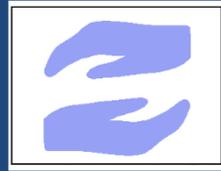




Assessment of the NB Poverty Reduction Plan in June 2013



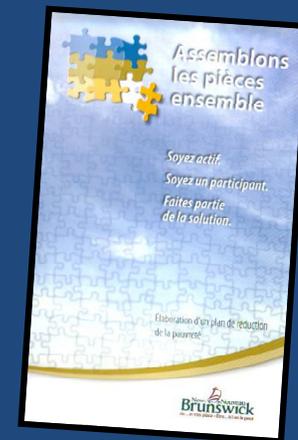
By Auréa Cormier, Provincial Council member
Common Front for Social Justice Inc.

June 1st, 2013

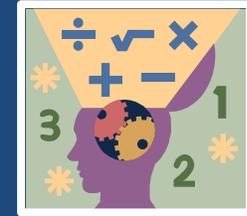
Note : This presentation is posted on the Common Front for Social Justice's website (www.frontnb.ca)

The province of N.B. adopted its Poverty Reduction Plan in Nov. 2009

- Named “Economic and Social Inclusion Plan”
- Elaborated in three phases
 - Phase I : Dialogue sessions
 - Phase II : Round Tables
 - Phase III : Final Forum
- Overall objective: By 2015, N.B. will have reduced income poverty by 25%
- A Crown Corporation run by Board of 22 members



Three categories of initiatives



1. Meeting basic needs

- a. Immediate reform: **3 initiatives**
- b. Over 5 years: **16 initiatives**

2. Life-long learning and skills acquisition

Five initiatives with no date commitment

3. Community participation

Five initiatives with no date commitment

(Total = 29 initiatives)

1st initiative to immediately take place:



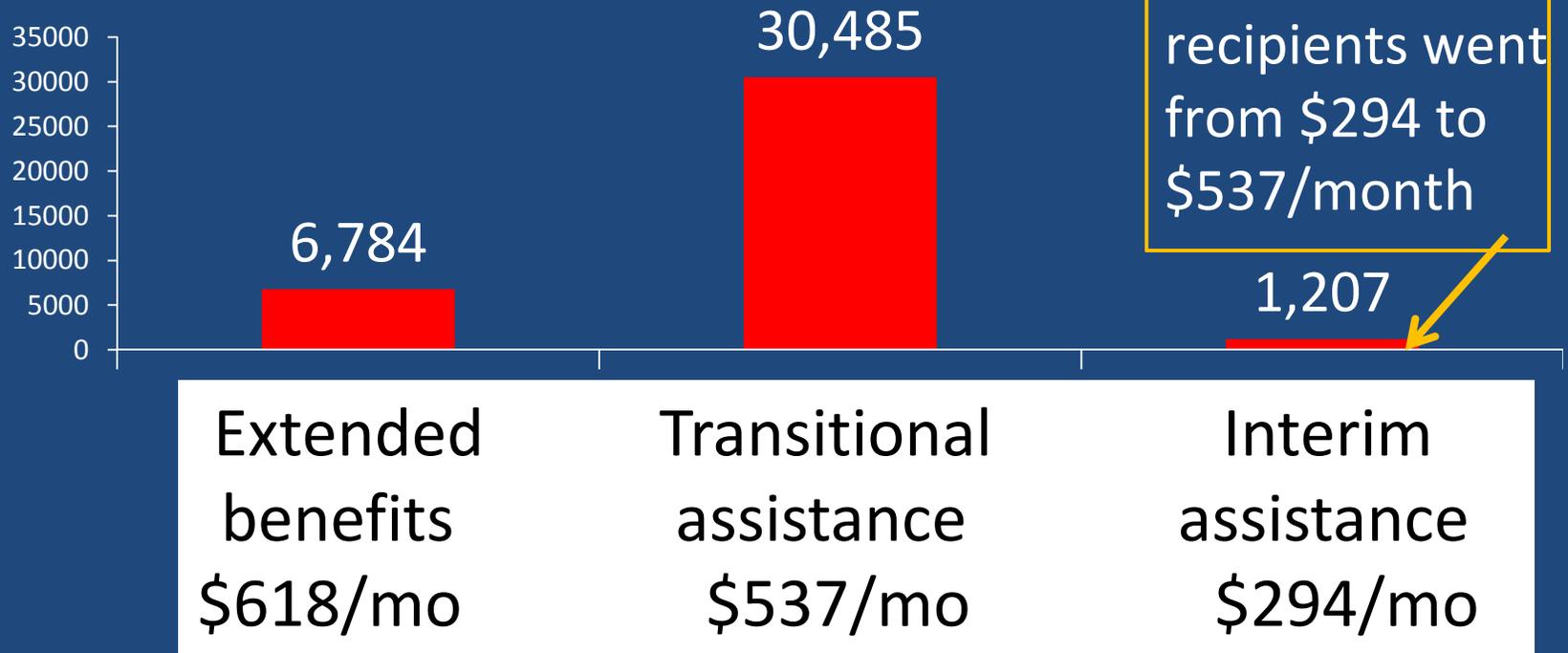
Using food bank
is essential to
survival

