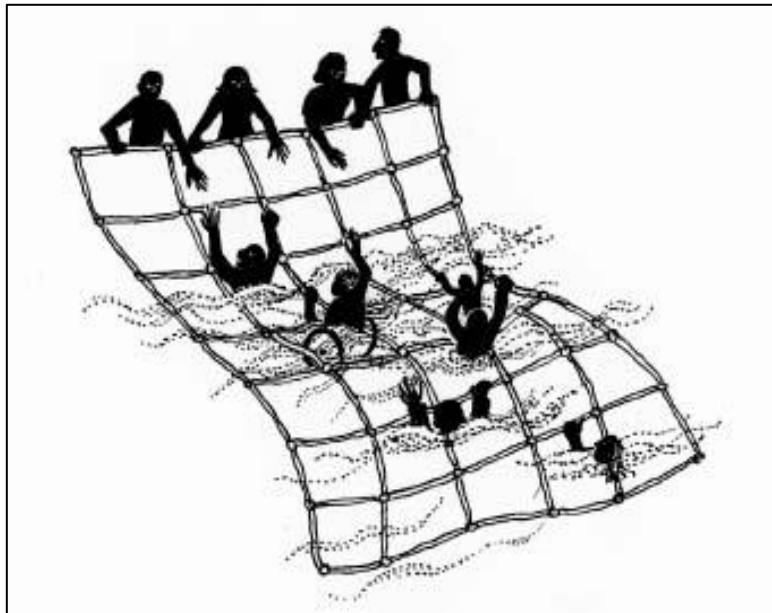


# Living in poverty in NB : NOT EASY!



New Brunswick Common Front for Social Justice inc.  
412 – 236, Saint-George Street  
Moncton, NB  
E1C 1W1



LET'S MEND OUR  
SOCIAL NET! | RÉPARONS NOTRE  
FILET SOCIAL!

**September 2018**

Document by Auréa Cormier, n.d.s.c., Ph. D.  
Member of the CFSJ and St-Vincent de Paul Society

Cover design : Susan Hopkins

*Note : The interviews were done by Auréa Cormier and Nigam Khanal  
The names and photos of persons were changed to protect their identity*

*The Common Front for Social Justice is one of the largest democratic and popular organizations in New Brunswick, with close to 75,000 group and individual members. The Common Front brings together individuals as well as local, regional and provincial organizations to work towards the eradication of poverty.*

Phone: (506) 855-8777  
Email : fcjsnb@nbnet.ca

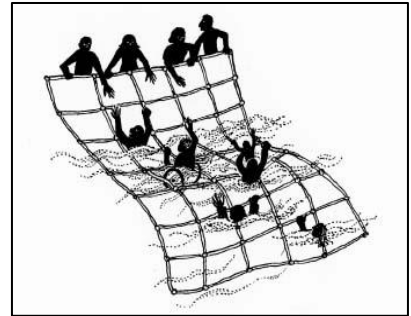
## Table of content

1. Introduction .....	4
2. Poverty caused by a lack of financial resources .....	5
a) Lucie, widow and mother of three children, reduced to working part-time .....	5
b) Adam, a man who does volunteer work .....	6
c) Gail, separated from her husband after 44 years of marriage .....	6
3. Poverty resulting from a lack of emotional or intellectual abilities .....	8
a) Alice, unable to work because of anxiety .....	8
b) Marc, daily food bank user .....	9
c) Robert, a depressed man who never has pocket money .....	9
4. Poverty resulting from being physically unable to earn a living .....	11
a) Andrew, victim of a car accident at 22 years old .....	11
b) Theresa, victim of a car accident .....	11
c) Cécile, a woman unable to work .....	12
d) Cora, struggling with poor health .....	13
e) Paul, elderly man suffering from burn-out .....	13
5. Poverty resulting from lack of a support system .....	15
a) Sarah, a woman refugee .....	15
b) Kayla, single mother .....	15
c) Ramesh Kumar Kharel, a refugee unable to work .....	16
6. Specific cases where there are employment barriers .....	17
a) Rebecca, unable to work because of her criminal record .....	17
b) Marie-Anne, young women with no childcare services .....	18
7. Proposals to address the causes of poverty .....	19
a) Insufficient social assistance benefits .....	19
b) Access to subsidized housing for persons unable to work .....	20
c) Difficulties encountered by poor people to have their disability recognized .....	21
d) Better funding for the social net .....	21
➤ Improve federal transfers .....	21
➤ Better distribution of provincial expenditures .....	22
8. What a support system has to offer to get out of poverty .....	24
9. Conclusion and proposals .....	25

# 1. Introduction

The New Brunswick Common Front for Social Justice Inc. (CFSJ) has undertaken a campaign with the slogan “Let’s mend our social net!” Many people “are drowning” because the social security net in N.B. is failing.

Poverty is: *the condition of a person who is deprived of the resources, means, choices and power necessary to acquire and maintain a basic level of living standards and to facilitate integration and participation in society.*<sup>1</sup>



The poor are lacking in many ways to get out of poverty: money, psychological resources, physical capabilities, access to a support system, etc. The holes in the social net are huge, due to the lack of financial resources and guidance for people living in poverty.

