

POVERTY REDUCTION STRATEGY
Position statement by the N.B. Advisory Council on the Status of Women
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Far too many citizens in this country of plenty, including growing numbers of employed persons, are unable to meet their basic needs and are excluded from full participation in social and economic life. Women and children are disproportionately affected because of women's lower wages, savings and pension benefits, their heavier share of unpaid work and family responsibilities.

There is no easy fix. The current patchwork of public programs, non-profit initiatives and charity services falls short of alleviating the symptoms of poverty and does even less for prevention. The Advisory Council has advocated action on many fronts, including education and training, employment, salary, childcare, retirement pensions and social assistance. In recent years, we have joined our voice to those calling for a coherent poverty reduction strategy - an evidence-based, coordinated action plan targeting not only welfare policies and minimum wage levels, but an array of intertwined areas including fiscal policy, support for caregiving and access to justice.

Poverty reduction must become an integral part of efforts to promote sustainable economic and social development for individuals and communities. It is wise planning and policy-making, and a matter of justice. It must take into account the different realities of women and men and diverse groups of women and men - and must make gender equality a key objective. In addition to implementing an integrated set of poverty reduction policies, our governments must establish specific targets, gather data and monitor results.

In developing a New Brunswick strategy, we can draw on a rich body of policy research, on experiences with initiatives elsewhere and on the expertise of community development and social justice organizations, frontline service providers and people living in poverty.

BACKGROUND

Portrait of poverty and income inequality

New Brunswick and Canada have no official poverty line. There isn't an accepted nor an entirely satisfactory way of determining who is poor or of measuring the depth and duration of poverty.¹

The most commonly used measure is Statistics Canada's Low Income Cut-offs (LICOs) that define a low-income person as one living in a family that spends 20% more of its income on food, shelter and clothing than the average family of the same size in a community of comparable size.

Statistics Canada produces two sets of cutoffs based on total income, (including government transfers such as Old Age Security pension, GST Credit, Employment Insurance benefits and welfare payments), one *before* any income taxes are deducted and the other *after* deduction of

¹ For more on methods and debates about poverty measurement, see for example, National Council of Welfare, "Definitions of the Most Common Poverty Lines used in Canada" (June 2003), online: www.ncwcnbes.net/en/research/povertylines/relatedfactsheets.html; Philip Giles, *Low Income Measurement in Canada* (Ottawa: Statistics Canada, 2004), online: www.statcan.gc.ca/bsolc/olc-cel/olc-cel/?lang=eng&catno=75F0002M2004011; Canadian Association of Social Workers, *Gendering the Poverty Line* (Ottawa: CASW, 2004), online: www.casw-acts.ca/

income taxes. The *after-tax income* data produces lower poverty rates than the before-tax data, but patterns and trends over time are similar.²

The two types of data are useful: *before-tax incomes* highlight the way the labour market contributes to earnings inequality, while the after-tax numbers show the degree to which tax policies help redistribute income and narrow the earned income gap.

For example, the following are considered poor, according to the Statistics Canada LICOs for 2006:

- A single person if their annual income falls below:
 - Before-tax:** \$18,257 in a large city the size of Greater Saint John or Moncton, \$16,603 in a town of less than 30,000 and \$14,593 in a rural area.
 - After-tax:** \$14,857 in a large city the size of Greater Saint John or Moncton, \$13,152 in a town of less than 30,000 and \$11,492 in a rural area.
- A lone parent with a child, or a couple (no children), with an annual income below:
 - Before-tax:** \$22,728 in a large city, \$20,668 in a small town and \$18,168 in a rural area.
 - After-tax:** \$18,082 in a large city, \$16,008 in a small town and \$13,897 in a rural area.
- A family of four with an annual income below:
 - Before-tax:** \$33,925 in a large city, \$30,851 in a small town and \$27,118 in a rural area.
 - After-tax:** \$28,091 in a large city, \$24,867 in a small town and \$21,728 in a rural area.

Almost one in ten New Brunswickers - 67,000 people - were living in poverty in 2006, according to after-tax measures (before-tax: 100,000 or 14%). This is slightly lower than the national average of 11% of all Canadians using after-tax, or 15% using before-tax data. The age and gender breakdown of the low-income population is as follows:³

- 16,000 or 24% are children under 18 years of age (before-tax: 23,000 or 23%)
- 26,000 or 39% are women aged 18 to 64 years (before-tax: 35,000 or 35%)
- 22,000 or 33% are men aged 18 to 64 years (before-tax: 30,000 or 30%)
- an estimated 3,000 or 4% are seniors, mainly women (before-tax: 11,000, or 11%, including 9,000 women)

About 16,000 New Brunswick children or 11% of the under 18 population live under the after-tax poverty line, down from a high of 20% in the mid-1990s but little improved over the past decade. Using before-tax measures, the rate climbs to 16% in 2006. New Brunswick's overall child poverty rate is currently the same as the national average.⁴

More data is needed on the depth and duration of poverty. How much additional income is needed by those living in poverty to at least reach the poverty line and how long do people remain in poverty? Because of small sample sizes in New Brunswick, data for specific segments of the population may not be published because Statistics Canada considers it too unreliable. The average non-elderly low-income person on their own lives far below the poverty line. Females below the age of 65 would need an additional \$6,000 a year to bring their income up to the after-tax poverty line in 2006, \$6,400 for non-elderly males.⁵

² The before-tax and after-tax LICOs for 2006 and 2007 are available on the web site of the National Council of Welfare, www.ncwcnbes.net/en/research/povertylines/relatedfactsheets.html

³ Statistics Canada, *Income Trends in Canada, 1976-2006*, online: www.statcan.gc.ca/pub/13f0022x/13f0022x2006000-eng.htm

⁴ 2006 Child poverty rates range from a high of 16% in B.C. to a low of 4% in PEI (after-tax). See Campaign 2000, *2008 Report Card on Child and Family Poverty in Canada* (2008), pdf: [Family Security in Insecure Times: Tackling Canada's Social Deficit](#)

⁵ Statistics Canada, *Income Trends in Canada, 1976-2006*, Table 804, online: www.statcan.gc.ca/pub/13f0022x/13f0022x2006000-eng.htm

The gap between the rich and the poor is growing in Canada.⁶ The rich in Canada “are particularly rich compared to their counterparts in other countries” and in the last 10 years have increasingly left both middle and poorer income classes behind, according to a recent report by the Organization for Economic Cooperation and Development (OECD).⁷ The OECD points the finger at Canada’s fiscal and social policies: Canada spends less on income support programs and provides less cash assistance to the unemployed and low-income families than most OECD member countries, which include thirty of the worlds’ most developed nations.

