

Renewal of Overcoming Poverty Together:
The New Brunswick Economic and Social Inclusion Plan

Recommendations from the New Brunswick Association of Social Workers



April 2019



Introduction

This brief has been prepared by New Brunswick Association of Social Workers (NBASW) staff, in consultation with the NBASW Social Action Committee. The NBASW is an association that protects the public and promotes excellence in social work practice. The NBASW represents 2,000 members province-wide and strives to be a professional organization that reflects the values of social work, provides ethical leadership, and instills public confidence.

Social workers provide a vital service to New Brunswick, working in a variety of fields such as health care, mental health and addictions, child and adult protection, education, non-profit organizations, policy, and more. Social workers are on the front-line every day, working with some of New Brunswick's most vulnerable populations. The NBASW aims to reflect the priorities of its members and their clients through the recommendations presented in this brief.

Poverty in New Brunswick

Poverty is a pervasive and ongoing problem in New Brunswick. In fact, it has been found that 23% of children in New Brunswick are living in poverty, with many of these children living far below the poverty line. That is over 31,000 children, with Indigenous children, immigrant children, and children from single-parent families being disproportionately represented in this figure (Human Development Council & Campaign 2000, 2018). "While the number of New Brunswick children living in poverty is on the decline, the depth of poverty faced by families remains a concern. The median family income for low-income families in the province is far below the poverty line" (Human Development Council & 2000, 2018, p. 7). As an example, the poverty line for a couple with one child is \$35,375, whereas the after-tax median income for these families is \$25,430. This means they are living \$9,945 below the poverty line. The depth of poverty is even greater for all other family structures, such as single parents with one or more children and couples with more than one child (Human Development Council & 2000, 2018). Childhood poverty affects children's development, academic achievements, and has life-long consequences for those that experience it (Engle & Black, 2008).

It is important to note that this definition of poverty is based on economic terms and does not account for broader social disadvantage. "Many poverty researchers use a broader definition suggesting that "poor" means lacking not only material assets and health but also capabilities, such as social belonging, cultural identity, respect and dignity, and information and education" (Engle & Black, 2008, p. 243). The belief that poverty is an individualized condition needs to be replaced with an understanding of poverty as a social issue that prevents marginalized groups and categories of people from moving out of poverty (Engle & Black, 2008). A comprehensive poverty reduction plan needs to recognize social disadvantage and work to alleviate it, making a more equitable society.



Reducing Poverty in New Brunswick

It is recognized that everyone should work together to reduce poverty and create a more equitable society. To do this, it is important that business and organizations in New Brunswick are provided a mechanism from which they can do their part to in reducing poverty. While actions can be taken from this smaller scale, it is the NBASW's position that the Government of New Brunswick is ultimately responsible for developing policies and providing services that reduce poverty for all New Brunswickers. As the provincial leaders, it is the government's role to invest heavily in services that protect each and every New Brunswicker from the harms of poverty.

To reduce poverty, all citizens of New Brunswick must have access to their basic needs, a liveable income, nutritious food, and secure housing. Ensuring all residents of New Brunswick have their basic needs met, whether it be through social assistance or employment, should be top priority for any government. At this time, social assistance and minimum wage do not guarantee that people's most basic needs are met (Common Front for Social Justice, 2018; Common Front for Social Justice, 2019). For this reason, there is a need for a liveable wage rather than a minimum wage, in addition to an increase in social assistance rates.

Basic needs must be universally met, as they are a prerequisite to individuals being able to attain and retain employment. There are also many barriers when it comes to employment, as transportation, education, health, and childcare must also be addressed. A comprehensive and well thought out poverty reduction plan must come up with action items targeted to eliminate each of these barriers.

To truly eliminate poverty, the cycle of poverty first must be broken. Education is often seen as a mechanism to a life that is free from financial hardships and poverty. With ongoing educational inflation, there are higher educational requirements than ever before. Many jobs that once required a high school diploma now require a college degree, jobs that once required a Bachelor degree now require a Master degree, and so on. To ensure New Brunswickers can attain their educational goals and achieve meaningful employment, education must be made accessible and affordable for all.