The “New Brunswick Economic and Social Inclusion Plan”, approved in 2009 included the following: *Develop a strong public awareness campaign which is critical to the success of the poverty reduction strategy.*<sup>2</sup> Until now, this recommendation has not received any attention. In order to combat prejudices, the CFSJ has asked 16 people on social assistance to relate their living conditions. The names and pictures are fictional. These people live in different parts of the province and have been chosen to reflect the reality thousands of N.B. citizens are facing. While reading these cases, it is obvious that these persons are not “living the good life”, but are struggling to make ends meet. A lot of them are unable to work, because of either their physical or their mental health. They have no other choice but to apply for social assistance.

As long as the public is under the impression that poor people, especially those living on social assistance, are “living the good life”, politicians will not see the need to improve their standard of living. Proposals have to be submitted so that persons living in poverty receive additional assistance which is adequate and that those who are disabled have special status so that subsidized housing will be more accessible.

This document is for persons concerned about social justice who want to learn about the many causes of poverty, and to find ways to improve the living conditions for poor people. These are testimonies from adults living in different parts of N.B. who have accepted to describe their living situation. The objective is to identify the cause of their poverty and to encourage governments and policy makers to put in place decent public programs so that it will make a real difference in the lives of these citizens.

The CFSJ is very grateful for the people who accepted to tell their stories. They represent thousands of people from N.B. who know what it is like to live every day in poverty.

---

<sup>1</sup> Opportunity for All – Canada's First Poverty Reduction Strategy. Employment and Social Development Canada, page 7.

<sup>2</sup> Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan.

## 2. Poverty caused by a lack of financial resources

In order to lead a dignified life, you have to have enough money to cover your basic needs. While interviewing Lucy, Adam, and Gail, it is obvious that these persons relying on social assistance are really lacking the necessities of life. Their testimonies are presented below.

### a) Lucy, widow and mother of three children, reduced to working part-time.

Lucy is a woman in her forties. She comes from a family of seven children whose father was a day labourer and whose mother was a homemaker. Her husband passed away a few years ago, leaving her alone with her three children.



When she became a widow who needed help, Lucy applied for social assistance. The amount of social assistance she was allowed was \$995 per month. She also receives \$1,300 per month from the federal government for child benefits, which gives her a monthly revenue of \$2,295. It costs \$877 per month to feed her family<sup>3</sup>. Lucy is living in a subsidized house which costs her \$351 per month. Lucy has an old car and she worries when the price of gas goes up. As the price for all the necessities of life continues to rise, she has a hard time making ends meet. The cause of her poverty is definitely a lack of money.

Even while suffering from backache, Lucy decided she was still going to work for about twenty hours a week in a local store at \$11.37 an hour. The government keeps 30% of her small salary and she is left with between \$300 and \$400 per month of the money earned. The remaining income goes to cover clothing, school expenses for the three children, personal expenses and a few "extras".

One thing that would improve Lucy's situation would be an increase in the rate for social assistance. Furthermore, an increase in the minimum wage would be helpful for Lucy. Since she suffers from backache, one social assistance policy change that would benefit her would be to cover the cost of going to the chiropractor.

### b) Adam, a man who does volunteer work

Adam is close to retirement and has been living on income assistance since he was very young because he was never able to work. He lives in an apartment rented from his friend.



<sup>3</sup> Estimate from CFSJ, 2016. Eat Well: A Challenge for Some, p. 9

Adam receives a cheque for \$576 per month which is barely enough to cover his expenses. He spends around 90% of it on rent and the rest goes for paying his phone bill and groceries. Because he has high cholesterol, his medical coverage is barely enough to cover all his medical expenses.

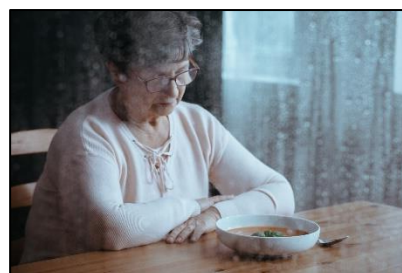
“People have a certain idea about people living on income assistance”, says Adam. “They think people receiving social assistance are lazy or good for nothing, but they don’t understand that people are driven to poverty”.

Adam is generous and chooses to be an active volunteer in the community. He has helped Syrian refugees and gave workshops on budget management for those living on social assistance. He has fought for political change in favour of people who live in poverty. He wishes that citizens on social assistance would realize more how important it is to vote.

He has been waiting to get affordable housing for two years now but is still on the waiting list. If the housing was approved, he would be able to save money and have a better quality of life.

### **c) Gail, separated from her husband after 44 years of marriage**

Gail is a woman in her sixties who separated from her husband after 44 years of marriage. Being now single, she suddenly finds herself starting over. Gail worked all her life, but since 2012, she has been forced into early retirement because of poor health. She hopes that her separation from her husband will not affect her old age pension.



Gail receives a cheque for \$579 per month. The province forced her to apply for her Canada Pension Plan, which is deducted from this monthly amount. With \$579 per month, she pays \$174 for rent. Once she pays her telephone, transportation costs and other personal expenses, she is left with barely \$90 for food during the month. Normally, in order to eat well, she would need to spend \$220 per month. To survive, in spite of her age, she must go to the food bank.

Since Gail is on social assistance, she has medical coverage for the needles she needs for her arthritis, which otherwise would be very expensive. She is also covered for blood glucose test strips for her diabetes, as well as medication for her heart. Gail thinks that an increase in social assistance rates, having access to reduced prices for public transit and free medical coverage would improve living conditions for people who depend on social assistance. As for the future, Gail fears that soon, when receiving her old age pension, she will have to use a considerable portion of her money to pay for her medications, making her financial situation even worse.