The Importance of Gender and Other Variables

Some groups bear the brunt of poverty and low income:

- 43% of women aged 18 to 64 years who live alone or with non-family members in New Brunswick – and 31% of their male counterparts (Canada: 31%) - have incomes below the after-tax poverty line, a rate that has improved little over the past decade (Canada: 37%).
- Although the rate of poverty among female lone-parent families has generally been falling over the past decade, 31% of them in New Brunswick (28% in Canada) still live below the after-tax poverty line.
- 22% of Aboriginal identity off-reserve children under age 15 in New Brunswick (Canada: 28%) were living below the after-tax poverty line, compared to 12% (Canada: 13%) of non-Aboriginal identity children (before-tax rates of 31% and 17% respectively). Almost half (49%) of N.B. Aboriginal identity off-reserve women aged 15 years and over living alone had incomes below the after-tax poverty line, compared to 23% of non-Aboriginal identity women (35% of Aboriginal identity men; 24% of non-Aboriginal identity men). More than one in three (36%) N.B. Aboriginal identity women aged 15 years and over with income (includes on and off-reserve population) reported total incomes of less than \$10,000 in 2005, compared to 26% of non-Aboriginal identity women (33% of Aboriginal identity men, 17% of non-Aboriginal identity men).⁸
- 35% of N.B. women with disabilities who reported income in 2000 had a total annual income of less than \$10,000, compared to 33% of women without disabilities, 25% of men with disabilities and 19% of men without disabilities. The average total income of N.B. women aged 15 years and over with disabilities in 2000 was \$15,532, compared to \$19,759 for women without disabilities, \$23,320 for men with disabilities and \$30,015 for men without disabilities (before-tax income).⁹

⁶ See for example, David A. Green and Kevin Mulligan, *Canada’s Rich and Poor: Moving in Opposite Directions* (Toronto: Canadian Centre for Policy Alternatives, 2007), online: www.growinggap.ca/node/92 ; Andrew Heisz, *Income Inequality and Redistribution in Canada: 1976 to 2004* (Ottawa : Statistics Canada, May 2007), online : <http://www.statcan.gc.ca/pub/11f0019m/11f0019m2007298-eng.htm> ; Kimberly Tran and Ronald Colman, *Financial Security and Debt in Atlantic Canada* (Halifax: GPI Atlantic, Sept. 2008), online : www.gpiatlantic.org/releases/pr_livdebt.htm

⁷ OECD, ‘Country Note: Canada’ in *Growing Unequal?: Income Distribution and Poverty in OECD Countries* (Paris: OECD, 2008) , online: www.oecd.org/dataoecd/44/48/41525292.pdf

⁸ Statistics Canada, 2006 Census, Special Interest Profile, cat. no. 97-564-XCB2006002, online: www12.statcan.ca/english/census06/data/profiles/sip/RetrieveProductTable.cfm?TPL=RETR&ALEVEL=3&APATH=3&CATNO=&DETAIL=0&DIM=&DS=99&FL=0&FREE=0&GAL=0&GC=99&GK=NA&GRP=0&IPS=&METH=0&ORDER=1&PID=97446&PTYPE=97154&RL=0&S=1&ShowAll=No&StartRow=1&SUB=0&Temporal=2006&Theme=73&VID=0&VNAMEE=&VNAMEF=

⁹ Statistics Canada, *Participation and Activity Limitation Survey*, 2001, Education, Employment and Income of Adults with and Without Disabilities – Tables, cat. no. 89-587-XWE, online: www.statcan.gc.ca/bsolc/olc-olc-olc-cel/catno=89-587-X&lang=eng

Women and children, and particular groups of women and children, are more likely than men to be poor. Contributing factors include economic dependency through marriage or other personal relationships, a heavier share of unpaid work and family responsibilities, lower wages, savings and pension benefits. Women without partners, including lone mothers, have persistently high poverty rates. Aboriginal women, women with disabilities, recent immigrant women, women with addictions and those in conflict with the law are even more vulnerable to poverty than other women.

Canada has come under fire from bodies like the United Nations Committee charged with monitoring compliance with the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), an international treaty signed by Canada in 1981, for persistent high poverty rates among certain groups, especially Aboriginal women, ethnic minority women and single mothers.¹⁰

Women experience poverty differently and face different constraints than men in their struggle to leave poverty. Poverty may increase the likelihood of violence against women and of women staying in abusive relationships. A teenager who cannot afford contraception, emergency contraception or an abortion may become pregnant and face years of low-income jobs because of a lack of childcare and community supports. A woman may train for a well-paid job in the male-dominated trades, but be forced out by discrimination and sexual harassment in the workplace.

Despite women's massive labour force participation and comparable educational levels, they still earn considerably less on average than men in the province. The current hourly pay gap of 14%, and the full-time, full-year gap of 25% translate into lower pension benefits and savings for women.¹¹ An increasing number of women are in male-dominated occupations and in jobs with high levels of responsibility, but there are still few women in the trades and technical sectors, where many better-paid jobs are found. Most traditionally female jobs are still low-paid and have not benefited from a pay equity evaluation and adjustment.

A Success Story

Women over the age of 65 have historically been one of the poorest segments of the population because of lower labour force participation resulting from their role as full-time, part-time or intermittent stay-at-home mothers, lower salaries, which translates into less generous public and private pensions at retirement.