Elimination of the interim social assistance program for single employable people (\$294 per month)

The Minister of Social Development abolished this category because he felt it was an embarrassment for the N.B. government

This decision helped 3 % of social welfare recipients

No. of social assistance per category (Jan. 1, 2010)



Announcement made to 39,930 social assistance recipients in April 2013



- The Minister of Social Development announced that social assistance clients will see their basic rate increase by 4% in October 2013; another 3% increase will be given in April 2014



- **Single clients with no identifiable barriers to employment will not get the raise**
- The basic social assistance rates had not gone up since October 2008 but the cost of living had increased by more than 8.1%

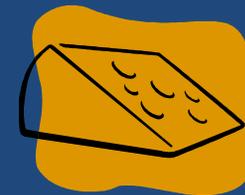
Social assistance basic rates

Household type	Present rate	Rate in Oct. 2013	Rate in Apr. 2014
Single parent with 1 child	\$827	\$860	\$887
2 parents + 2 children	\$927	\$964	\$995
Single and disabled*	\$618	\$643	\$663
Single with barriers to employment	\$537	\$558	\$576

* Single disabled have a monthly supplement of \$91.37 per month

What single disabled persons with barriers to employment get after the raise

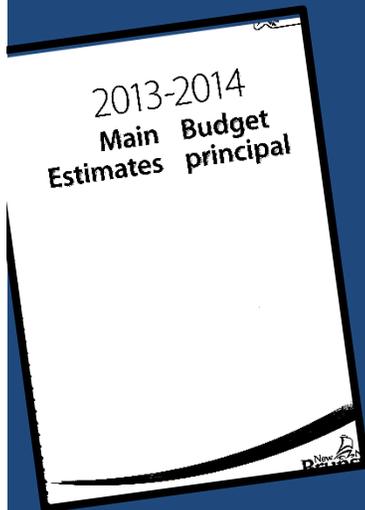
- In Oct. 2013: 70 cents more per day, the equivalent of 1 ½ glass of milk*
- In April 2014: another 60 cents more per day, the price of one ounce of cheese



* 2 Litres of milk = \$3.45

Rate increases in the context of the 2013-2014 N.B. budget

- The Ministre of Finances has budgeted **5 millions dollars** to cover the rate increases for 2013-2014
- Data obtained by CFSJ from the Dept. of Econ. Development and other departments indicates that between Premier Alward's election and Sept. 2012, the government had given **47,8 millions dollars** to private companies
- Magnitude of rate increase: **a political decision**



2nd initiative to be reformed immediately



- Extend the health card for people exiting social assistance for up to three years
- Minister Madeleine Dubé wants to continue extending health care coverage for clients exiting social assistance to employment (April 12, 2013)
- The province of NF & Labrador let people returning to work keep their health card - this decision was positive

3rd initiative immediately reformed



- Modification of the *Household Income Policy*: applied to social assistance clients who are not in a spousal relationship – this will leave an extra \$247 in the pockets of two social assistance recipients, plus save on rent
- In Jan. 2010, the exemption was only given to clients on social assistance before Dec. 2009
- In Oct. 2013, the exemption will be extended to clients with many barriers to employment (education, health, housing, and social challenges)
- Over 3,400 clients with multiple barriers will benefit from the new exemption

Fifteen other initiatives related to basic needs to be implemented over five years

Promise made	Achieved or not
1. Move from rules based to outcome based system	Not achieved
2. Move from passive assistance to employment orientation	Support given (in process)
3. Move from a focus on income poverty to social and economic inclusion	Not much done

Promise made	Achieved or not
4a. Restructure and increase social assistance rates	Results of raise on client at \$537: <ul style="list-style-type: none"> • \$558 in Oct. 2013 (+ \$21/mo.) • \$576 in Avril 2014 (+ \$18/mo)
4b. Restructure a new regime more appropriate for persons with disabilities	Not achieved
5. Significant overhaul of household income policy	Addition of <u>one exception</u> to allow two social assistance clients to live together if they have barriers to employment

Promise made	Achieved
6. Vision and dental care for children in low-income families by April 1, 2011	Achieved late; implemented in September 2012