To summarize, let’s just say that like many of the people on social assistance that we have interviewed, Lucy, Adam, and Gail do not have enough money to lead a dignified life. Their

testimonies reveal how much money they lack to cover their basic living expenses. The lack of money is a major cause of their poverty.

## 2. Poverty resulting from a lack of emotional or intellectual abilities

The inability to control emotions, especially in stressful situations, without leading to self-destruction, this is what causes a person to be unable to hold a job. For other individuals, on the other hand, it is the inability to acquire the skills needed for work, like reading, writing and arithmetic. These are obstacles to employment and become their major cause of poverty.

### a) Alice, unable to work because of anxiety

Alice is a single woman in her early fifties. She grew up in a home with a single mother and her five sisters. Ever since her childhood, Alice's family has depended on social assistance. Alice attended school until grade 10. She then entered the job market. Her first job was taking care of children, at first for a private family, then for seven years, she worked in a day care centre for single parents which was run by a non-profit organization.



In 2003, Alice had to quit the job she loved because she suffered from generalized anxiety disorder. After being hospitalized for three months for psychiatric care, she left the hospital and applied for social assistance. Then later, she wanted to leave social assistance, so she could be more independent, trying four times to return to work, working most of the time as a cashier in different stores. Unfortunately, she had to leave these jobs because of her anxiety. She was then diagnosed with bipolar disorder on top of her anxiety disorders. Alice exemplifies a person who chooses not to depend on social assistance, but finds she has to because of her emotional problem.

Alice is presently certified as disabled which gives her \$763 monthly. Recently, she was able to get a subsidized apartment at \$221 a month. Her telephone service costs \$42 per month. Because she suffers from a sciatic nerve problem, she must pay \$112 per month for transdermal patches and \$30 for Tylenol, drugs that are not covered by the white card. Her cigarettes cost \$100 per month.

This leaves her with \$258 per month, for food, clothing, footwear, transportation, and other personal expenses. In order to make ends meet, she has to go to the food bank twice a month. If her cheque would increase, she could go out to see her 80-year-old mother who lives 25 kilometres away.



## b) Marc, daily food bank user

Marc is in his fifties and has been living on social assistance for eight years. Because of his psychological condition, he has been deemed disabled. His social assistance benefits are \$753 per month. He says he cannot work, and he takes medication to control what he calls his “nervousness”.



Marc lives in an apartment that costs \$670 per month, heat and lights included. He is left with very little to pay for telephone and cable. For transportation, he must walk. He has no money to buy food and goes to the food bank every day. To cover the cost for prescriptions, he uses his white card. He says he has no debts.

Marc’s case worker from the Department of Social Assistance occasionally calls him. She is concerned about him and follows his case closely.

What Marc is most in need of is food. His request to the Department of Social Development is that his monthly cheque be increased.

## c) Robert, a depressed man who never has pocket money

Robert is a single man in his fifties and had to resort to social assistance 25 years ago because he couldn’t work. In fact, he was involved in a car accident that left him with a broken back. He was in a coma for many days, and in the end, had to be operated on his spine. Since his future seemed ruined, Robert became depressed.



Being disabled, Robert had to apply for social assistance in 1993. In 2018, he receives only \$537 and lives in a small room that costs him \$375 per month. He purchased a hotplate to cook his food and a toaster to make toast. Being insecure, he feels he needs a telephone in case of emergency and pays \$47 per month for this service. So, he is left with only \$162 per month to eat, get around, buy personal items, etc.

What humiliates Robert the most is that he never has any pocket money. Being timid and shy to begin with and never being able to pay to go out, he lives in great solitude.

To go to the doctor or to the grocery store, he uses his old bicycle when it’s nice outside. Fortunately, he has access to the white card, which covers his medications.

Because of his emotional and physical state, Robert should be recognized as a disabled person, which would give him \$763 per month, the amount paid to persons classified in the “Extended Benefits” category. With \$226 more per month, he could find an apartment, and have a bit of pocket money to pay for coffee once in a while.

In a few words, let's say that in the cases of Alice, Mark and Robert, they all fall into the category of people on social assistance who cannot work because of emotional problems or intellectual inability. They cannot perform the tasks at hand when working at a sustained job, or meet the requirements of an employer who wants his staff to perform well. Through no fault of their own, people that are emotionally or intellectually limited are condemned to live in poverty.

### 3. Poverty resulting from being physically unable to earn a living

When someone has the misfortune of being involved in an accident that keeps them from having a job, this person must find another way to survive. If the person does not have insurance for a workplace accident, he or she will usually apply for social assistance. Employers want to hire people in good health, including the capacity to walk. In N.B., many people on social assistance are physically unable to work.

#### a) Andrew, victim of a car accident at 22 years old

André is single and is currently close to retirement. He finished high school and has a technical course. At the age of 22, he was involved in a car accident that left him seriously handicapped: broken back, fractured ribs, and abdominal injuries. After a long period of rehabilitation, he returned to work for 13 years. In 1982, because the pain in his back was not going away and that his spine was degenerating, he found it impossible to work. He then applied for social assistance.



He had to apply four times before being classified in the “Extended Benefits” program and he now receives \$763 per month. This represents an increase of \$226 per month over his former rate of \$537 under the classification of “Transitional Assistance Program”. Because he is over 60 years old, the Department of Social Development is forcing him to apply for his Canada Pension Plan, and he is being deducted \$142.62 from his monthly cheque. Fortunately, he was able to obtain a subsidized apartment; otherwise, he would have had to live in a small room.