Thanks in part to programs like Old Age Security and the Guaranteed Income Supplement and marital property sharing legislation, there has been significant improvement in the economic situation of senior women. The poverty rate among women over 65 has dropped significantly since 1980 New Brunswick when it stood at 19% for all senior women, and 51% for senior women living alone, using after-tax data. The after-tax rate for senior women living alone in 2006 was 11% (before-tax rate: 41%), compared to 4% for senior women overall (before-tax rate: 17%) and less than 1% for senior men overall (before-tax rate: 4%; no reliable after-tax data for senior men living alone, before-tax rate: 19%).¹²

¹⁰ See CEDAW Committee, 42nd session, 20 October – 7 November 2008, Concluding Observations for Canada, online: www2.ohchr.org/english/bodies/cedaw/cedaws42.htm

¹¹ The hourly pay gap is based on the average hourly female and male wage rates of all employees, part-time and full-time, aged 15 years & over; Statistics Canada, CANSIM table 282-0072; Statistics Canada, *Income Trends in Canada, 1976-2006*, online: www.statcan.gc.ca/pub/13f0022x/13f0022x2006000-eng.htm

¹² Statistics Canada, *Income Trends in Canada, 1976-2006*, online: www.statcan.gc.ca/pub/13f0022x/13f0022x2006000-eng.htm

Nevertheless, the income of senior women remains significantly below that of senior men's. On average, women aged 65 and over in New Brunswick had 63% of senior men's average income or 37% less in 2006, worse than in 1985 when they had 75% of senior men's average incomes.¹³

Social Assistance - Part of the Problem and the Solution

For many, poverty means a life trapped on welfare. About six in ten New Brunswickers considered poor are on social assistance.¹⁴ Close to 60% of all households receiving welfare benefits are headed by women. Lone parent families, most of them female-headed, account for one in four households on social assistance.¹⁵

Social assistance benefits remain below the real costs of survival and fall far short of the poverty line in most provinces. National welfare standards fell by the wayside in the mid-1990s, when federal block grants for welfare, health care and post-secondary education replaced the 50-50 cost sharing of provincial social assistance programs.¹⁶ During its October 2008 review of Canada's compliance with its commitments to women's equality, the UN Committee on the Elimination of All Forms of Discrimination against Women demanded that Canada report back in just one year on what it is doing to address women's poverty. The CEDAW Committee insisted on the urgency of action, recommending increasing funding for social assistance, the introduction of national standards and a monitoring mechanism to ensure that provincial and territorial governments use funding to meet the needs of the most vulnerable groups of women.¹⁷

New Brunswick's social assistance rates are among the lowest in the country. Welfare benefits provided between 23% and 82% of Statistics Canada's after-tax low income cut-offs for those living in New Brunswick's largest urban centres in 2006.¹⁸ Worst off is the single person deemed employable, receiving total benefits of \$3,488 per year, who falls more than \$11,000 short of the poverty line. Total annual welfare income for a person with a disability, at \$8,111, represents just 55% of the poverty line, a gap of close to \$7,000. Total benefits for a lone parent with one child is 82% of the poverty line, falling short by over \$3,000. A couple with two children has total benefits equivalent to 66% of the poverty line, or almost \$10,000 less than what is needed.

Social assistance recipients are also caught in a maze of complex and inconsistent rules and procedures, grappling with policies and combinations of programs that can punish those who help themselves. Starting a job may mean that benefits from several programs – welfare cheque, public housing, child care subsidies – are whittled away.

Then there is the economic unit or household income policy that discourages individuals from sharing accommodation because they risk seeing their benefits reduced or cancelled.¹⁹ In place

¹³ Statistics Canada, *Income Trends in Canada, 1976-2006*, online: www.statcan.gc.ca/pub/13f0022x/13f0022x2006000-eng.htm

¹⁴ Based on social assistance caseload numbers (total recipients) for 2006 and Statistics Canada after-tax low-income data for 2006. N.B. Department of Social Development, "Average Monthly Caseloads and Recipients, 2006-2007", at www.gnb.ca/0017/statistics/06-07-e.asp Statistics Canada, *Income Trends in Canada, 1976-2006*, online: www.statcan.gc.ca/pub/13f0022x/13f0022x2006000-eng.htm

¹⁵ N.B. Department of Social Development, "Social Assistance Caseload Profile January 2009", online: www.gnb.ca/0017/statistics/cp0109-e.asp

¹⁶ Ken Battle, Sherri Torjman and Michael Mendelson, *The Forgotten Fundamentals* (Ottawa, Caledon Institute of Social Policy, Dec. 2008), online: www.caledoninst.org

¹⁷ See Concluding Observations for Canada, online: www2.ohchr.org/english/bodies/cedaw/cedaws42.htm

¹⁸ National Council of Welfare, *Welfare Incomes 2006 and 2007*, 2008, Table 2.2– a, at www.ncwcnbes.net/en/home.html Social assistance benefits calculation includes social assistance, additional benefits such as shelter and school subsidies, Canada Child Tax Benefit, N.B. Child Benefit and GST credit. Recipients may also receive health coverage and access to subsidized child care and housing.

¹⁹ N.B. Department of Social Development, "Household Income Policy" in *Social Assistance Policy Manual*, online: www.gnb.ca/0017/Policy%20Manual/POL-E/policy4.htm#household

since 1995, it treats individuals sharing accommodation as spouses, counting the income of all members to determine eligibility for one welfare cheque - inventing relationships of financial interdependence and legal obligation where none exist. This discourages many needy people from sharing housing, preventing them from reducing expenses and from benefiting from moral support and mutual aid.

Community groups like Saint John's Urban Core Support Network and the Acadian Peninsula's *Comité des 12* work with people living in poverty to identify barriers within the system – the lack of coordination between programs and departments being a major one - and provide information on navigating the complex web of rules and procedures.²⁰

The Standing Senate Committee on Social Affairs, Science and Technology that travelled across the country in 2008 to study poverty, housing and homelessness in Canadian cities concluded that Canada's income support systems are not working and that the federal, provincial and territorial governments are too compartmentalized to deliver an effective response.²¹

The Working Poor

Many poor persons are working full-time, or juggling part-time or seasonal jobs. In 2006, almost two in three (64%) low-income children in Canada live in families in which parents cobble together full-time hours by working multiple non-standard jobs.²²

Full-time, full-year minimum wage work is no guarantee of a life free of poverty. At \$7.75 an hour, New Brunswick's minimum wage rate is the lowest in Canada. It represents 44% of the average hourly wage in the province.²³ Two 25-cent increases will take effect in 2009, but even then a minimum wage earner working full-time all year will be taking home \$17,160, still well below the poverty line in most cases.²⁴

The minimum wage in New Brunswick as in the rest of Canada is increased at irregular intervals and without any reference to the Statistics Canada LICOs, the average wage, the cost of living or any other standard. Purchasing power has declined over time.²⁵ A growing movement of groups is calling for government intervention to establish a living or liveable wage, to ensure that full-time earners do not fall below the poverty line.²⁶

