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Social Assistance

Information Document

February 2020



New Brunswick 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 16.9% in 2020-2021 for single person considered employable and index it for inflation afterwards.
- Increase the basic rate by 8.77% in 2020-2021 for all other recipients and index it for inflation afterwards.
- Have total annual revenues equal the Market Basket Measure gradually throughout 10 years (2020-2030) 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 8.77% in 2020-2021 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 2020-2021

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

b. Revisions to be made in 2020-2021 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?

The situation

In December 2019, there was a monthly average of 33,954 men, women and children on Social Assistance in our province. Out of that number, 6,918 recipients (91.8%) of them being single, were on Extended Benefits meaning they are certified disabled. All the other 27,036 recipients were in the Transitional Assistance category. In this category, more than sixty percent are single individuals and one fifth of them are one-parent families.¹ 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.

¹ Social Assistance Caseload Trends and Caseload and Recipients, February 2018, Social Development Department

3. Social Assistance's inadequate revenue

Revenue

All men, women and children living on social assistance are in the category of low income as defined by the 2017 Market Basket Measure; 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, ranging from a low of -\$7,358 for One parent, with one child to a high of -\$12,207 for the Single person considered employable. All are forced to live in constant economic insecurity.

Table 1. Total Annual Welfare Income, Market Basket Measure and Difference. New Brunswick. 2018 (\$)

Category	Total annual revenue 2018	Poverty line (Market Basket Measure - 2017)	Annual deficit
Single person considered employable²	7,126	19,333	- 12,207
Single person designated	7,594	19,333	-11,739
Single disabled³	9,839	19,333	-9,494
One parent, one child	19,978	27,336	- 7,358
Couple, two children	26,505	38,665	-10,160

Source: Department of Social Development and Statistics Canada, Table 11-10-0066-01

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 person considered employable 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 a single person considered employable had followed the inflation rate, their basic rate would be \$623.42 per month in 2019, 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

² Heating supplement has not been included because it is not for everyone.

³ Ibid

a significant shortfall. All these citizens on social assistance has seen their purchasing power decreased.

If we want citizens on social assistance to keep pace with inflation, this means that in 2020, a single person considered employable should receive a 16.09% increase and all the other recipients should receive an 8.77% increase. Afterwards, the rates should be indexed to follow inflation.

Table 2. Current basic rates. Indexed to inflation. New Brunswick. 2019. (\$)

Type of household	Basic rates (annual/ monthly)	Inflation No increase since Note 1	Basic rates adjusted for inflation 2019 (annual/monthly) Note 1	Difference 2019
Single person considered employable	6,444 (537/month)	16.09% 2010	7,481 (623.42/month)	+ \$1,037
Single person designed Note 2	6,912 (\$576/month)	8.77% 2014	7,718 (643.17/month)	+\$806
Single person with a disability	7,956 (663/month)	8.77% 2014	8,654 (721.17/month)	+ \$698
Single parent, 1 child	10,644 (887/month)	8.77% 2014	11,578 (964.83/month)	+ \$934
Couple, 2 children	11,940 (995/month)	8,77% 2014	12,987 (1,082.25/month)	+ \$1,047

Source. New Brunswick Department of Social Development. Social Assistance Rate Schedule

Note ¹ Bank of Canada Inflation Calculator. Accessed January 6, 2020.

Note 2. CFSJ calculations

Our proposals:

- 1. Increase, in 2020-2021, 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 persons considered employable should have their basic rate increased by 16.09%, and all the other recipients should get a 8.77% increase. Their basic rate should be indexed for inflation after.**
- 2. Adopt the Market Basket Measure as a minimum income standard to calculate the total annual income which social assistance recipients should receive. The amount received from Social Assistance and other revenues should equal the Market Basket Measure over the next ten years.**

4. Person with a disability

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 person, their total annual income is \$ 9,839. The poverty line, as identified by the Market Basket Measure (2017), is \$19,333 so they experience an annual deficit of \$ 9,494.