André depends on the food bank for nourishment. Because he doesn't have a car, he must pay approximately \$85 a month to get around, mainly to and from the doctor and the laboratory for blood tests, since the government will only reimburse a small portion of his transportation needs. He considers the refusal to cover total travel cost for medical purposes as an injustice. Because of his health condition, André struggles to look after his apartment so the Department of Social Services provides him with home care services.

#### b) Theresa, victim of a car accident

Theresa, a woman in her thirties was envisioning a successful professional career after her collegiate studies in administration. In fact, during many years, she had a well-paying job in business management. Her dreams for the future were shattered when she was involved in a serious car accident that severely damaged her spine in the neck region, causing her constant pain. This physical disability forced her to stop working and apply for social assistance. The Department of Social Development pays her \$400 per month to live.



Lately, Theresa, after rejecting her landlord's sexual advances, was given an eviction notice. She had to flee her apartment, leaving everything behind, and go to a shelter for battered women, where she stayed for two months.

After asking for help from the Salvation Army and the Saint Vincent de Paul Society, Theresa was able to obtain the bare necessities to rebuild her life: clothes, furniture, and other basic items. She applied for emergency assistance from the Department of Social Development, but so far, her request has remained unanswered.

Theresa chose to live out in the country. She is very thankful for the people who supported her during her difficult times.

### **c) Cécile, a woman unable to work**

Cécile is in her fifties and comes from a large family whose father was handicapped. All the members of her family, including herself, had to depend on social assistance to survive.

Since 2004, Cécile has become unable to work because of disk herniation, which is characterized by backache. She must take four different medications to relieve the pain and is unable to work. In her state of dismay, she has gone through periods where she was suicidal and sought help through a listening group.



Cécile has recently lost her husband and still feels a great emptiness since he died. She lives with her adult son Luke, aged 36 who has language difficulties. From Monday to Friday, from morning until mid-afternoon, he goes to a workshop for the disabled.

Cécile only receives \$537 per month from social assistance, "starvation wages", according to her. She has already applied to be recognized as disabled, to put her in a different category with an extra \$226 per month which would have helped her greatly financially, but her application was refused. However, her son Luc has been recognized as disabled and receives \$763 per month. Between the two of them, they receive \$1,300 per month. Without this assistance, they would be in constant debt. Fortunately, Cécile lives in a subsidized house. However, with her expenses (electricity, telephone, insurance, cable, Internet, and medications), she is left with only \$625 per month to feed two adults, clothe them both, and pay for all the house supplies and personal items. She does not have a vehicle and depends on her home maker to drive her to get groceries and to go to the doctor. Since Cécile is unable to work, she needs someone to help her at home, but her request has been denied.

#### d) Cora, struggling with poor health

Cora is a lady who lives alone and is almost 60. She comes from a large family and her father worked for the local municipality. Her mother took care of the children at home. She herself is a mother of two children both in their thirties.



Cora is in poor health: back and leg pain, diabetes, hypertension, and hypercholesterolemia. Her doctor does not allow her to work. Having no income, she had to apply for social assistance. Until five years ago, her disability was not recognized, so she only received \$563 per month. She had to appeal five times before being officially recognized as disabled. Since she is classified in that category, she now receives \$763 per month.

Cora is struggling to make ends meet. She pays \$570 per month for a heated apartment, which she finds suitable. She pays \$60 for her telephone. After paying for taxis, she has barely \$100 for food. When she receives her quarterly \$145 Harmonized Sales Tax refund, she takes the opportunity to buy more food. Cora would very much like that her social assistance rate of \$763 per month be increased. Finally, she would appreciate being reimbursed her transportation costs to and from the doctor and the grocery store.

#### e) Paul, elderly man suffering from burn-out

Paul is an elderly man who has worked hard all his life. When very young, he entered the workforce to help his father do maintenance work. After that, and for the rest of his life, he worked for several employers, always working at minimum wage. His job was very demanding physically, because of the stress he was suffering.



As he is too old to be hired, he now has to depend on social assistance. Paul suffers from hypertension and has had a heart attack in the past, which he associates to the stress of his old job.

Paul receives \$576 per month from the department of Social Development. He lives alone in a two-bedroom apartment, which he struggles to pay. After two years, he is still waiting for subsidized housing, even if he has filled out all the required documents.

Beside his rent, his other expenses are his phone bill and his food, but he does not have enough money to feed himself adequately. Paul goes to the community soup kitchen, which helps him a lot. Twice a week, he gets free food from the food bank. He is lucky that all his prescriptions are covered by his medical insurance.

To be clear on the matter of being unable to work due to a physical disability, let's just say that certain persons on social assistance like Andrew, Theresa, Cecile, Cora, and Paul have physical conditions that prevent them from working. They did not choose their physical limitations, and sadly, they are victims of much prejudice. They are disabled and deserve help from the government.

## 5. Poverty resulting from lack of a support system

To have access to friends, family members or people who have the required resources in case of emergency, this is what is needed to exit poverty. Three of the persons interviewed did not have such a support network.

### a) Sarah, a women refugee

Sarah is a young adult who came to Canada as a refugee with her husband and her two children in 2016. Afterwards, she separated and lived in a transition house. Since she did not have a support network, the staff from Social Development helped her obtain her own apartment.