²⁰ See for example, UCSN, *Responding to the Voices of Poverty* (July 1998), & *Responding to the Voices of Poverty...6 Years Later* (October 2004); UCSN, *Solving the Puzzle: A Guide to Income Assistance* (2002), online: www.acswccf.nb.ca/english/acsw3.asp#documents; Comité des 12 pour la justice sociale, *No Need to Fear in Appealing Decisions* (2004); *Rights Kept Secret* (2003), online: www.acswccf.nb.ca/english/acsw3.asp#documents

²¹ *Poverty, Housing and Homelessness: Issues and Options*, First Report of the Subcommittee on Cities of the Standing Senate Committee on Social Affairs, Science and Technology, (June 2008), online: www.parl.gc.ca/common/Committee_SenRep.asp?Language=E&Parl=39&Ses=2&comm_id=47

²² Campaign 2000, *2008 Report Card on Child and Family Poverty in Canada* (2008), p. 3 pdf: Family Security in Insecure Times: Tackling Canada's Social Deficit, www.campaign2000.ca/rc/01bulletin/Nov01Bulletin4p.pdf.

²³ Average hourly wage for both sexes, 15 years and over in N.B. in 2008 was \$17.79, the second lowest in Canada. Statistics Canada, CANSIM table 282-0072, online: www.statcan.gc.ca

²⁴ Based on calculation at \$8.25 for 40 hours weekly, 52 weeks. As of April 15, 2009, the minimum wage will rise to 8\$, and to \$8.25 as of September 1st, 2009.

²⁵ Caledon Institute of Social Policy, *Minimum Wages in Canada: A Statistical Portrait with Policy Implications* (January 2003); Stuart Murray and Hugh Mackenzie, *Bringing Minimum Wages Above the Poverty Line* (Canadian Centre for Policy Alternatives, March 2007), online: www.policyalternatives.ca/index.cfm?act=news&call=1585&pa=F2ED34D4&do=Article

²⁶ See for example, Stuart Murray and Hugh Mackenzie, *Bringing Minimum Wages Above the Poverty Line* (Canadian Centre for Policy Alternatives, March 2007), online: www.policyalternatives.ca/index.cfm?act=news&call=1585&pa=F2ED34D4&do=Article; Vibrant

When governments are reluctant to require employers to pay a living wage, they often have to top up those inadequate salaries. For example, a Working Income Supplement of up to \$250 is paid to New Brunswick families whose earnings were below \$25,921. In 2007/08, about six in ten lone-parent families – more than 12,000 families - were eligible for this supplement, as were about 4,000 or 8% of two-parent families.²⁷

Women are over-represented among low-wage workers. Close to 8,000 women were working for minimum wage in New Brunswick in 2006 – that's 5% of all female employees, or 61% of all minimum wage workers in the province. Less than half (39%) of female minimum wage earners are teenagers. Almost four in ten (37%) are aged 20 to 44 years and one in four are 45 years and over. By contrast almost 60% of men earning minimum wage are teenagers in the province. Almost half (47%) of the province's female minimum wage earners and 35% of their male counterparts are working full-time.²⁸ Canadian patterns are similar, although more New Brunswick female minimum wage earners are older and work full-time.²⁹

Employment Insurance coverage rules and benefit levels leave many jobless Canadians who pay into the fund, especially women, out in the cold. Many more women than men do not qualify for regular EI benefits because they have not accumulated the hours of work required during the one-year qualifying period, since they are more likely to be in non-standard jobs - part-time, seasonal, casual or contract, as well as the self-employed - and to be absent from the workforce for periods of time to handle family responsibilities. Only 32% of women and 40% of unemployed men in Canada qualified for the EI program in 2004. Almost one in three (29%) unemployed women and one in five (21%) unemployed men in New Brunswick could not access EI in 2004.³⁰

The gender gap has worsened since EI program changes in 1996 that tightened access to benefits by increasing the number of hours needed to qualify. Wage replacement rates are also too low, especially for women who earn on average lower salaries than men, and the two-week waiting period is a hardship for those who lose their jobs.

Current EI maternity and parental leave provisions are also inadequate. One or both parents are entitled to a leave of up to 52 weeks for maternity/child care needs, and may receive benefits provided under the federal EI program. However, many women including the self-employed, seasonal and part-time workers, do not qualify for the benefits, and others can not afford to live on just 55% of their regular earnings.³¹

Three-quarters of parents with young children are in the paid labour force in New Brunswick, and most children are in some kind of child care. Since there are government-regulated child care spaces for only about 14% of children aged 12 and under, most of these children are being cared

Communities Canada, "Living Wage Learning Initiative", online: <http://tamarackcommunity.ca/g2s323.html> ; Public Interest Alberta, "Living Wage", online: www.pialberta.org/program_areas/living_wage ; Collectif pour un Québec sans pauvreté, communiqué de presse « Elections québécoises 2008 - Lutter contre la pauvreté pour sortir de la crise », en ligne : <http://www.cnw.ca/fr/releases/archive/November2008/24/c3301.html>

²⁷ Canada Customs and Revenue Agency; Statistics Canada, 2006 census, catalogue no. 97-553-XCB2006022, online: www.statcan.gc.ca

²⁸ Statistics Canada, Labour Force Survey, program Z090715, special data run.

²⁹ Statistics Canada, "Minimum Wage," *Perspectives on Labour and Income* (January 2009) online: www.statcan.gc.ca/pub/75-001-x/75-001-x2009101-eng.htm

³⁰ Monica Townson & Kevin Hayes, *Women and the Employment Insurance Program* (CCPA, Nov. 2007), pdf: www.policyalternatives.ca/documents/National_Office_Pubs/2007/Women_and_the_EI_Program.pdf

³¹ Women's Network PEI, *Improving Maternity and Parental Benefits for Canadians*, research reports online: www.wnpei.org/improvingparben.html ; Rachel Cox, with Ruth Rose, *Improving Maternity and Parental Benefits for Women outside of Québec: Proposals for Law Reform* (NAWL, August 2007), online: www.nawl.ca/ns/en/publications.html#research

for in settings not held to minimum standards.³² New Brunswick spends considerably less than other provinces on child care, child care workers are still underpaid and have low levels of training, and parents pay a high price for child care when they can find it.³³ Canada generally continues to lag far behind other developed countries in providing quality early learning and child care. Yet a large body of research shows that the first 6 years of life are crucial to the future educational, career and social success of individuals and that investment in quality early learning and child care brings significant long-term payoffs in school readiness, skills development and parents' labour force participation.³⁴

