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Poverty costs New Brunswickers \$2 billion dollars per year

(Halifax/Moncton) A new study released today, entitled *Cost of Poverty in New Brunswick*, co-authored by economist Angella MacEwen and Christine Saulnier, reveals that:

- Poverty costs the New Brunswick government **a half a billion dollars per year**.
- These costs accounted for **6.5% of the 2009/10 New Brunswick government budget**.
- Health care spending on poverty alone costs the government **\$196 million per year**.
- When the costs to government are added to the broader costs to the economy, the total cost of poverty for the province is **\$2 billion dollars**.
- Investing in a comprehensive plan to alleviate poverty could cost **as little as half as much** as the quantifiable costs of poverty.

“It is clear that delayed action to address poverty in New Brunswick is very costly to government directly and to society more broadly,” says Saulnier, who is also the director of the Canadian Centre for Policy Alternatives-Nova Scotia, which released the report today in partnership with the NB Common Front for Social Justice Inc.

By outlining these costs, the report also shows that if the poorest 20% of New Brunswickers were to be lifted out of poverty, a significant amount of resources could be saved or reallocated. “Once again, this research shows that we all have something to gain from investing in poverty reduction and elimination,” asserts MacEwen. “Policies that address the root causes of poverty improve quality of life and increase future economic output for the whole province.”

The calculations in the report are based on research that consistently links poverty to poorer health prospects, lower literacy, more crime, poor school performance for children and greater stress for everyone living in poverty.

As Saulnier further states “The numbers presented here are conservative estimates of the economic cost of poverty in New Brunswick. And, they do not capture the every-day real life experiences of people living in poverty or its full consequences for the society that allows it to exist.”

Jean-Claude Basque, Provincial Coordinator of the Common Front for Social Justice, reflects on the current situation and says, “Since the 2008 economic crisis, many workers have lost their jobs, while many others are struggling to get by on low pay, part-time work. At the same time, food, gasoline, heating oil and housing prices have climbed. Now more than ever people in poverty need a strong social safety net. Keeping thousands of citizens and their families in poverty is costly, and also immoral.”

The Cost of Poverty in New Brunswick can be downloaded free at www.policyalternatives.ca. To arrange for media interviews, call Christine Saulnier at (902) 240-0926 (cell) or Jean-Claude Basque at (506) 854-2745. Christine Saulnier will present the findings of this report at the *New Brunswick Provincial Forum: Poverty, Hunger and Poor Health. Let's put a stop to it!* organized by the NB Common Front for Social Justice, Wednesday, September 28, 2011 in Moncton. For more information, see <http://www.frontnb.ca/>