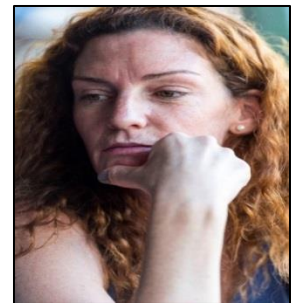


Sarah receives \$898 per month as a single mother and she has no other source of income. Since she does not yet speak English, even if she has been taking classes, it will be some time before she will be able to find a job because of her difficulty in communicating in English. Sarah wants to join university and eventually wants to become a nurse, but that's a faraway dream for her.

Sarah has started a new life as an independent woman after separating from her husband. She recently opened a new bank account. She is enjoying her new life but is also afraid about her future. She won't be able to work for some time as she has to take care of a young child, and it will take her some time to find work.

### b) Kayla, single mother

Kayla is a single mother living alone with her cat, with no support from people around her. Her two children have grown up, moved out, and live with their own families. "I stay there," she says, "just like a lawn ornament."



Kayla initially applied for social assistance but cancelled it. She was forced to reapply and currently receives \$537 per month from income assistance and works once a week. Kayla spends about 70% of her income to pay for her apartment, which is barely liveable due to mold and mildew. The rest of the amount goes for her groceries and buying food for her cat, which is vital to her mental health. She cannot afford to pay for a telephone or cable and often uses the local activity centre's telephone to talk to her mother and her children. Most of her medications are covered by her white card.

Kayla was forced to live one day at a time. In the past, she worked as a barman, a door keeper and in a call centre. She would like to find a full-time job but her back prevents her from standing up for long periods of time.

She is somewhat lonesome because she cannot go out, being unable to pay her car expenses. She must beg rides from a Good Samaritan to do her errands.

### c) Ramesh Kumar Kharel, a refugee unable to work

Ramesh Kumar Kharel arrived in Canada with his extended family in 2012. He and his relatives are immigrants who were sponsored by the Canadian government. They lived in refugee camps in Southern Asia for eighteen years. He was infected by tetanus and was hospitalized for almost two months in 2009 while still living in the camps. Since the infection, he is unable to work or be physically active.



Ramesh and his wife along with their two children live in a subsidized apartment. His wife works two days a week, but that's barely enough for his family.

He has been living on social assistance since his arrival in Canada as he is unable to work because of his disability. His family of four receives \$995 per month from the Department of Social Development. The amount they receive hasn't increased since 2014, while the rent amount has gone up every year or so. They now have to pay \$414 per month for rent and cover all the other expenses with the remaining amount.

Ramesh has numerous health issues but the medical coverage he receives does not cover all the costs for the medications. His wife too has been on medication since 2009 due to her recurring, prolonged mental illness. Unable to count on family members, Ramesh and his wife worry about what will happen after their children leave home. He still finds it difficult to communicate in English, even after attending English classes at a multicultural centre.

In summary, if people living in poverty are fortunate enough to have friends, family members, or persons encouraging them to look after themselves, chances are they will want to educate themselves to qualify for a job and make a living. However, people without a network of friends struggle to find a job. Sometimes, they distance themselves from society and center their attention on their pets, such as cats or dogs. As for immigrants, as in the case of Ramesh and his wife, not being familiar with their new environment makes them vulnerable and is detrimental to their integration into the job market.



## 6. Specific cases where there are employment barriers

### a) Rebecca, unable to work because of her criminal record

Rebecca is a woman in her thirties. Her family had to depend on social assistance. In her youth, she committed a crime, resulting in her having a criminal record that always follows her. Her wish is to work and be productive, but employers refuse to hire her because of their policy not to hire someone with a criminal record.



Rebecca got married at a young age and had three children. Her youngest daughter, who is still living at home, is a bright student, and the other two are adults who have moved out.

Rebecca was able to complete her GED and went to Community College to get her degree as a Personal Support Work (PSW). Despite her achievement, she is not able to work in her field because of a police record. At the time she was just finishing her studies, the government voted a law forbidding people working with vulnerable groups to have a criminal record. She has lost three well-paying jobs for that reason.

Rebecca's situation became worse when her husband started having health problems: chronic lung obstruction, asthma, epilepsy, and anxiety. She takes care of him at home. Rebecca had to apply for social assistance. They currently receive \$733 per month on social assistance. Rebecca spends 80% of it on rent and the rest goes for groceries and the phone bill. They have a car but only use it to get groceries and to get her husband's medications at the pharmacy. Rebecca must pay part of the cost for the dentures her dentist recommended. She is optimistic that the food bank will help her pay for the other portion.

They have applied for subsidized housing but haven't been approved despite being on the waiting list for many years. She hopes that it will be approved soon as it will ease their financial burden.

Rebecca is very proud of her family, despite the obstacles she had to overcome. Her oldest daughter has a good job out west and comes home to visit at Christmastime and in the summer; her son works full-time in the region. "I tried to raise them as best I could, despite all our problems; I taught them how to be good and honest, which is of utmost importance in my life," she says proudly.

Rebecca has been volunteering at the local food bank for the past 15 years. She is counting on this food bank for certain grocery items, especially during Christmastime. "It would really be helpful if my record was cleared so I could get a job and be better able to support ourselves", Rebecca answers when asked what might change her current

situation. She would like to be more productive and make good use of her knowledge. If she was working, her family would not have to live hand to mouth.

