

Meeting with Robert, Paul, Alice, Kayla and Mary-Anne



***Take care of the most vulnerable
citizens in our province in the next
provincial budget.***



February 2020

New Brunswick Common Front for Social Justice

Meeting with Robert, Paul, Alice, Kayla and Mary-Anne

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The names are fictional, but the stories are real.

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The data comes from the following documents:

1. Maytree Welfare in Canada. 2018. Anne Tweedle and Hannah Aldridge, November 2019.

Note

The data in the Tables for Social Assistance recipients and the Market Basket Measure are for the following four major cities: Moncton (NB), St. John's (NFLD), Halifax (NS) and Charlottetown (PEI).

At the time of publication, the Market Basket Measure (MBM) and the Low-Income Measure of poverty (LIM) levels for 2018 were not available. As a result, we have estimated the LIM and MBM thresholds for 2018. To estimate the MBM threshold, which varies by community, we increased the 2017 levels in line with the consumer price index for the applicable city. All the low-income thresholds used are for after-tax income because welfare incomes are not subject to income taxation. Page 7

2. Statistics Canada. Table 11-10-0066-01

The Mission of the Common Front for Social Justice is to fight 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, in particular by having a minimum wage and social income on which citizens can live on and not just exist. We believe that every citizen can develop their 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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Our guests

In order for our reflections to be grounded in reality, we invited five individuals who depend on social assistance to survive from five different categories, and they accepted our invitation to engage in dialogue with them. There were two men, Robert, a single person considered employable and Paul, a single person designated, meaning he has serious barriers to employability. The three women were Alice, a single person with a recognized disability, Kayla, a single parent with a child and finally Mary-Anne, married with two children.

The Common Front for Social Justice wanted to discuss their personal situation, but also the situation of the 35,000 other citizens who are receiving help from the Social Development Department, better known as social assistance.



These five persons had all heard the news that the province was declared the poorest province in Canada and they were wondering what it meant.

We explained that the federal government had announced, at the end of last year, that New Brunswick had become the poorest province of the country. It was estimated that 100,000 persons were at low-income in our province.¹

They are mainly low-income workers, citizens with disabilities, seniors, and citizens on social assistance.

For us, the close to 35,000 men, women, and children who depend on social assistance to survive represent the largest portion of citizens living in poverty.

Robert, Paul, Alice, Kayla, and Mary-Anne were surprised that there were so many persons like themselves in the province.

Is the annual income of citizens on social assistance adequate?

The conversation then moved to the difficulty of making ends meet with the current basic rate and the amount each receives as their total annual income.

Robert told us his basic rate had not increased since 2010, and our four other guests told us that for them, it was since 2014.

We showed them Table 1, and they realized that the basic social assistance amount is the largest portion of their total annual income.

¹ Maytree. Welfare in Canada, 2019

- In Robert’s case, the single person considered employable, **it is 90%**;
- In Paul’s case, the single person designated, **it is 91%**;
- In Alice’s case, the single person with a disability, **it is 81%**;
- In Kayla’s case, the single parent with one child, **it is 53%**;
- In Mary-Anne’s case, the couple with two children, **it is 45%**.

It became evident for them that raising the basic rates for each category of citizens on social assistance would certainly make a marked difference in their annual revenue.

For Kayla and Mary-Anne, it was clear that without the Canada Child Benefit put in place by Justin Trudeau, their present situation would be worse.

Table 1. Components of welfare incomes. New Brunswick. 2018. (\$)

	Single person considered employable	Single person designated (Note 1)	Single person with a disability	Single parent, one child	Couple, two children
Basic social assistance	6,444	6,912	7,956	10,644	11,940
Additional SA benefits			1,200	1,224	1,224
Federal child benefits				6,448	10,881
Provincial child benefits				250	500
GST credit	282	282	283	712	860
Provincial tax credits/benefits (Note 1)	400	400	400	700	1,100
Total 2018 income	7,126	7,594	9,839	19,978	26,505
Percentage	90%	91%	81%	53%	45%

Source Maytree. *Welfare in Canada Report*, 2019. Note 1, Calculations made by the CFSJ.

Note 1. This amount can be different if a person is in social housing.

Loss of Purchasing Power

Each explained that they had the same purchasing power as 10 or 6 years ago, while the costs of food, housing, transportation and other necessities had not stopped going up. We came up with our big guns, Table 2, and Table 3.

We explained that in order to understand the loss of their purchasing power, we had calculated the total annual income for each of them, adding the inflation rate. This way, we were able to evaluate the monthly and yearly amounts they should now be receiving.

For example, for Robert, the inflation rate since 2010 was 16.09% and for Paul, Alice, Kayla, and Marie-Anne, the inflation rate since 2014 was 8.77% (Table 2).