Related Programs

Housing - There are long waiting lists for the province's low-income housing units. Many New Brunswickers are forced into substandard accommodations or precarious living arrangements. Aboriginal women living in First Nations communities face long waiting lists for band housing, and must cope with overcrowding and houses in poor condition, while Aboriginal women living off-reserve face racism and limited housing stocks.³⁵ Single people under the age of 65, a population that is overrepresented among the poor, are at a particular disadvantage in the queue for subsidized housing. The rising number of homeless women and children include not just those on the street, but what one community group has called the "hidden" homeless, "those living from couch to couch or one cheque away from eviction."³⁶

Legal aid - Access to publicly funded legal services for civil matters is severely restricted in New Brunswick as elsewhere in Canada.³⁷ The extremely limited coverage for family law matters disadvantages women who more often need legal advice and representation on issues like custody and marital property division, but are least able to pay for it. Currently, only women leaving abusive relationships are entitled to court representation. There is no legal aid for poverty law issues such as social assistance appeals and landlord-tenant disputes.

Health – Women have different health needs than men and face discrimination in accessing services, especially if they are poor or otherwise disadvantaged. Women assume the primary burden for contraception and dealing with unintended pregnancies, but are not guaranteed access to respectful, timely and affordable services for family planning, abortion, STI prevention and treatment, maternal and newborn care and support. The reproductive health needs of teen females are particularly acute.³⁸ Females of all ages are more likely than males to experience

³² N.B. Department of Social Development, data for end March 2007 & Statistics Canada 2006 updated postcensal population estimates.

³³ N.B. Child Care Coalition, *Child Care in New Brunswick at a Crossroads* (June 2007), online: www.nbccc-csgnb.ca/resources-e.asp

³⁴ See for example, UNICEF Innocenti Research Centre, *The Child Care Transition: A league table of early childhood education and care in economically advanced countries* (December 2008), online: http://action.web.ca/home/crru/rsrscs_crru_full.shtml?x=122901

³⁵ *Equality for First Nations Women: A paper to provide direction to the New Brunswick Advisory Council on the Status of Women in support of the efforts of First Nations women to improve their situation* (Fredericton: NB ACSW, April 2006); Native Women's Association of Canada, *Background Document on Aboriginal Women and Housing* (November 2004), online: www.nwac-hq.org/en/reports.html

³⁶ UCSN, *Responding to the Voices of Poverty...6 Years Later* (October 2004), p. 5. See also National Working Group on Women and Housing, "Women's Housing Facts", online: www.equalityrights.org/NWG/facts.html

³⁷ NB ACSW, *Civil Legal Aid and Women: Working Paper* (Spring 2007), www.acswccf.nb.ca/english/documents/LEGAL%20AID%20FINAL.pdf; Lisa Addario, *Getting a Foot in the Door: Women: Women, Civil Legal Aid and Access to Justice* (NAWL, September 1998), pdf: dsp-psd.pwgsc.gc.ca/Collection/SW21-34-1998E.pdf

³⁸ See, for example, the Framework report prepared for the CAPC/CPNP National Projects Fund Health Canada by Young/Single Parent Support Network of Ottawa-Carleton, Timmins Native Friendship Centre,

sexual and physical abuse, eating disorders and depression, and to attempt suicide. A greater stigma is attached to women's substance abuse and the health impacts may be more severe. Yet the province's community mental health centres have long waiting lists, there is no long-term residential treatment facility for adult women with addictions, addictions services for female offenders are severely limited and mixed gender groups are used in many locations for addictions counselling. Women outnumber men in the senior population and rely more heavily on the underfunded home support services currently under the Department of Social Development.

The Costs of Poverty

We pay a high price for poverty. There is substantial evidence of the far-reaching effects of poverty on individuals, communities and economies. Living in poverty often means experiencing discrimination and powerlessness, being shut out of social and economic activities. This marginalization of the poor means lost human potential for society.

The international community has come to view poverty as a violation of human rights, both a cause and a consequence of deprivation. When a person lives in want and fear, how can they exercise any other fundamental right? Canada is signatory to an array of international human rights agreements that emphasize the interconnected nature of rights to life, liberty and security of person, to the highest attainable standard of health, to just working conditions, to adequate food, housing and social security, to education and participation in the democratic process for women and men.³⁹ Making good on these commitments and Charter guarantees requires initiatives to empower the disadvantaged and hold public authorities accountable.

Living in poverty may mean a humiliating monthly visit to the food bank, being denied a bank account or loan, or refused rental housing. New Brunswick social assistance recipients interviewed for a 2005 study spoke of constant worry and stress, loss of self-esteem and the pain of having to watch their children suffer. As one said "You can't relax because your brain is always thinking like, what I am gonna do tomorrow morning," and another noted, "It breaks you, it's like it cuts you down."⁴⁰ Others expressed their frustration with social assistance rules that kept them prisoners of the system, of being watched and judged by neighbours on the look out for fraud.⁴¹

As a Moncton United Church minister noted a recent open letter to the Social Development minister, "the constant struggle for food, clothing, heating is a stress which can burn people out with daily living. There is little energy, time or money to provide the enriching activities in children's lives that will make them feel secure and help them to succeed. Depression and anxiety (usually undiagnosed) plague families on low income, and is often interpreted as "laziness".⁴²

Poverty heightens women's vulnerability to exploitation and abuse. Economic insecurity may increase the likelihood of staying in abusive relationships. Some women turn to crime and the sex trade to put food on the table. The lack of access to training and education, child care and other

Canadian Institute of Child Health, pdf: *Pro-Action, Postponement, and Preparation/Support - A Framework for Action to Reduce the Rate of Teen Pregnancy in Canada, (September 2000)*.

³⁹ See for example *International Covenant on Economic, Social and Cultural Rights*, online:

www.unhcr.ch/html/menu3/b/a_ceschr.htm

⁴⁰ Ysabel Provencher and Chantal Bourassa, "If Welfare Owns You, You Can't Do Nothing": *Life on Social Assistance in New Brunswick* (Action Research Laboratory, School Of Social Work, Université de Moncton, July 2005), online: www.acswccf.nb.ca/english/acsw3.asp#documents

⁴¹ Ibid.; See also focus group comments presented in UCSN, *Responding to the Voices of Poverty...6 Years Later* (October 2004) and the collection of poems and texts by women living in poverty, *Stormy Seas* (Saint John: UCSN, 2003).

