 1, 2015) of the Drug Plan, but the Common Front considered the

cost to high. The Gallant government took out the mandatory phase, reduced the premium and copays and exempt small businesses to contribute financially. It will review the whole program.

Housing. Score - 4

The Alward government signed a deal with the federal government for an additional \$78 million over five years in order to give more access to affordable housing to individuals and families. There is a shortage of 6,240 places.

5- Professional artists. Score - 8

The Alward government increased the budget for arts, culture and heritage. The Gallant government said it will put more money in its 2015 Budget. The Alward government adopted a new cultural policy, put in place the Premier's Task Force on the Status of the Artist and adopted a Linguistic and Cultural Development Policy for the French schools.

6- Revenue

Income tax for individuals and corporations. Score – 4

The Alward government did not return to the 2008 individual income tax. The Gallant government is also not doing it but will increase the taxes on the very rich. It is cancelling the 2012 property tax reduction but reducing the small business taxes.

The cost of poverty

There is certainly a real deep financial cost to poverty, but more importantly, there is a human cost that even if it is sometime difficult to measure in dollars and cents is not less real.

How do we measure:

- ✓ *the worry of parents who are not able to properly feed themselves and their children and have to rely on food banks in order not to go to bed hungry?*
- ✓ *the anguish of living in inadequate housing?*
- ✓ *the desperation of knowing that you are sick because you are poor?*
- ✓ *the hopelessness of teenagers knowing they have a lot less chance of having a better life than their neighbour?*
- ✓ *the look of others because you are poor?*

New Brunswick Common Front for Social Justice Inc.
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