### **b) Mary-Anne, young women with no childcare service**

Marie-Anne is in her twenties and lives with her spouse and three young children. She completed Grade 11 but had to leave school to give birth to her first child. At that moment, Marie-Anne had to apply for social assistance. As a young mother, she worked for a few years, but as she was not able to afford child care costs for her children, she decided to stay home to take care of them and reapplied for social assistance. Since child care costs are now better covered, she is able to have her children taken care of and she found seasonal work. Today, Marie-Anne is not working and receives employment insurance benefits. Her husband is a self-employed seasonal worker and is currently looking for work.



The current monthly income for the family includes Marie-Anne's \$310 employment insurance and \$1,024 in child benefits. Since her spouse is not working at the moment, the family has to live on \$1,334 per month, which is insufficient. The rent (heat not included) costs \$750, electricity is \$350, and telephone, cable, and Internet is \$120. Gas to drive the children to school, to do groceries, go to the doctor, etc. costs around \$140 per month. Marie-Anne pays \$32 per month for family insurance. These expenses total \$1,252 per month. She has no choice but to go to the food bank. Just to register her children in school in September, it will cost a few hundred dollars. Since her employment insurance is running out, Marie-Anne has just re-applied for social assistance for herself and her family.

Marie-Anne figures she will need \$1,500 per month to support her family. There is a waiting period for her cheque and she doesn't really know yet how much the amount will be. She says she does not waste money on frivolous things. Marie-Anne is trying her best to cope with a modest budget.

If someone has an employment barrier, like a criminal record as in Rebecca's case, it is hard for them to find work that suits them. If a mother with young children cannot find affordable daycare, she will not be able to work and will not have enough money for her family to get by.

Since poverty is defined as the extent of an individual's lack of resources, we can see while reading the testimonies recounted by the people who were interviewed that their cases fall in one of four categories of needs: a) lack of financial resources; b) lack of emotional or intellectual resources; c) physical disability; d) lack of a support system. In two of the cases, the inability to earn a living and to exit poverty was related to other employment barriers. However, in many cases, more than one of the preceding resources was lacking. Humans are too complex to cast them into a single mold.

## 7. Proposals to address the causes of poverty

People who were interviewed by the CFSJ presented at least one of the symptoms consistent with poverty. Instead of just looking at the symptoms, what matters most is determining the multiple causes of poverty. Among these, we find the low rates of social assistance, lack of subsidized housing, strict criteria to qualify for disability status for people unable to work, irresponsibility of citizens to integrate the poor into their networks, and finally, fiscal inequities that are responsible for the lack of funds needed to insure an adequate social net to protect vulnerable persons.

### a) Insufficient social assistance benefits

All the persons who were interviewed had a hard time making ends meet. The basic rate for social assistance has not increased since 2010 for single individuals, and since 2014 for all the others. Since the decision to increase the rate for social assistance is extremely slow in relation to the inflation rate, it is urgent that the government of N.B. fix this situation

Table 1 illustrates what the social assistance rates should have been in 2018. The CFSJ proposes that the basic rates be increased to compensate for the loss of purchasing power citizens on social assistance have suffered over the past years.

**Table 1. Monthly basic rate increases to keep track of inflation**

<b>Categories</b>	<b>Current rates and date of the last increase</b>	<b>Basic rate indexed to inflation in 2018</b>
<b>One person</b>	\$537 (2010)	\$617.46
<b>Person receiving extended benefits</b>	\$763 (2014)	\$815.20
<b>Single parent, one child</b>	\$887 (2014)	\$947.69
<b>Two persons</b>	\$903 (2014)	\$964.78

Source: Bank of Canada inflation calculator

The Market Basket Measure, developed by Statistics Canada, reports that in 2016, the subsistence level for an individual living alone in New Brunswick was \$19,296. We know

that the annual net income for an individual on social assistance living alone is \$7,028<sup>4</sup>. This person has an annual deficit of \$12,268.

The CFSJ proposes that we adopt the Market Basket Measure as a measure of poverty, and that for the next 10 years, the social assistance beneficiaries' annual income (including the basic rates) be increased to equal the Market Basket Measure.

First of all, it is proposed that the basic rate for beneficiaries be indexed to the inflation rate in 2018 and be increased in 2019. Second, in order to reach the Market Basket Measure in 10 years, an increase in the basic rate for all people living on social assistance should take place each year.

Poverty is expensive for the province of N.B. In a 2011 study conducted by the Canadian Centre for Policy Alternatives<sup>5</sup>, it was estimated that in N.B., the cost for health care generated by poverty was \$196 million, \$73 million for crime, and between \$108 to \$190 million in loss of productivity. Instead of increasing the Health and Justice budgets, the government of N.B. would be wiser in reducing poverty by increasing the current benefit rates. At the moment, it is impossible to live in dignity, according to the rates specified in Table 1.

## **b) Access to subsidized housing for persons unable to work**

There is an urgent need for federal, as well as provincial governments, to rescue more than 5,000 people in N.B. who are waiting for subsidized housing<sup>6</sup>. In order for this to happen, the provincial and federal governments have signed a 10-year agreement on housing. The agreement will generate investments of \$300 million to protect, renew, and expand social and community housing.

Many of the persons interviewed said that they have been on a list for subsidized housing for many years. Government assistance to renovate existing housing is insufficient. In N.B., as early as June of each year, the budget portion reserved for home repairs is exhausted.

