

News release

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Moncton - "***This year had its good, bad and ugly side for people living in poverty***" stated Linda McCaustlin, co-chair of the Common Front for Social Justice.

The Common Front for Social Justice did an analysis of the actions taken by the Shawn Graham and David Alward governments over the past year that had a direct impact on the financial situation of more than 100,000 individuals and families living in poverty in this province.

*"The **first good part** done by the Graham government was the two increases in the minimum wage which brought the minimum wage to \$9.00 an hour; still not at the Atlantic average but it should be there in the coming year. The second one was the adoption of a Pay Equity Act for the public sector and the implementation of pay equity programs for four groups: home care, child care, group homes and transition houses. Unfortunately it is still not for the private sector. The third action is the Alward government announcement of the new \$100 Home Energy Assistance Program which will help low income citizens with their heating bill this winter."* says Ms. McCaustlin.

*"The **bad part** is the pressure by part of the business community to cancel the increases to the Minimum Wage. Also bad is the low level of help for thousands of people living on social assistance as well as the major increases in the price of food."* continues Ms. McCaustlin.

Part of the business community, especially small businesses are asking the provincial government to cancel the increases coming up next year and some are even suggesting implementing a two-tier minimum wage.

In 2009, New Brunswick had the lowest annual welfare income for persons with a disability and for couples with two children. The only category where the province of New Brunswick was not last was for lone parents with one child where we ranked tenth out of thirteen.

If we compare the 2009 basic social welfare rates, New Brunswick was at the back of the pack for the category of couples with two children; only three provinces (Nova Scotia, Quebec and Manitoba) had lower rates compared to New Brunswick for the category of lone parents with one child; only Manitoba had a lower rate than New Brunswick for persons with disabilities (*National Council of Welfare, Welfare Incomes 2009, Winter 2010, Volume 129, Appendix A-5.*)

While the percentage of income expended on food by an average Canadian household is 10.4%, people living on limited means spend a lot more. For New Brunswick households it is between 15.3% to as high as 50.6% depending on the family situation (*Common Front for Social Justice Food Survey, July-August 2010, www.frontnb.ca*)

For two year in a row the number of citizens accessing food banks has increase. It went up by 14% in 2008-2009 and by another 4% this year. (*Hunger Count 2009 and 2010, Food Banks Canada*).

*“The **ugly part** is the stealing of money directly from the pockets of people living in poverty. The Graham's government had increase the basic rates of people on welfare by 2% between 2006 and 2008 but cancelled this modest increase for 2009 and 2010. In October of this year, the present government changed the \$1000 yearly subsidy to person with a disability to a monthly amount stealing \$750 from each of them during the year 2010.” continues Ms. McCaustlin.*

It was publicly announced that the budget for the implementation of the Poverty Reduction Plan would cost \$3.5 million each year for five years. If one divides this \$3.5 million by the number of caseloads (around 25,000), we come up with \$140 per case, which corresponds to a raise of around 2% for each household on social welfare. As we all know, the Liberal government did not include a 2% raise to the basic social assistance rates in their 2009 and 2010 budget as they had done the previous years. Instead, this money was used to set up an administrative structure. What is almost criminal is that Shawn Graham's government made the option of not giving a raise to help 40,363 citizens depending on social welfare to better feed, clothe and house themselves.

In October 2010, with little pre-warning the government changed the process of mailing out the \$1,000 lump sum to persons with disabilities and decided instead to mail out a monthly allocation of \$83.33. The problem right now is that by December 2010, people with disabilities have only received \$250, namely their allocations for October, November and December. They are missing the balance \$750 because they have not received their allowance for the other nine months completing the yearly cycle.

“We hope that the new government will take a better approach to helping people living in poverty. The basic welfare rates needs to go up to at least the Atlantic provinces average, the \$750 has to be reimbursed to all who loss it. Minimum Wage still needs to be increase and Pay Equity must include the private sector.” concludes Linda McCaustlin.

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