Table 2. Social Assistance Basic Rates adjusted for inflation. NB 2019 (\$)

Type of household	Basic rates (annual/ monthly)	Inflation No increase since (Note 1)	Basic rates adjusted for inflation 2019 (annual/monthly) (Note1)	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. Maytree *Welfare in Canada Report*, 2019. Adequacy of welfare incomes in 2018.

Note ¹ Bank of Canada Inflation Calculator. Accessed January 6, 2020. Note 2. CFSJ calculations

Looking at Table 2, they saw the amount they should be receiving.

- Robert **lost \$1,037 of his purchasing power**. To rectify this, his basic monthly rate at the end of 2019 should have been \$623.42.
- Paul **lost \$806 of his purchasing power**. To rectify this, his basic monthly rate at the end of 2019 should have been \$643.17.
- Alice **lost \$698 of her purchasing power**. To rectify this, her basic monthly rate at the end of 2019 should have been \$721.17.
- Kayla's family **lost \$934 of their purchasing power**. To rectify this, their basic monthly rate at the end of 2019 should have been \$964.83.

- Mary Anne’s family **lost \$1,047 of their purchasing power**. To rectify this, their basic monthly rate at the end of 2019 should have been \$1,082.25.

When we showed Table 3, everyone’s jaw dropped. They could not believe that citizens like them, the poorest in our society, had lost such an amount because different governments had not increased the basic rates during all these years.

**Our estimate is that the total amount lost to inflation is
\$20.1 million of their purchasing power.**

Table 3. Basic rate adjusted for inflation, number of caseloads, and total. New Brunswick. 2019 (\$)

Type of household	Amount lost because of inflation (see Table 2)	Number of Caseloads (Note 1)	Total Lost
Single person considered employable	1,037	4,767	4.9 million
Single person designated	806	5,092	4.1 million
Single person with a disability	698	6,106	4.3 million
Single parent,1 child/ Couple, 2 children	991 (Note 2)	6,878 (Note 3)	6.8 million
Total		22,843 ²	20.1 million

Note 1. The majority of caseloads in the first three categories are single persons. This number is for May 2018. Note 2 We took the average amount of the single parent with one child and the Couple with two children. Note 3. CFSJ calculations.

How poor are we they asked?

In order to illustrate the situation of our guests and all the others like them in the province, we told them that the federal government had adopted a poverty line, called the Market Basket Measure (MBM).

The Market Basket Measure is a measure of low income based on the cost of a specific basket of goods and services providing a modest, basic standard of living. It includes the costs of food, clothing, footwear, transportation, shelter and other expenses.

² Social Assistance Caseload and Recipients, May 2018. Social Development Department

Individuals and families that are below this measure are considered living in poverty.

We passed around Table 4, which gives the amount of the Market Basket Measure (MBM) for each of them, compared to their total annual income. We explained that the bottom column means that with their present income, all of them cannot meet their basic needs.

- ❖ The total annual welfare income for Robert covers only **(39%)** of his basic needs.
- ❖ The total annual welfare income for Paul covers only **(42%)** of his basic needs.
- ❖ The total annual welfare income for Alice covers only **(54%)** of her basic needs.
- ❖ The total annual welfare income for Kayla covers only **(78%)** of their basic needs.
- ❖ The total annual welfare income for Mary-Anne covers only **(73%)** of their basic needs.

It is clear that all New Brunswick social assistance recipients are living in poverty and cannot meet their basic needs.

Table 4. Market Basket Measure (MBM), Total Annual Welfare Income and Percentage. New Brunswick. 2018 (\$)

	One person	One person	One person	Two persons	Four persons
MBM (Moncton)	18,206	18,206	18,206	25,747	36,412
Total annual welfare income	7,126 Single person considered employable	7,594 Single person designated	9,839 Single person with a disability	19,978 Single parent, 1 child	26,505 Couple, 2 children
Percentage	39%	42%	54%	78%	73%

Source: Statistics Canada. Table 11-10-0066-01

Maytree. Welfare in Canada. 2018. Anne Tweedle and Hannah Aldridge, November 2019.

Note: The MBM is for Moncton and it has been adjusted for the 2018 inflation.

When they saw the figures in black and white, they could not believe their eyes. But is it the same situation in the other Atlantic Provinces, they asked?

Our research shows (Table 5) that in the four categories of recipients studied, New Brunswick is in last position, except for the Single parent with one child in Nova Scotia.