In July 2018, it cost on average \$715 for a one-room apartment in downtown Moncton. For the same apartment outside the city, the average cost was \$647. This expense is out of reach for people on social assistance, who are then obligated to live in a room.

The CMSJ proposes that the Department of Social Development use part of the budget money reserved for the new federal-provincial agreement on social housing to build or modify existing buildings, and build smaller units for single persons who depend on social

---

<sup>4</sup> Social Assistance. Information document. March, 2018, p. 4 – Common Front for Social Justice.

<sup>5</sup> <https://www.policyalternatives.ca/publications/reports/cost-poverty-new-brunswick>

<sup>6</sup> <https://globalnews.ca/news/1775319/over-5500-nbers-on-affordable-housing-wait-list/>

assistance benefits. The CFSJ also proposes that a significant portion of the money for social housing be managed by the cooperative or non-profit sector, instead of the private sector.

### **c) Difficulties encountered by poor people to have their disability recognized**

The current Regulation 95-61 stipulates that for a disability to be recognized, it has to be total and permanent, which means that the person must have a major physiological, anatomical, or psychological deficiency that is likely to continue indefinitely without substantial improvement and that causes the person to be severely limited in activities pertaining to normal living. To be recognized as disabled, the medical report must be filled out by a physician. The decision is made between two members of the Medical Advisory Board, and the person who is applying is not allowed to intervene. The current requirements to be recognized as disabled are too strict, since persons who are not extremely handicapped are left destitute. Disability status is not assigned to persons able to get dressed, or eat on their own, or who have learning disabilities or other functional disabilities. It is highly recommended that these types of disabilities be included in the current Regulation.

The CFSJ proposes that the current Advisory Board be dissolved and replaced by two travelling commissions, consisting of three persons including a psychiatrist, a general practitioner, and another specialist. In addition, persons who apply for disability pensions should be able to obtain an in-person hearing and be accompanied by a personal representative if desired. The right to appeal should be granted. If the appeal is rejected, the applicant should be able to consult a physician-arbitrator.

### **d) Better funding for the social net**

#### **➤ Improve federal transfers**

Each year, the federal government transfers funds to the provinces, including N.B. Since the federal government takes huge amounts of money from the provinces, it is proposed that social transfers from the federal government be substantially increased.

To those who say that the federal government does not have any money to improve transfers to N.B., we must tell them that this is simply not true. David Macdonald, an economist with the Canadian Centre for Policy Alternatives<sup>7</sup> has recently published a study saying that if like all other G7 countries, the federal government implemented a tax on inheritances of \$5 million or more, it would add \$2 billion to government coffers.

If the federal government taxed capital gains, the gap between rich and poor would be reduced.

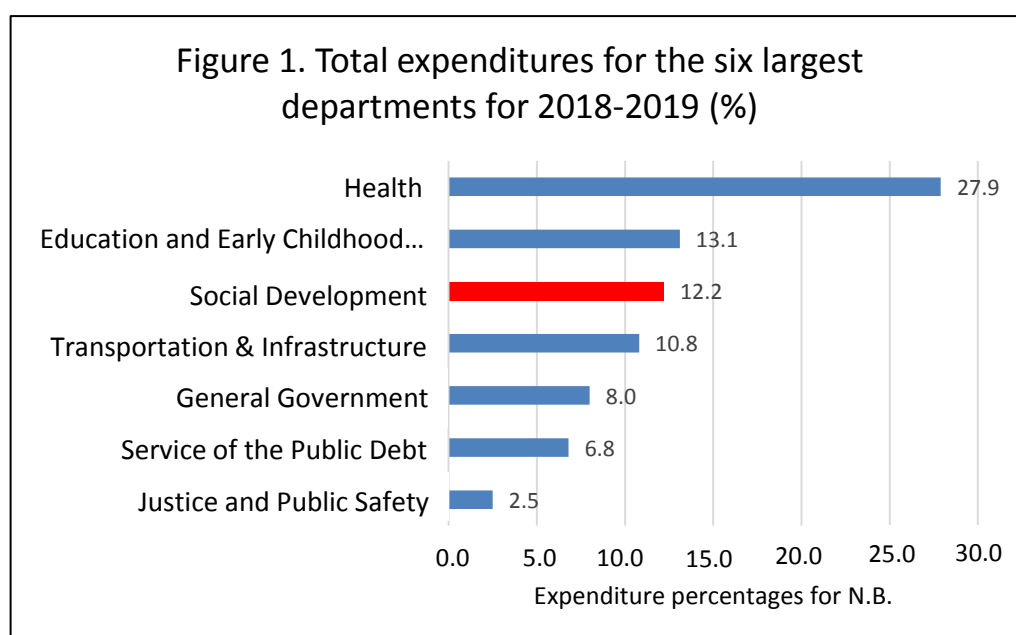
---

<sup>7</sup> Macdonald, David. July 2018. Born to Win: Wealth concentration in Canada since 1999.

Furthermore, by eliminating tax credits for large corporations, there would be more revenue, thus improving transfers from the federal government to the social sector. When the federal government doesn't impose such measures, it's losing \$5 billion per year in revenue.

### ➤ Better distribution of provincial expenditures

The N.B. government's fiscal forecast for 2018-2019 estimates total spending in the order of \$9,941,014,000<sup>8</sup>. Figure 1 shows an estimate in terms of percentage of expenditures in the case of seven major departments<sup>9</sup>. Health expenditures account for the largest portion. If those on social assistance were given the amount required to eat well, the number of visits to the doctor and to the hospital would decrease. Furthermore, less money would be spent on justice and for public security.