This initiative was very well received

Promise made	Achieved or not
7. Provide more opportunities to keep earned income as individuals transition to work (CFSJ had lobbied for this)	Can keep 30¢ per dollar after first \$150 earned
8. Reform wage income exemption to include a working income supplement for high shelter cost (more than 30% of income)	Supplement will go from \$70 to \$84 (May -Oct.) and from \$100 to \$120 (Nov. –April)
9. Raise allowable asset exemption	Still at \$1,000
10. Link benefits such as child care, home heating and health to household income to the extent possible	Achieved

Promise made	Achieved
<p>11. Introduce a prescription drug program for non-insured citizens with the goal of starting to phase in by April 2012</p>	<p>No (In front of gov.'t)</p> 
<p>12. Raise minimum wage to Atlantic ave. by Sept.2011 Adjust to inflation thereafter</p>	<p>Done 1 yr late Not indexed</p>
<p>13. Provide stable financing to shelters</p>	<p>Achieved</p>
<p>14. Fund community transportation alternative</p>	<p>In discussion</p>
<p>15. Legislate to protect roomers and boarder</p>	<p>Achieved</p>
<p>16. Implement an integrated service delivery model focussed on low -income people</p>	<p>Not achieved</p>

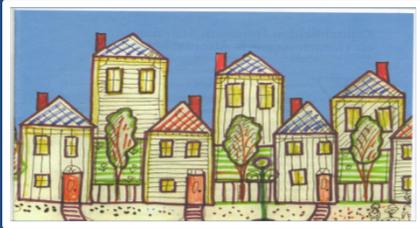
2. Life-long learning and skills acquisition

(Initiatives mainly under the Dept. of Education)

- a) Invest in the early learning and child care sectors
- b) Provide literacy mentoring
- c) Introduce an Early Learning and Child Care Act
- d) Advance the community school concept
- e) Train teachers to expand educational program options

NOTE : Several of these initiatives were implemented or are in the planning process but our assessment does not include them

3. Initiatives related to community participation



- a) Develop a comprehensive housing strategy that enables mixed income groups to live in affordable neighbourhoods - **Not done**
(Note: 1,219 people in southeast N.B. were waiting for a subsidized apartment in 2012)
- b) Explore the concept of social enterprise - **Done**

- c) Strengthen the ability of low-income people to enter the skilled workforce through education and professional training - **In process**
- d) Reduce barriers to continuing education, making it more accessible and affordable - **?? Not done**
- e) Develop a strong public awareness campaign which is critical to the success of the poverty reduction strategy - **Not done**

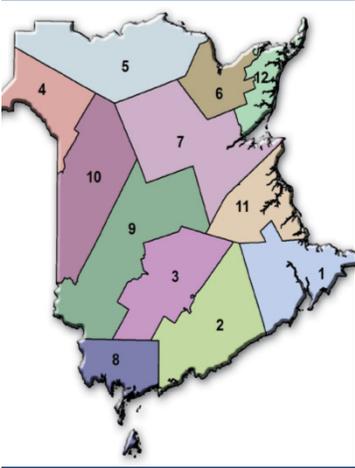


Assessment of promises made to date



- Initiatives related to fundamental needs
 - Implemented initiatives = 10
 - Non implemented initiatives = 5
 - Initiatives in process or incomplete = 5
- Initiatives related to community participation
 - Implemented initiatives = 1
 - Non implemented initiatives = 1
 - Initiatives in process or incomplete = 3

Management of the Poverty Reduction Plan



- A Crown Corp. with 22 Board members
- 12 Community Inclusion Networks (CIN)
- Very good work has been done in certain areas
- Lack of expertise in community organization skills in other CIN
- Costly structure : **2.79 millions dollars in 2013-2014**

Certain problems in program delivery

1. Inequality of services in urban versus rural areas
2. Language challenges: Community Inclusion Networks must be able to observe the Official Languages Act because low-income people in both linguistic communities must be served in the language of their choice
3. Disproportionate power in the hands of the private sector
4. Risks of political lobbying
5. Coordination of the multiplicity of programs within the Community Integration Network

- Total silence with regards to the reform of the Social Assistance Policy Manual
- Lack of definition for what constitutes “long term needs or significant multiple barrier to employment”
- No mention of plans to reform the certification process for persons with disability
- Lack of attention paid to immigrants and elderly people living in poverty
- Lack of time lines associated with many initiatives – 42 of the 60 months have passed, with only 18 months left
- External evaluation of the Plan expected in Sept. 2013
- Setting of priorities by CIN to continue the Plan after 2015
- CFSJ seriously doubts that the 25% goal of poverty reduction will be reached

Conclusion

- Social assistance rate increases were insufficient
- Services unequal in rural area compared to urban one
- Service in the language of choice poses problems
- The Crown Corporation added a bureaucratic layer:
(a) 22-member Board; (b) Secretariat and several coordinators; (c) 12 Community Inclusion Networks
– **costly structures**
- Decisions making process is too remote from the Members of the Legislative Assembly
- **Stronger political will is needed to reduce poverty**