

Campaign 2000 is a non-partisan, cross Canada network of over 120 organizations committed to working together to end child and family poverty in Canada.

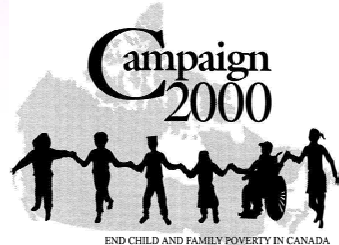
See [www.campaign2000.ca](http://www.campaign2000.ca) for further information on actions you can take to help end child poverty.

#### New Brunswick Partners

Saint John Human Development Council

Centre de Bénévolat de la Péninsule Acadienne Inc. (Caraquet)

 **Human Development Council**



## Child and Family Poverty Report Card: New Brunswick 2007

In 1989, The House of Commons unanimously resolved to eliminate child poverty in Canada. Eighteen years later - despite a 50% real increase in the size of our economy over the same period - children are still living in poverty across the country.

- At 15.7% the child poverty rate (before-tax) in New Brunswick is a mere 2% lower than in 1989;
- One in seven children in New Brunswick - nearly 23,000 - live in poverty;
- In New Brunswick 27.7% of poor children live in families where at least one person worked full-time and full year.

It's time for a new approach. Self sufficiency in New Brunswick requires that every parent working full-time, year round should be able to reach a living standard beyond poverty.

 **Human Development Council**



Written by: Randy Hatfield

Design by: Belinda Allen

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The Human Development Council is a local social planning council that co-ordinates and promotes social development in Greater Saint John. It has two key functions: an information role of linking citizens to human services and a proactive role of developing solutions to meet our community's challenges.

Paper copies of this report are available from:

Human Development Council  
47 Charlotte Street, 3rd Floor City Market  
PO Box 6125, Station A  
Saint John, New Brunswick E2L 4R6  
Telephone: (506) 634-1673  
Fax: (506) 636-8543  
Email: [hdc@nbnet.nb.ca](mailto:hdc@nbnet.nb.ca)

Copies of the report can also be downloaded from the  
Human Development Council website:  
[www.humandevlopmentcouncil.nb.ca](http://www.humandevlopmentcouncil.nb.ca)  
(Under Products/Services)

 **Human Development Council**

## INTRODUCTION

In 1989 the Federal House of Commons unanimously agreed to seek to end child poverty in Canada by the year 2000. This goal has not been achieved. In fact the national child poverty rate is exactly the same as it was in 1989.

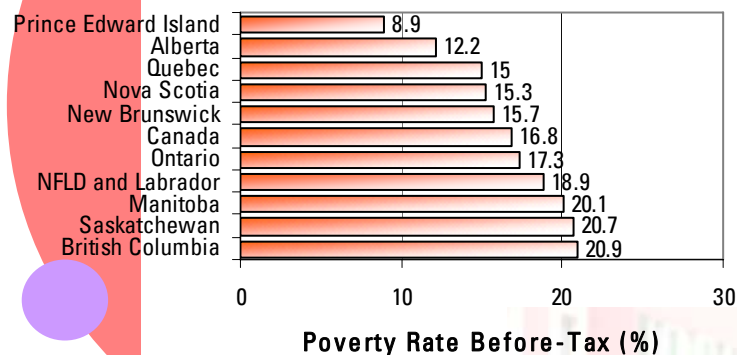
The Campaign 2000 initiative has been encouraging provinces to take action in eliminating child and family poverty. It has also been seeking to remind the public and the federal government of the promise that was made to our children eighteen years ago. This report is one of many provincial child poverty report cards that have been written across Canada to paint a picture of the current state of child and family poverty. This is the second year for which a New Brunswick Report Card on Child and Family Poverty has been prepared - it describes New Brunswick's child poverty history and the particular challenges it faces.

New Brunswick is among the provinces that have demonstrated minimal decreases in child poverty rates going from 17.7% in 1989, to 15.7% in 2005. Although the rates show some improvement since the early 1980's, they do not match the improvements that have occurred in Quebec where child poverty rates have been consistently declining since 1997. Quebec began rapid expansion of affordable child care services at that time and expanded child benefits for low-income families. Quebec introduced a provincial Action Plan to Combat Poverty in 2004. Newfoundland and Labrador also introduced a Poverty Reduction Strategy in 2006. Two more provinces - Ontario and Nova Scotia - are starting to work on them. We encourage the New Brunswick government to show the same commitment to reducing child poverty in our province.