The Training and Skills Development (TSD) program through the Department of Post-Secondary Education, Training and Labour should be expanded, as it allows for New Brunswickers to access funding for post-secondary education and attain jobs that they are well suited for. However, even when people find jobs, transportation remains a huge barrier, particularly for low-income individuals in rural areas. Since New Brunswick is a largely rural province, investments must be made to develop a public transportation system that is reliable, accessible and affordable for all. Transportation is a recognized barrier and steps have been taken to



develop a transportation strategy for New Brunswick (NB Economic and Social Inclusion Corporation, 2017). While this is a good preliminary step, more is needed to directly benefit New Brunswickers.

It is important that social assistance programs are amended to promote individuals' capacity to participate in the labour market and achieve self-sustainability. Allowing recipients to retain a greater portion of their income while receiving benefits will facilitate job participation and help to end the 'welfare cycle'. While allowing social assistance recipients to retain a greater portion of their income is critical to helping them become self-sufficient, it is also important that social assistance provides comprehensive support to New Brunswickers that are unable to work and provides them with the means to live in dignity. At this time, New Brunswick has among the lowest social assistance rate in Canada and "close to 36,000 social assistance recipients are unable to fulfill their basic needs" (Common Front for Social Justice, 2019, p. 7).

It is key that the government retains programs that allow New Brunswickers to access health benefits while working and no longer receiving income assistance. A 2015 report noted that New Brunswickers can retain government health cards for three years after they finish receiving income assistance (Thériault & Lebreton). Programs such as these must be retained at all costs, as they provide incentive and support to New Brunswickers looking to participate in the workforce. Ideally, all residents of New Brunswick who work minimum wage jobs and do not receive health benefits through work should receive a medical card through the Department of Social Development to help cover the cost of prescription medication and other medical services. Each year, families without insurance spend between \$120 and \$150 million dollars on prescription medications. The high cost of medication often results in low-income citizens not filling their prescriptions, leading to deteriorating health (Common Front for Social Justice, 2019). While the development and implementation of the New Brunswick Drug Plan and Healthy Smiles, Clear Vision are steps in the right direction, there must be an ongoing focus on reducing cost and expanding the coverage associated with these programs so that they become increasingly accessible to individuals and families living in poverty.

Addressing mental health needs and improving mental health and addiction services in New Brunswick is also key to eliminating poverty. It is found that one in three Canadians will experience mental health challenges in their lives. Further to this, living in poverty is a risk factor for mental illness, as "poor mental health is more likely to affect people subjected to social and economic disadvantages... More unequal societies are more likely to have higher levels of mental illness in their population" (Common Front for Social Justice, 2019, p. 8). Both mental health and addiction have biological, psychological and social components to them, therefore they must be addressed in a poverty reduction plan (Province of New Brunswick, 2016). Investing in social workers is critical, as they have a deep understanding of how social



factors influence individual experiences and provide much needed mental health services to New Brunswick.

Mental health issues can affect a person's ability to attain and retain employment. It is key that employers understand this reality and can provide some flexibility to their workers experiencing mental health challenges. All people should have timely access to mental health services and it is key that those who are unable to work are able to live with dignity through social assistance programs.

Out of all Canadian provinces, New Brunswick has among the longest wait time to access mental health services (Barua, 2017). "More timely access to primary care providers, mental health services and drug coverage would improve self-management and coordinated care for patients, improving quality of life and reducing hospitalization" (New Brunswick Health Council, 2016, n/a). From an economic perspective, it is wise to invest in mental health and social services, as they are preventative measures that ultimately reduce the cost of healthcare services. It has been found that even if government reallocated a small portion of funding from health to social services, there would be an improvement in population health outcomes without changing government's overall spending. As the research states, "redirecting resources from health to social services, at the margin, is an efficient way to improve health outcomes" (Dutton et al., 2018, p. 69). The NBASW urges the government to re-allocate existing funds to prevention and social services.