⁴² Thoughts expressed by Rev. Gail MacDonald, Minister at Humphrey Memorial United Church, Moncton, in The Establishment of a Working Group to Arrive at a Poverty Reduction Strategy for New Brunswick, Presentation made to Hon. Mary Schryer, Minister of Social Development (June 17, 2008).

caregiving supports are formidable obstacles for low-income women struggling to improve their situation.

The relationship between income and health has been abundantly documented, although the complex interactions of these indicators with gender and sex have received less attention.⁴³ Low-income women are more likely than other women and men to experience poor health, and to suffer more frequently and severely from chronic illness and injuries. The health status of Aboriginal women is particularly compromised.⁴⁴ A wide range of adverse health outcomes are associated with poverty, from low birth weights and shorter life expectancy to higher rates of diabetes, obesity and heart disease. Low income limits our ability to afford nutritious foods, to participate in recreational activities, and to benefit from health prevention services. The stresses of living in poverty contribute to substance abuse and mental health problems, particularly for women, who are at a higher risk for depression.

Children who grow up in poverty are at risk of long-lasting effects linked to lower school achievement, higher drop-out rates and exclusion from culture, recreation and sports activities. Adult health, employment and earnings are often negatively impacted.⁴⁵ When teen pregnancy is part of the intergenerational poverty cycle, problems can be compounded. A recent community study in Saint John - the area with the highest teen pregnancy rate in the province – highlights the plight of pregnant and parenting young single mothers stuck in low-income jobs because of a lack of childcare and the scarcity of community resources.⁴⁶

Not only is poverty responsible for many stunted lives and lost opportunities, it also fuels increased spending on health, social services and crime and brings opportunity costs from lower productivity and lost tax revenues. Analyses conducted in some Canadian regions, the U.S. and other countries suggest that public investments in focused poverty reduction initiatives could bring significant long-term savings and increased economic returns.⁴⁷ A recent study sponsored by the Ontario Association of Food Banks found that the total cost of poverty in Ontario is equivalent to 5.5 to 6.6 per cent of the province's Gross Domestic Product, or in real terms, costs every Ontario household between \$2,299 and \$2,895 each year. The federal and Ontario governments are losing an estimated \$10.4 to \$13.1 billion per year due to poverty, equivalent to as much as 17% of the provincial budget.⁴⁸

⁴³ See for example, Ronald Colman, *A Profile of Women's Health Indicators in Atlantic* (Halifax: GPI Atlantic, 2003), online: www.gpiatlantic.org/publications/health.htm; Lissa Donner et al., *A Profile of Women's Health in Manitoba* (Prairie Centre of Excellence for Women's Health, November 2008); Ontario Physicians Poverty Working Group, "Why Poverty Makes Us Sick," *Ontario Medical Review* (May 2006), p. 32-37; <http://web2.gov.mb.ca/bills/39-2/b2226e.php>; Heather M. Orpana, Louise Lemyre and Ronald Gravel, "Income and Psychological Distress: The Role of the Social Environment", *Statistics Canada Health Reports* (Vol. 20, no. 1, 2009), online: www.statcan.gc.ca/pub/82-003-x/2009001/article/10772-eng.htm

⁴⁴ Native Women's Association of Canada, *Background paper on Aboriginal Women's Health* (October 2004), online: www.nwac-hq.org/en/reports.html

⁴⁵ See for example, David P. Ross and Paul Roberts, *Income and Child Well-being: A new perspective on the poverty debate* (Ottawa: Canadian Council on Social Development, 1999), online: www.ccsd.ca/pubs/inckids/index.htm

⁴⁶ Business Community Anti-Poverty Initiative, *Influencing Healthy Public Policy for Pregnant and Parenting Young Women* (June 2006), http://tamarackcommunity.ca/downloads/vc/SJ_YoungMothers_0706.pdf; & discussion paper *Closing the Gaps: Ensuring Pregnant Teens and Young Women Succeed* (June 2006), http://tamarackcommunity.ca/downloads/vc/SJ_Closing_Gap_june2906.pdf; See also Christine Grisham, *Advice from the Field: Youth Employment Programs and Unintended Pregnancy* (Centre for Law and Social Policy, August 2003), online: www.clasp.org/publications.php?id=12&year=2003

⁴⁷ Karen Hayward, *The Health Costs of Poverty in Canada: A Literature Review of the Evidence and Methodologies Needed to Produce a Full Report* (GPI Atlantic, March 2008), online: www.gpiatlantic.org/publications/health.htm

⁴⁸ Nathan Laurie, *The Cost of Poverty: An Analysis of the Economic Cost of Poverty in Ontario* (Toronto: OAFB, November 2008), online: www.oafb.ca/

Other jurisdictions

Four other provinces have put comprehensive poverty reduction strategies into place or are committed to developing them. Quebec led the way, first adopting framework legislation (2002) then an action plan in 2004, followed by the 2006 launch of Newfoundland and Labrador's action plan.⁴⁹ Ontario unveiled its plan in December 2008.⁵⁰ The Nova Scotia government received the report of its working group in June 2008 and is expected to release a strategy in early 2009.⁵¹ Manitoba introduced a four-year employment-focused strategy in 2007 to help people move from welfare to work, but a private member's bill that could have created a coherent poverty reduction plan did not make it beyond second reading in May 2008.⁵²

These provincial strategies share some common guiding principles, particularly well articulated in the Newfoundland and Labrador action plan:

- a definition of poverty that recognizes the harm of social exclusion, diminished power and control, along with unmet material needs. In this perspective, eliminating prejudice and encouraging full participation in social and economic life so that people reach their full human potential is part of the solution.
- a comprehensive vision of the problem that recognizes the links between social and economic development, and the need for a multi-faceted, long-term approach addressing areas including employment, education, housing, health, early learning and child care and tax measures.
- a diversified approach that recognizes the connection between poverty and gender and acknowledged that certain groups including Aboriginal people and persons with disabilities - are more disadvantaged than others and require measures adapted to their particular realities.
- identification of concrete goals, targets and timelines, with a set of clearly defined indicators to evaluate progress.
- an emphasis on coordinated action across government departments to avoid gaps, duplication or counterproductive policies.
- a role for federal government involvement in certain areas of reform and a recognition of the need for the senior levels of government to work cooperatively.
- a collaborative approach that commits to ongoing meaningful consultation with community groups and agencies to ensure that poverty reduction work benefits from regular input on the life experience and views of people living in poverty.