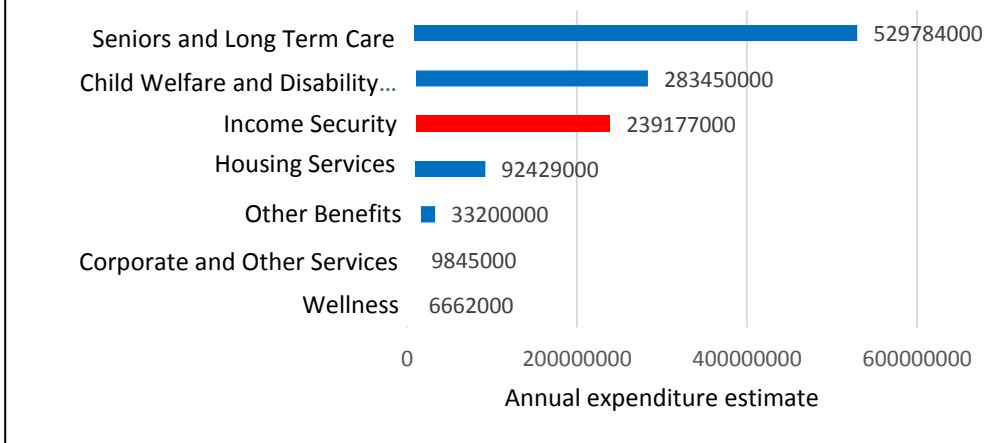
It is important to note that the 12.2% for the Department of Social Development's budget (which represents \$1.2 billion) not only includes social benefits, but also covers six other expenditure categories.

Data presented in Figure 2 indicate these seven types of expenditures included in the Department of Social Development's budget.

<sup>8</sup> New Brunswick. – Main estimates 2018-2019. p. 9.

<sup>9</sup> New Brunswick. – Main estimates 2018-2019. p. 8-9.

Figure 2. Department of Social Development expenditure categories (2018-2019)



We often ignore that the most important expenditures are those allocated to seniors and long-term care, which total \$529 million. The Child Welfare and Disability Support Services is the second most important expenditure category, totalling more than \$283 million. **We see that only \$239 million is allocated towards benefits for persons on social assistance.**

This budget must increase dramatically during the coming years, if we want to meet our goal of reducing poverty, by increasing social assistance recipients' annual net income to equal the Market Basket Measure.

## 8. What a support system has to offer to get out of poverty

Money is the main resource needed by poor people. However, it is not the only necessity. Poor people have another important need: being able to depend on a network of friends, family members, or friendly persons. This type of human resource gives destitute persons courage to find a way out.

In fact, today's socioeconomic situation is making poor people's lives very precarious. They have to cope with the lack of a sustainable livelihood, prejudices, and marginalization when they are unable to work normally anymore. The government can do more to eradicate prejudices by showing compassion for these people.

People whose life has been easy must be sensitive to the suffering, solitude and deception that poor people go through. Instead of propagating the prejudices that are going around about them, we should fight against them to change attitudes towards the poor.

The needs of the poor can be met by listening to them, making a personal commitment, and showing them kindness to give them a sense of value. The suffering endured by the poor decreases when we offer a kind gesture, when we protect them, and when they feel we want to express our friendship. Even if there are over 100,00 people in N.B. living under the poverty line<sup>10</sup>, many people don't see the poor since they don't go to the same places. In certain cases, they are scared of them.

According to certain self-righteous persons, people on social assistance are lazy, drink and use drugs, are ignorant, etc. Their first reaction is to keep them at bay. Many testimonies of persons who got out of poverty say that it's because a friend or a mentor had a friendly attitude and wanted to help by guiding them that they were able to rebuild their lives.

---

<sup>10</sup> New Brunswick Social Indicators. Province of New Brunswick.



## 9. Conclusion and proposals

The State must provide a social security net for vulnerable persons. Following a series of interviews with social assistance recipients, the Common Front for Social Justice found that these people lack money, cognitive skills, and emotional stability, which are a set of resources that are necessary in order to live with dignity. Their poverty is caused by a lack of employment, leading to a lack of money, by a lack of emotional resources, or by physical or cognitive inability to make a living. In certain cases, persons in this state of poverty do not have a support system to help turn their lives around.

Major changes need to be made so that these persons can exit poverty. Social assistance rates must increase significantly. Access to subsidized housing and repairs to houses should be easier, especially for disabled persons and for single persons who live in poverty. Provincial legislation must widen the definition of disability so that handicapped persons are recognized as disabled.

Government funds allocated to the social sector must be increased. To arrive at this, the amount of federal transfers must be increased, and provincial funds must be distributed more equitably. Finally, persons who have a good life must be concerned about the situation the poor find themselves in and, where possible, be welcoming to them, include them and reach out to them.

### **In response to the observations made during the interviews with social assistance recipients from N.B., three proposals have been drawn up:**

1. That the N.B. government increase social assistance rates to take into account inflation, and plans to play catch up over the next ten years, in order to bring the social assistance recipients' annual net income to the level of Statistics Canada's Market Basket Measure.
2. That the N.B. and Federal governments invest the required funds so that persons unable to work because of physical or psychological reasons have access to subsidized housing.
3. That the federal government increase federal transfers for social services by imposing taxes on heritage properties and eliminating certain tax advantages for large corporations.