Thorough social assistance reform must include extending programs that make childcare accessible and affordable and increasing the number of licensed child care facilities in the province. Access to affordable childcare is critical to reducing the number of children living in poverty and encouraging parental labour market participation. Between 2009 and 2018, the average annual cost for full-time spaces has gone up between 26%-30%, depending on the age of the children (Common Front for Social Justice, 2019). This increase has not been reflected in daycare assistance program rates, which in most cases do not come close to covering the cost of child-care and, for many families, only provides a couple of dollars in coverage each day (Government of New Brunswick, n/a). Moving towards a publicly funded non-for-profit provincial childcare system would increase parental labour market participation and ultimately reduce poverty in New Brunswick (Common Front for Social Justice, 2019).

If the government hopes to achieve a pathway to the middle class for all residents of New Brunswick, it is also important that the government recognizes the importance of housing first initiatives. "Fact-based evidence is overwhelming that a strategy known as Housing First cannot only reduce but eliminate chronic homelessness, and that in fact, it is cheaper to fix the problem than ignore it and settle for the status quo... it (housing first) represents economic savings in the long term" (Majors Task Force on Homelessness, 2015, p. 2). The NBASW urges

the provincial and federal governments to work closely with the Community Action Group on Homelessness to ensure housing for all New Brunswickers is made a priority.

Every citizen of New Brunswick deserves to have their basic needs met; however, since addresses are required in order to qualify for social assistance, homeless people in New Brunswick are unable to receive the funds required to meet their basic needs. Furthermore, there is little hope of someone being able to hold down a job if they are constantly wondering where they will have to sleep at night. As the Community Action Group on Homelessness states, “housing first – the rest will follow”.

Adding to the number of homes available through public housing is critical. While people should only spend 30% of their gross annual income on housing, 82% of low-income renters in New Brunswick spend more than 50% of their income on housing and utilities (Common Front for Social Justice, 2019). This amount does not leave much room for investments in healthy food, child care, education, and savings, leaving people trapped in an ongoing cycle of poverty. Investments in adding additional public housing units must be made, along with investments to updating current public housing infrastructure to ensure habitants have a safe and dignified place to live.

Recommendations

- That the government ensures that social assistance programs meet the basic needs of New Brunswickers and are effective in breaking the cycle of generational welfare.
- That the government increases the amount of income people on social assistance can retain before having their benefits reduced.
- That the government retains and expands programs that allow people to have government health benefits while in the workforce.
- That the government expands food programs to ensure nutritious food is affordable and accessible for all.
- That the government supports programs such as Training and Skills Development to help further educations and careers of New Brunswickers.
- That the government invests heavily in a public transportation system that is reliable, accessible and affordable and acts on the recommendations in the transportation strategy that was developed by the NB Economic and Social Inclusion Corporation.
- That the provincial and federal governments support housing first initiatives and work with the Community Action Group on Homelessness to eradicate homelessness in the province.
- That the government improves current public housing infrastructure.
- That the government increases the number of licensed child care facilities in New Brunswick and expands affordable daycare programs throughout the province.



- That the government works to develop a publicly funded non-for-profit provincial childcare system.
- That social assistance rates are increased annually to match inflation and the cost of living.
- That the government supports a livable wage, rather than a minimum wage.
- That the government invests in social workers to reduce wait times for mental health and addiction services in the province.

Conclusion

Poverty is a massive issue that affects thousands of New Brunswickers. While this brief was not exhaustive in all areas of disadvantage that often result in poverty, it provides a framework for the government to adopt to lift New Brunswickers out of poverty. The focus on prevention is key to an effective poverty reduction plan. Shepherd and Wilson (2018) summed it up well when they wrote, “poverty shows up at the emergency room door, in the school nurse’s office, and at the addiction clinic. We spend inordinate amounts of money and other resources to address healthcare needs brought on by poverty instead of providing for the tangible needs of the poor before illness results... We treat the symptom, not the problem” (p. 563). The renewal of the New Brunswick poverty reduction plan needs to be proactive and work to eliminate poverty not only for today but for generations to come.