It is too early to assess the results of these provincial strategies, but there are lessons to be learned from large-scale poverty initiatives in other countries. Like the provincial action plans, the national strategies elaborate a long-term vision that acknowledges gender inequality and the

⁴⁹ The law set out the vision, the supporting agencies, and the obligations of government. Bill 112: *An Act to Combat Poverty and Social Exclusion*, online:

www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/L_7/L7_A.html; Government of Quebec, *Reconciling Freedom and Social Justice: A Challenge for Tomorrow* (April 2004), online: Government of Newfoundland and Labrador, *Reducing Poverty: An Action Plan*, 2006, online: www.hrle.gov.nl.ca/hrle/poverty/index.html; see also Government of Newfoundland and Labrador, Budget Speech 2005, 21 March 2005, p. 25, www.budget.gov.nl.ca/budget2005/speech_1.htm; Chantal Collin, *Poverty Reduction Strategies in Quebec and in Newfoundland and Labrador* (Ottawa: Library of Parliament, October 2007), online: www.parl.gc.ca/information/library/PRBpubs/prb0723-e.htm

⁵⁰ Ontario strategy, pdf: [Ontario Poverty Reduction Strategy : Breaking the Cycle](http://www2.gov.on.ca/social/poverty/PovertyReductionStrategy.pdf) (December 4, 2008).

⁵¹ *Report of the Poverty Reduction Working Group* (Nova Scotia), June 30, 2008, online:

www.gov.ns.ca/coms/specials/poverty/PovertyReductionStrategy.html

⁵² Bill 226, *Social Inclusion and Anti-Poverty Act*, was inspired by the Quebec law. Online:

<http://web2.gov.mb.ca/bills/39-2/b226e.php> For more on Manitoba's employment strategy, Rewarding Work, see online: www.gov.mb.ca/rewardingwork/ & <http://news.gov.mb.ca/news/index.html?archive=&item=1433>

marginal status of certain groups, set concrete goals, invest strategically in economic and social infrastructure and report regularly on results.⁵³

For several years now, the twenty-five member states of the European Union have shared policy practices in a Social Protection and Social Inclusion Process that encourages and coordinates actions to combat poverty and social exclusion, and to reform their social security systems. Every two years the member countries submit highly detailed reports – including common indicators – that present an update on progress and areas of continuing concern. Gender equality is a key part of the shared vision. This process supports the EU Union’s strategic goal of sustained economic growth, more and better jobs, and greater social cohesion by 2010.⁵⁴

For example, in 1999, the United Kingdom launched a strategy aimed at reducing its high child poverty by a quarter by 2004/05, halving it by 2010 and eradicating it by 2020. Other specific UK program targets include affordable child care spaces for all children aged 3 to 14 years by 2010. The UK reports it has managed to reduce child poverty by 25%, reaching that goal shortly after the 2004/05 target date.⁵⁵

Sweden is often looked to as a model on social security issues. It has long been doing much better than Canada with regard to poverty among lone-parent families, thanks in part to its generous family policy that provides direct allowances, child care, parental leave and other supports that help parents combine work and family responsibilities.⁵⁶

Many social policy think tanks and advocacy groups are saying it is also time for Canada to adopt a national anti-poverty strategy.⁵⁷ It is argued that the federal government should take on a stronger role in poverty reduction, given its considerable spending and taxation powers, and its domestic and international human rights obligations to protect citizens from poverty and exclusion. A national framework would serve to integrate poverty reduction initiatives within the federal government and support the efforts of provincial and territorial governments. Some of the key areas of federal funding support include child care, Aboriginal health and welfare, labour market development, student loans and housing. A series of national targets could be set: a comparative one, for example, to have the lowest poverty rate among the G8 or OECD countries, along with a specific target such as halving the overall poverty rate in ten years, and targets for high-risk groups such as lone-mother families and Aboriginal women. The lack of political will and the challenges of jurisdictional cooperation are, however, stumbling blocks to this new federal leadership role.

⁵³ National Council of Welfare, *Solving Poverty: Four Cornerstones of a Workable National Strategy for Canada* (Vol. 126, Winter 2007), p. 3-7, online: www.ncwcnbes.net/en/research/antipoverty-antipauvrete.html

⁵⁴ See European Union, Employment, Social Affairs and Equal Opportunities, Social Protection and Inclusion, online: http://ec.europa.eu/employment_social/spsi/the_process_en.htm

⁵⁵ UK National Report on Strategies for Social Protection and Social Inclusion 2008-2010, p. 2-3, online: http://ec.europa.eu/employment_social/inclusion/naps_en.htm

⁵⁶ Sweden’s Strategy Report for Social Protection and Social Inclusion 2008-2010, online: http://ec.europa.eu/employment_social/social_inclusion/naps_en.htm; Timothy Smeeding, “Government Programs and Social Outcomes: The United States in Comparative Perspective”, 2003, at www.olin.wustl.edu/macarthur/bio/smeeding.htm; UNICEF, *Child Poverty in Rich Countries 2005*, at www.unicef.ca/press/childpoverty/

⁵⁷ NCW, *Solving Poverty: Four Cornerstones of a Workable National Strategy for Canada* (Winter 2007), online: www.ncwcnbes.net/en/research/antipoverty-antipauvrete.html; Chantal Collin, *Poverty Reduction in Canada: The Federal Role* (Ottawa: Library of Parliament, October 2007), online: www.parl.gc.ca/information/library/PRBpubs/prb0722-e.htm

ADVISORY COUNCIL POSITION

Focused government action is key to reducing and preventing poverty. Sustainable social and economic development is at stake, but it is also a matter of justice.