Statistics Canada produces two sets of low-income indicators, the first based on before-tax income and the second based on after-tax income. There is about a five percentage point difference between them. This report relies on before-tax data because Statistics Canada states that poverty indicators based on after-tax income should be used with caution for the Atlantic Provinces due to small sample sizes. Campaign 2000 has urged Statistics Canada to increase its sampling in the smaller provinces in order to ensure consistency.

## CHILD POVERTY RATES BY PROVINCE

Child Poverty Rates by Province, 2005



Prosperity has not solved the challenge of persistent poverty, but strong economic growth has helped to slowly move poverty rates down in a number of provinces. In 2005 half the provinces, led by British Columbia, experienced child poverty rates that exceeded the national average.

Source: Statistics Canada—Income Trends in Canada 1980-2005, Table 802

## Low-Income Cut-Offs 2005 (1992 Base) Before and After-Tax

Canada has no official poverty line but Statistic Canada's Low-Income Cut-Offs (LICOs) are the most widely used indicator of poverty. The Low-Income Cut-Offs are income levels where a household will spend a share of its income on food, shelter, and clothing that is 20% higher than the average family. They are adjusted for family and community size.

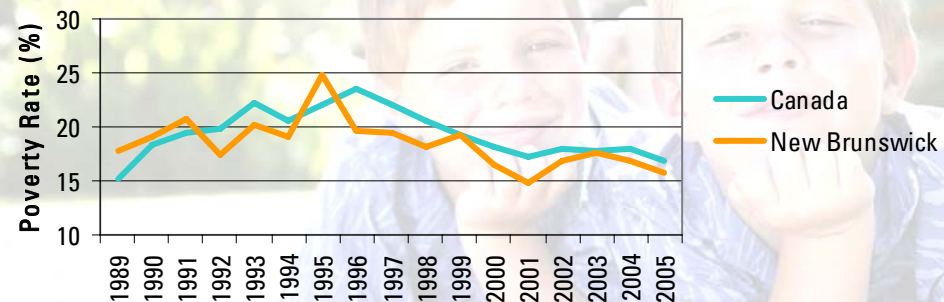
Size of Family	Community Size				
	Rural	Urban			
		< 30,000	30,000 to 99,999	100,000 to 499,999	500,000 +
1	\$14,303 (\$11,264)	\$16,273 (\$12,890)	\$17,784 (\$14,380)	\$17,895 (\$14,562)	\$20,778 (\$17,219)
2	\$17,807 (\$13,709)	\$20,257 (\$15,690)	\$22,139 (\$17,502)	\$22,276 (\$17,723)	\$25,867 (\$20,956)
3	\$21,891 (\$17,071)	\$24,904 (\$19,535)	\$27,217 (\$21,794)	\$27,386 (\$22,069)	\$31,801 (\$26,095)
4	\$26,579 (\$21,296)	\$30,238 (\$24,373)	\$33,046 (\$27,190)	\$33,251 (\$27,532)	\$38,610 (\$32,556)

Source: Statistics Canada—Low Income Cut-offs for 2005 and Low Income Measures for 2004, April 2006

\* After-tax LICO is indicated in parentheses. Statistics Canada produces two sets of low-income indicators, the first based on before-tax income and the second based on after-tax income. This report relies on before-tax data because Statistics Canada cautions the use of its after-tax income figures for the Atlantic Provinces due to small sample sizes.

## CHILD POVERTY RATES: NEW BRUNSWICK AND CANADA

Child Poverty Rates: New Brunswick & Canada, 1989-2005

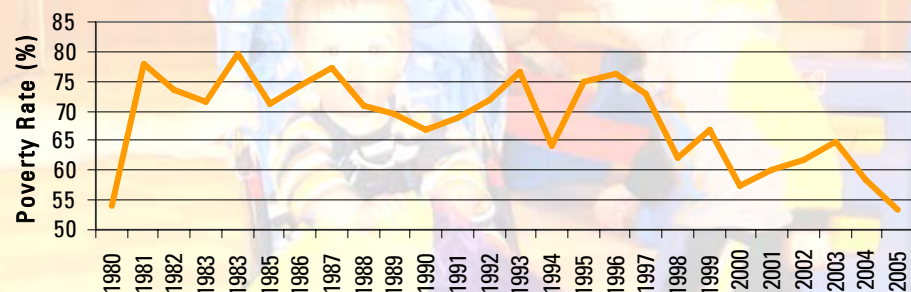


Source: Statistics Canada—Income Trends in Canada 1980-2005, Table 802

The percentage of New Brunswick children living in families with low income below LICO has fluctuated over the years, from a high of 28% in 1983, to a low of 14.8% in 2001. The provincial rate has dropped slightly for the second consecutive year. In 2005 the child poverty rate for New Brunswick was 15.7%. More than 23,000 children - one in seven - lives in poverty.