The basic monthly rate of \$663 has not increased since 2014. On the other hand, inflation has increased by 8.77% since then, meaning that persons with a disability have experienced a loss of their purchasing power. They are poorer than they were six 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. It is clear that their income from Social Development is not enough.

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 2020-2021, 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 8.77% 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 next ten years.**
- 3. Implement a new program: *New Brunswick Assured Income for the Disabled***

5. High cost of Housing

Housing

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

According to the Canada Mortgage and Housing Corporation, in New Brunswick (October 2019), the annual cost for a bachelor apartment was \$6,948, for a one-bedroom unit, \$8,364, for a two-bedroom apartment, \$10,164, and for a three-bedroom dwelling, \$11,676¹. 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 a high amount of their income if they want adequate housing.

For a single person considered employable, it appears that adequate housing is not affordable, since he/she must spend 98% of his/her income. The only other option the person has is a rooming house. A single person designated will spend 91% of the total annual income on housing. The person with a disability must spend 71% of his or her total net annual income, a single-parent family 51% and a couple with 2 children, 44% 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 total income, average annual cost for rent and percentage spent on rent. New Brunswick.2019 (\$)

	Total annual Income (\$)	Average annual cost for rent (\$)	Amount spent on rent (%)
Single person considered employable	7,126	6,948, (bachelor)	98%
Single person designated	7,594	6,948 (bachelor)	91%
Person with a disability	9,839	\$6,948, (bachelor)	71%
Single parent family, 1 child	19,978	10,164 (2 bedrooms)	51%
Couple, 2 children, 2 incomes	26,505	11,676 (3 bedrooms)	44%

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

¹<https://www03.cmhc-schl.gc.ca/hmip-pimh/fr/TableMapChart#TableMapChart/13/2/Nouveau-Brunswick>

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 fiscal years 2017-2018, there were 5,233 people on the waiting list for social housing in the province². 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 housing³.

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 seniors⁴.

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.**

² Communications from the Department of Social Development. December 13, 2017

³ Communications from the Department of Social Development. December 13, 2017

⁴ Ibid.

6. Prejudices against social welfare recipients

The prejudices

A prejudice is an unfavourable 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.

1st 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.

2nd 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.

3rd prejudice: People living in poverty in NB still have it pretty good.

Reality:

Right now, a single person considered employable on social assistance is receiving \$537 per month. The situation has not changed for them since 2010. A single person with a disability on social assistance has an income of only 51% 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 \$7,126 a year while the poverty line is \$19,333. 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.

5th 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

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.

i. Deduction of Employment Income

- That the revenue should 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 should be \$500, and that 30% of succeeding income be exempted;
- That the total annual revenue should not be claw back until it attains 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.

iv. 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.

v. 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 department of Social Development should not force recipients to access their Canada Pension Plan before they attain 65 years old..

vi. 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

vii. Economic Unit

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

viii. Termination of assistance

- That no files be closed unless managers make sure that people are not at risk. In other words, that they use more discernment.
- In questionable cases, that managers make prior contact with social workers to find out the foreseeable consequences and weigh the appropriateness of their decision.

Details of the policies that need changes can be found in the document:
Proposed modifications regarding social assistance policies of the New Brunswick Common Front for Social Justice.

8. History of Social Assistance

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 counselling (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. 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 worst 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 to 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.