Our current patchwork of public programs and voluntary sector initiatives is not adequate. The social safety net has holes that charity and non-profit organizations cannot be expected to plug. What is needed is decent employment with a living wage for those who can work, a decent level of support for those who cannot, and full participation in the economic and social life of communities for all citizens. New Brunswickers who participated in the 1999 Social Policy Renewal consultations said that social and economic development were two sides of the same coin, “interdependent and equally important”, and insisted that “societies that do not invest in areas such as health care, education, prenatal care, child development and education cannot produce the calibre of leaders and employees needed to fuel the economy.”⁵⁸

We urge the New Brunswick government to adopt an evidence-based poverty reduction strategy that will:

Integrate a gender-based diversity perspective. Women and children are more likely to live in poverty, experience poverty differently and face different constraints than men in their struggle to leave poverty. Aboriginal women, lone parent mothers, women with disabilities, recent immigrants, women with addictions and women in conflict with the law are among the hardest hit by poverty. It is imperative that poverty reduction efforts take these differences into account at all stages of the policy development, implementation and evaluation process. Gender-based analysis must be conducted on policies, programs and services to reveal any positive and negative effects or potential effects on the relative position of women, men and diverse groups of women and men. Policy makers must work with Aboriginal groups to develop appropriate measures to address poverty among Aboriginal women.

Take a comprehensive approach with a focus on prevention. Actions must address the multiple dimensions of poverty and disadvantage, from social assistance and minimum wage to education and training, fiscal policy, housing, health and support for caregiving. Alleviating the symptoms of poverty is not enough. Initiatives must also target the conditions that help perpetuate poverty. To avoid gaps, duplication and counterproductive initiatives, actions must be coordinated across government departments, and among all levels of government and Aboriginal authorities.

Set targets and timelines, with well-resourced monitoring mechanisms. It is essential to establish meaningful and precise goals for poverty reduction, to track progress using acceptable measures and to ensure accountability for results. Sex and diversity-disaggregated data must be used in evaluating results and reports published at regular intervals.

The plan should address the following priority action areas:

Minimum wage: Raise the minimum wage to bring full-time full-year earnings to at least the poverty line and introduce a formula linking future increases to an objective, evolving standard, indexed to the cost of living. Full-time minimum wage work should provide an income above the poverty line (Statistics Canada Low Income Cut-offs).

Gender pay gap: Pursue actions to close the gender pay gap, including funding for women-centred training and workplace integration initiatives for non-traditional employment and the introduction of proactive public and private sector pay equity

⁵⁸ *Building our tomorrow: A Report on Social Policy Renewal* (Fredericton, Social Policy Renewal Secretariat, 1999), p. 21.

legislation that requires women's traditional jobs be paid according to their real value.

Women today have at least as much education as men and are in the paid labour force most of their lives. Yet New Brunswick women earn considerably less on average, a pay gap that has long-term consequences for women, including lower pension benefits and savings.

Employment Insurance: Reform the eligibility rules and benefit levels of the Employment Insurance program to better fit the paid work patterns and family realities of women's lives. Employment Insurance coverage rules and benefit levels leave many jobless Canadians who paid into the fund out in the cold. Many more women than men do not qualify for regular EI benefits. Many women do not qualify for the EI maternity and parental leave benefits, and others cannot afford to live on the current level of benefits. An expanded compassionate care leave program is required to support women's caregiving responsibilities for aging and chronically ill relatives.

Child care: Invest in building a publicly funded, high quality, affordable, not for profit child care system to ensure access for all children. Most New Brunswick children are in some kind of child care, and most of that child care is not held to minimum standards. Child care must be valued as an essential public service. We must invest in the creation of child care spaces - especially for infants - offered at affordable rates, in better trained and paid child care workers, in services that offer safe and well-equipped learning environments, with flexible scheduling to accommodate all parents, from the shift worker to the student or stay-at-home mother.

Affordable housing: Invest in new construction, renovation and rent subsidies to improve access to quality, affordable housing for all citizens. Decent shelter is essential to a secure and productive life for citizens of all ages, including those with disabilities, in all regions. The rising costs of market housing and long waiting lists for public housing are forcing growing numbers of women into substandard accommodations or onto the street. Aboriginal women living on- and off-reserve have great unmet needs.

Health: Implement a comprehensive reproductive health strategy with measures to reduce the incidence of unintended pregnancies, particularly among teenagers, and improve women's access to mental health and addictions services. There are still too many teen pregnancies and significant regional variations in rates. Becoming a parent too soon limits educational and employment opportunities, compromises the well-being of mothers and children and helps perpetuate the cycle of poverty. We must ensure that youth and people of all ages throughout the province have access to accurate information and confidential and non-judgmental services for family planning, abortion, STI prevention and treatment, maternal and newborn care and parenting support. Women's mental health and addictions treatment needs are different than men's and the services provided are often ill-adapted and difficult to access.

Social assistance: Peg social assistance rates to an objective standard to reflect the rising cost of basic needs and the minimum required for a life of dignity. Reform social assistance policies that have punitive or counterproductive effects.

Social assistance benefits fall far short of the poverty line. The federal government must increase funding to provinces for social assistance, and attach national standards of adequacy to the Canada Social Transfer to ensure that social assistance rates meet the real costs of living. Some welfare policies penalize people who are trying to help themselves. One example is the economic unit policy. Eligibility should be determined on an individual basis in the case of single persons who are not legally married nor in a legally recognized common-law relationship, taking into account the income and needs of the applicant. A new definition of economic unit should correspond to the financial support obligations set out in other laws for legally married or common-law New Brunswickers.

Access to justice: Increase the availability of family law support services and access to legal aid for family law matters, and expand coverage to poverty law issues.

Access to publicly funded legal services for civil matters is severely restricted in New Brunswick as elsewhere in Canada. The extremely limited coverage for family law matters disadvantages women who need legal advice and representation on issues like custody and marital property division. There is no legal aid for poverty law issues such as social assistance appeals and landlord-tenant disputes.

Tax policy: Ensure that fiscal policies do not deepen existing inequities between women and men, and particular groups of women and men. In particular, a progressive tax structure must be maintained. Taxation is an important public policy tool that can redistribute resources or increase inequality. The existing modest level of progressivity should not be reduced in the New Brunswick tax system, since it offsets to a small degree the existing gender income gap by requiring that those with higher incomes pay a higher share of their income in tax. A flatter or single rate tax structure would severely disadvantage the lower-income population and compromise social and economic equity goals by restricting government revenues. Tax cuts or credits that put more money into the pockets of the higher income earners offer no guarantee of increased business investment or job creation through increased consumer purchases. The resulting revenue losses will mean spending cuts shown to deepen existing inequalities.