## CHILD POVERTY RATES FOR FEMALE LONE-PARENT FAMILIES, NEW BRUNSWICK

Poverty by Family Type, 1980-2005  
Female Lone-Parent Families with Children under 18 Years



Source: Statistics Canada—Income Trends in Canada 1980-2005, Table 802

Lone mothers and their children continue to be one of the most economically vulnerable groups in New Brunswick with almost 54% living in poverty. The national rate of female led lone-parent family poverty is 47.1%

The average lone-parent family in New Brunswick requires more than \$7,000 in additional income to meet the poverty line.

## FOOD BANK USAGE

In March 2007, Canadian food banks provided groceries to 720,231 individuals, and served 2,344,462 meals. Findings from *HungerCount 2007* show that:

- 39% of those assisted are children, and 51% of households contain at least one child under age 18;
- Single-parent families account for 28.4%, dual-parent families 22.2%, single people 37.4%, and couples without children 12% of those assisted;
- 13.5% of food bank users report employment as their primary source of income, with 50.7% reporting social assistance, 12.5% disability supports, 6.1% pensions, and 5.3% Employment Insurance;
- Over 85% of food bank users live in rented accommodations, with the majority paying market rent; 7.7% own their own homes;
- In areas with populations of less than 10,000 people, home ownership among food bank users jumps to 16.7%.

- *HungerCount 2007*

### New Brunswick

Individuals Assisted: **16,347 (2.2% of provincial population)**  
 Percent Children: **33.1%**  
 Percent reporting employment income: **10.7%**  
 Percent receiving social assistance: **65%**  
 Percent seniors: **9.2%**

- *HungerCount 2007*

## LOW WAGE WORK

### Minimum Wage Rates Across Canada, 2007

Province / Territory	Minimum Wage
Alberta	\$8.00
British Columbia	\$8.00
Manitoba	\$8.00
New Brunswick	\$7.25 March 2008: \$7.75
Newfoundland and Labrador	\$7.00
Nova Scotia	\$7.60
Ontario	\$8.00 March 31/08: \$8.75 March 31/09: \$9.50 March 31/10: \$10.25
Prince Edward Island	\$7.50
Quebec	\$8.00
Saskatchewan	\$7.95 January 1/08: \$8.25 May 1/08: \$8.60 May 1/09: \$9.25
North West Territories	\$8.25
Yukon	\$8.37
Nunavut	\$8.50

"....employers need to be prepared to pay higher wages across the full range of occupations and skills in order to attract the labour force they need."

- *The Road to Self-Sufficiency: A Common Cause*

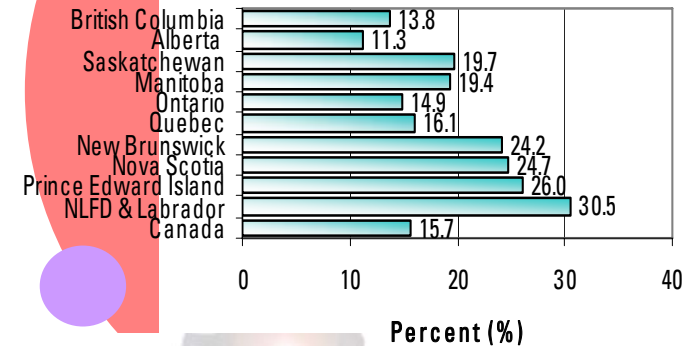
Minimum wages are edging upwards, but not to the point where full-time, full-year work will provide an income above the poverty line. The largest one time increase of New Brunswick's minimum wage is planned for the end of March 2008. It will bring the new level to \$7.75 per hour.

"It is recommended that the government increase New Brunswick's minimum wage to the national average within two years."