New Brunswick has the lowest total annual income of all Atlantic Provinces

(except for the Parent with one child in Nova Scotia)

Table 5. Total Annual Welfare Income. Atlantic Provinces. 2018 (\$)

	Single person considered employable	Single Person with a disability	Single parent, 1 child	Couple, 2 children
NB (Moncton)	7,126	9,839	19,978	26,505
NFLD (St. John's)	11,383	11,583	23,436	29,296
NS (Halifax)	7,437	10,268	18,240	27,756
PEI (Charlottetown)	10,445	11,208	20,977	32,757

Source: Maytree. Welfare in Canada. 2018. Anne Tweedle and Hannah Aldridge, November 2019.

Is there nothing to be done?

Our guests asked what could be done to change the situation for them and their families.

We explained that in the Spring of 2019, the NB Common Front for Social Justice sent an open letter to the Minister of Social Development, Dorothy Shephard, asking her to increase the basic social assistance rates in order to adjust them to the 2019 inflation rate. This letter was co-signed by more than 50 organizations.

In the Fall of 2019, we sent a second letter to Minister Shephard, asking her to increase the basic rates of all citizens on social assistance to compensate for the loss of their purchasing power during the last years and put more money in the 2020-2021 provincial budget to pay for these increases. This letter was also sent to all Members of the Legislative Assembly and leaders of political parties.

We showed them Minister Dorothy Shephard's email sent to us on December 20th, 2019, where she said:

As a government, we are committed to supporting individuals and families who have no other source of income to meet their basic needs of food, clothing, and shelter. Social Assistance rates in New Brunswick are in line with the average rates of assistance within the Atlantic Provinces. New Brunswick provides additional benefits to supplement the social assistance monthly basic unit rate, while other provinces have some of these benefits built directly into the monthly basic unit rate.

"But does the minister not understand that the basic rate is the bulk of our annual revenue? If she does not increase the basic rate and compensate us for the loss of our purchasing power, we and our families are going to be worse off," cried out our friends.

We assured them that we were working hard to make things happen. We gave them a copy of our demand for the upcoming 2020-2021 budget, as well as our five reasons that explain why this government needs to move on this file. We also told them that our conversation would be sent to all members of the Legislative Assembly, as well as to all leaders of the five political parties.

While saying goodbye, we encouraged them to talk to their local Member of the Legislative Assembly and to use our information to try to convince them to act.

What we are asking:

In the 2020-2021 Provincial Budget, we ask that additional funding be allocated to the Social Development budget. This new money is to be used to increase the basic rates of all social assistance recipients to compensate for the loss of their purchasing power during recent years. The new basic rates would be adjusted for inflation thereafter.

Why and how to do it?

There are five reasons why the present government must increase funding for the Department of Social Development in its 2020-2021 Provincial Budget:

1. The province must comply with Article 25 of the United Nations Universal Declaration of Human Rights which states:

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services ...

and the New Brunswick Economic and Social Inclusion Plan states: *Through the collaboration of governments, business and non-profit sectors, persons living in poverty and individuals; all men, women and children in New Brunswick, shall have the necessary resources to meet their basic needs and to live with dignity, security and good health. Furthermore, all New Brunswickers shall be included as full citizens through opportunities for employment, personal development and community engagement.*

Currently, thousands of men, women, and children in our province are not provided with an adequate standard of living; the province must take the necessary steps to change this situation.

2. The province has deprived citizens depending on social assistance of an estimated \$20.1 million when it failed to increase their basic rates to match the annual rate of inflation. The province must reinvest in its most vulnerable citizens.
3. Poverty is very expensive, as shown by the Canadian Centre for Policy Alternatives. For the New Brunswick government, we estimate that the direct cost of poverty is approximately a half a billion dollars per year – and that these costs account for 6.5% of

the 2009/10 New Brunswick government budget . This is a significant amount of resources. Health care spending alone amounts to \$196 million per year, an amount that could be saved or reallocated if we lifted the poorest 20% of New Brunswickers out of poverty.³

Poverty reduction must be seen as an investment and not an expense. Increasing the basic rates for all social assistance recipients is a first step in that direction.

4. This year, we have the lowest number of citizens (34,954 persons)⁴ depending on social assistance in two decades. The savings from the reduced benefits must be reallocated to recipients who are still in need of social assistance.
5. Our province has received \$149 million more in Fiscal equalization payments between 2018 and 2019. We also became, this year, the poorest province in the country. We will therefore receive an added \$187 million in equalization funding next year.⁵

This government must use the funds from equalization payments to improve the situation of its citizens on social assistance in New Brunswick.

Minister Dorothy Shephard

***Take care of the most vulnerable
citizens in our province in the next
provincial budget***

New Brunswick Common Front for Social Justice



³ CCPA-Nova Scotia. Cost of Poverty in New Brunswick. 2011

⁴ Social Development Department. Average Monthly- April-December 2019.

⁵ Major federal transfers. Government of Canada. <https://www.canada.ca/en/department-finance/programs/federal-transfers/major-federal-transfers.html>