References

- Barua, B. (2017). Waiting your turn: Wait times for health care in Canada, 2017 report. *Fraser Institute*. 1-88. Retrieved from <https://www.fraserinstitute.org/sites/default/files/waiting-your-turn-2017.pdf>
- Common Front for Social Justice (2018). Minimum wage: Information document. 1-16. Retrieved from [http://frontnb.ca/userfiles/file/Minimum%20Wage_Information%20document_Final\(-1\).docx .pdf](http://frontnb.ca/userfiles/file/Minimum%20Wage_Information%20document_Final(-1).docx.pdf)
- Common Front for Social Justice (2019). Poverty 2.0: Backgrounder for the consultation process regarding the New Brunswick Poverty Reduction Plan. 1-17.
- Community Action Group on Homelessness (2016). Where we are: Housing first – the rest will follow. Retrieved from <https://www.roadhomefredericton.com/our-work1.html>
- Dutton, D., Pierre-Gerlier, F., Kneebone, R., & Zwicker, J. (2018). Effect of provincial spending on social services and health care on health outcomes in Canada: An observational longitudinal study. *CMAJ*, 190(3). doi: 10.1503/cmaj.170132
- Engle, P. & Black, M. (2008). The effect of poverty on child development and educational outcomes. *Annals of the New York Academy of Sciences*, 243-246.
- Government of New Brunswick (1980). New Brunswick family services act. 1-141. Retrieved from http://cwrp.ca/sites/default/files/publications/en/NB_Family_Services_Act.pdf
- Government of New Brunswick (n.d.). Dare care assistance rate table for licensed care. Retrieved from [https://www2.gnb.ca/content/gnb/en/departments/education/elcc/content/day_care ssistance/rate.html](https://www2.gnb.ca/content/gnb/en/departments/education/elcc/content/day_care_ssistance/rate.html)
- Government of New Brunswick (n.d.). Social assistance program. Retrieved from https://www2.gnb.ca/content/gnb/en/services/services_renderer.10295.Social_Assistance_Program.html
- Government of New Brunswick (n.d.). Training and skills development (TSD). Retrieved from [https://www2.gnb.ca/content/gnb/en/services/services_renderer.5097.Training_and_Skills_Development_\(TSD\).html](https://www2.gnb.ca/content/gnb/en/services/services_renderer.5097.Training_and_Skills_Development_(TSD).html)

- Human Development Council & Campaign 2000 (2018). 2018 Child poverty report card New Brunswick. 1-27. Retrieved from <https://campaign2000.ca/wpcontent/uploads/2018/11/NewBrunswickChildPovertyReportCardNov2018.pdf>
- Jewett, K. [Photograph] (2019). Photo of a tent city in Fredericton. Retrieved from <http://rabble.ca/blogs/bloggers/views-expressed/2018/11/imagine-if-you-were-forced-live-tent-these-temperatures>
- Majors Task Force on Homelessness (2015). Paving the road home: Measures in support of a plan to end homelessness in Fredericton. 1-27. Retrieved from [http://www.fredericton.ca/sites/default/files/mayors task force report web.pdf](http://www.fredericton.ca/sites/default/files/mayors_task_force_report_web.pdf)
- New Brunswick Health Council (2016). New Brunswick health system report card 2016. Retrieved from <https://www.nbhc.ca/health-system-report-card#.XEYweFVKjIU>
- NB Economic and Social Inclusion Corporation (2017). From surfaces to services: An inclusive and sustainable transportation strategy for the province of New Brunswick, 2017-2037. Retrieved from <https://www2.gnb.ca/content/dam/gnb/Departments/esic/pdf/Transportation-Transport/FromSurfacesToServices.pdf>
- Province of New Brunswick (2016). Mental health and substance use disorders in New Brunswick. *Profiles on health*. 1-8. Retrieved from <https://www2.gnb.ca/content/dam/gnb/Departments/hes/pdf/en/Publications/Profiles/ProfilesHealthMentalHealthSubstanceUseDisorders.pdf>
- Shepherd, L. & Wilson, R. (2018). The medicalization of poverty. *The Journal of Law, Medicine & Ethics*. 46. doi: 10.1177/1073110518804197
- Thériault, L. & Lebreton, H. (2015). Social assistance in New Brunswick: Origins, development, and the current situation In Béland, D. & Daigneault, P.-M. (2015). *Welfare reform in Canada: Provincial social assistance in comparative perspective* (pp. 1-419). Toronto: University of Toronto Press, Higher Education Division.