- *The Road to Self-Sufficiency: A Common Cause*

## THE WORKING POOR

### Employees Earning Under \$10 / Hour, 2006

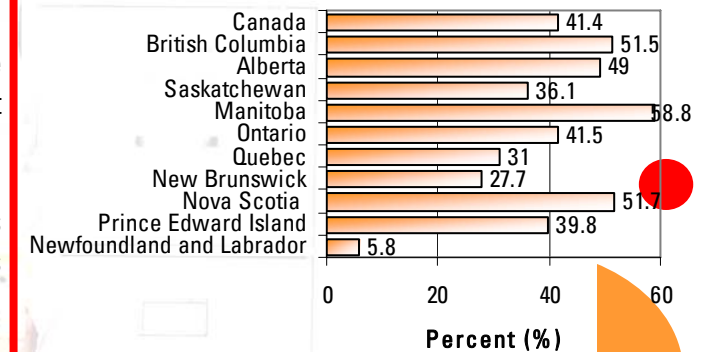


Source: Labour Force Historical Review 2006 CD-ROM

More than 24% of full and part-time employees in New Brunswick earn less than \$10 per hour (more than 75,000 out of 313,000 employees). More than 12% of employees earn less than \$8 per hour. Minimum wages need to be living wages. A wage of \$10 per hour (2007 \$) is one of Campaign 2000's recommendations found in *Summoned to Stewardship: Make Poverty Reduction a Collective Legacy*. ([www.campaign2000.ca](http://www.campaign2000.ca))

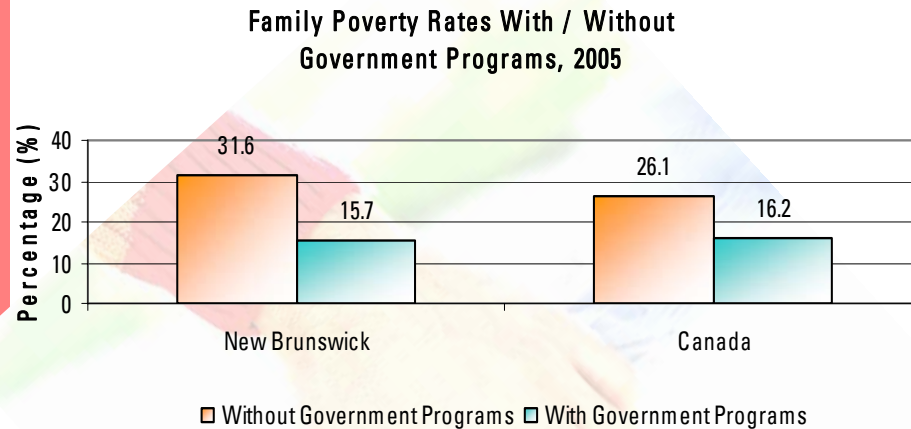
While the vast majority of New Brunswick families have at least one earner working full time throughout the year, many still fall below the poverty line. These are the working poor. Having a parent working full time is no guarantee that a child will avoid poverty. In 2005, 27.7% of New Brunswick's poor children were in families where at least one person worked full-time and full-year.

### Percent of Low-Income Children in Working Poor Families, 2005



Source: SLID 2005

## IMPACT OF GOVERNMENT TRANSFERS



Government programs such as the Canada Child Tax Benefit, Employment Insurance, GST credit and New Brunswick's low income tax credit play an important part in preventing child and family poverty. In 2005, for example, the child poverty rate in New Brunswick would have been twice as high without public investments – 31.6% versus 15.7%. Similarly, the affect of government transfers nationally was to reduce the poverty rate of children from 26.1% to 16.2%.

## MOVING FORWARD

Poor children come from poor families. Combating *child* poverty means addressing family poverty, in particular the inadequate incomes that place so many people and families below LICO. Government policies and fiscal choices can play a big part in reducing the rate of poverty. It requires a collaborative effort. The following actions by our provincial government would move us closer to the 1989 House of Commons pledge to eliminate child poverty:

- Increase minimum wage rates and index them to inflation so that full-time minimum wage workers do not live in poverty.
- For parents and adults who are not able to be in the workforce, increase social assistance rates and index them to inflation.
- Provide access to good quality child care so that parents can work and/or receive training. It also supports the healthy development of children. The Province should increase investment in affordable, high quality, regulated early learning and child care services.
- Increase investments in affordable housing.

**The cornerstone of a national poverty reduction strategy is to assure every parent working full-time, year-round a living standard beyond poverty.** The federal government can make that happen with these initiatives:

- Increase the National Child Benefit Supplement to create a full child benefit for low-income families of \$5,100 per year;
- Increase federal work tax credits to \$2,400 per year;
- Establish a federal minimum wage of \$10 per hour (in 2007 dollars);
- Restore broad eligibility for Employment Insurance;
- Invest major federal funding in social housing;
- Invest major federal funding in early learning and child care;
- Establish a basic income system for persons with disabilities; and
- Adopt specific poverty reduction targets, timelines, indicators for Aboriginal families with intergovernmental coordination and accountability to First Nations on results.

For more information, visit Campaign 2000's website: <http://www.campaign2000.ca>