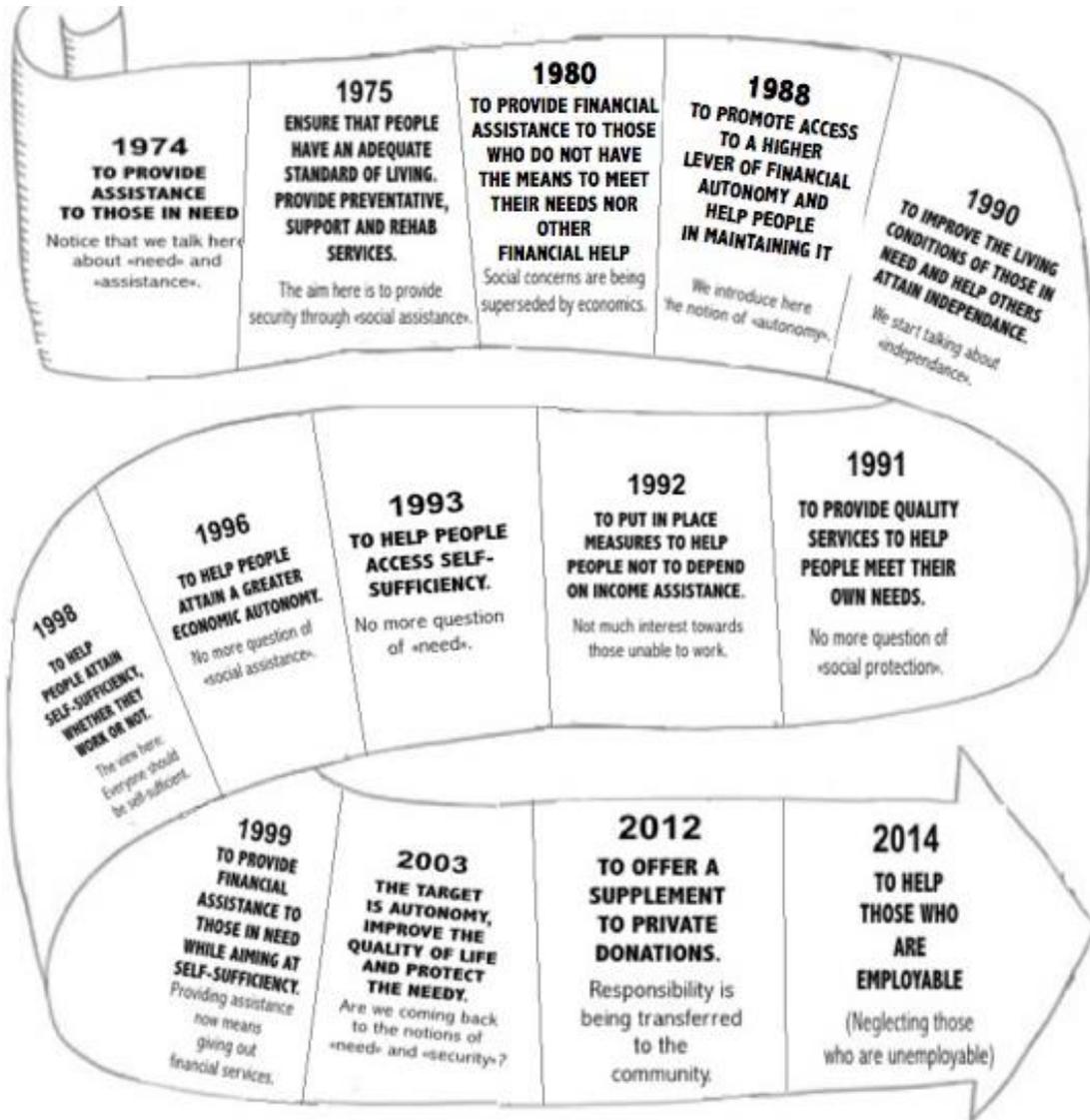
Unfortunately, the original mission has deteriorated over the years, especially under the Frank McKenna government, to a point where instead of a public-funded income support system for those in need, it has become a system where a number of services to beneficiaries are provided by the community sector.

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

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

Figure 1. Drastic changes in the mission of the Dept. of Social Development between 1974 and 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 (MBM) thresholds (2008 base) for reference family, by Market Basket Measure region and component, in current dollars and 2017 constant dollars.

Table 5. Market Basket Measure for NB population under 30,000.

Size of household	Market Basket Measure (\$ per year)
Single person	19,333
Two persons	27,336
Three persons	33,485
Four persons	38,665

Source: Statistiques Canada Table11-10-0066-01