

NEW BRUNSWICK'S 2020
CHILD POVERTY
REPORT CARD
December 2020



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Introduction

"This House seek(s) to achieve the goal of eliminating poverty among Canadian children by the year 2000." - House of Commons, November 24, 1989

Thirty-one years ago, the House of Commons resolved to eliminate child poverty. Every year, in partnership with Campaign 2000, we release a report card updating the state of child poverty in New Brunswick. These report cards serve as a reminder of the House's unfulfilled promise to end child poverty in Canada.

We are living in unprecedented times. The global pandemic has made 2020 a difficult year for everyone. For New Brunswickers, the challenges began in March, when the first case of COVID-19 was diagnosed in the province. As cases began to rise a series of events began to unfold; schools closed on March 13^[1] (and did not re-open for the remainder of 2019/2020 school year^[2]), and child care for non-essential workers was shut down on March 16^[3]. The Premier declared a State of Emergency on March 19^[4], which led to many New Brunswickers leaving the paid workforce. Between February and April, 49,600 New Brunswickers lost their jobs. The unemployment rate peaked in April at 13.2%.^[5]

As these events took place children living in low income households became even more vulnerable. School closures increased the inequality between low income and affluent children.^[6] Food security for children who relied on school meal programs became a concern. Many classes moved to online delivery methods, however children in low income households were less likely to have access to internet at home, or a device other than a mobile device. Without internet access or the proper tools for learning these children fell further behind. Child care closures impacted low income families with non-school-age children, forcing many parents who were not able to work from home to quit or leave their jobs temporarily. According to Statistics Canada, households with low levels of education and earnings were least likely to hold jobs that could be done at home.^[7]

Lack of access to the Internet and devices may disadvantage some children in low-income households. Children in low-income households are less likely to have access to the internet at home, and more likely to have less than one device per household member. Source: Canadian Internet Use Survey, 2018.



[1]https://www2.gnb.ca/content/gnb/en/news/news_release.2020.03.0121.html

[2]https://www2.gnb.ca/content/gnb/en/news/news_release.2020.05.0288.html

[3]https://www2.gnb.ca/content/gnb/en/news/news_release.2020.03.0127.html

[4]https://www2.gnb.ca/content/gnb/en/news/news_release.2020.03.0139.html

[5] Statistics Canada. [Table 14-10-0287-03 Labour force characteristics by province, monthly, seasonally adjusted](#)

[6] Parenting in a Pandemic: A story and stats. Jennifer Kaddatz. April 21, 2020. <https://vanierinstitute.ca/parenting-in-a-pandemic-a-story-and-the-stats/>

[7] Messacar et al. (2020). Inequality in the feasibility of working from home during and after COVID-19. Statistics Canada. June 8, 2020 (Correction date: June 24, 2020). <https://www150.statcan.gc.ca/n1/en/pub/45-28-0001/2020001/article/00029-eng.pdf?st=8JHYdvw7>

During this time several government supports were put into place quickly; the Canada Emergency Response Benefit (CERB) was introduced, offering financial aid to workers whose employment had been impacted by the pandemic. This new benefit had less stringent eligibility criteria than employment insurance, allowing many workers who would not have qualified for Employment Insurance (EI) to access financial aid when they needed it most[8]. Low income Canadian's already receiving the GST credit received a one-time, income-based top-up of \$300 in April to help with the financial strain caused by the pandemic[9]. And families already receiving the Canada Child Benefit (CCB) received a one-time top up of up to \$300 per child in May, with low income families receiving the most[10].

In May restrictions began to relax and New Brunswick was one of the few provinces that began an economic recovery. Many New Brunswickers returned to work, child care centres re-opened in the province, and for several months we saw very few COVID-19 cases in the province. New Brunswickers may have felt like life was somewhat back to "normal".

However, "normal" was not that great for everyone in our province. This report uses tax filer data from 2018 (the most recent year with data available). The numbers from 2018 are stark. Two years before the pandemic 1 in 5 New Brunswick children lived in poverty. Although from 2014 to 2017 [11] child poverty rates were declining each year, between 2017 and 2018 progress halted in New Brunswick.

We will not know the 2020 child poverty rates until 2022, but we imagine they are much worse than the rates presented in this report. Although money was put in the pockets of Canadians during the early days of the pandemic, CERB has ended, and the top-ups to GST credit and CCB may not continue. And health is still a concern; recent upticks in cases in New Brunswick, as well as in other provinces and countries, show that a second wave of virus is a true threat to our economy, health and well-being, particularly for those who were already struggling.

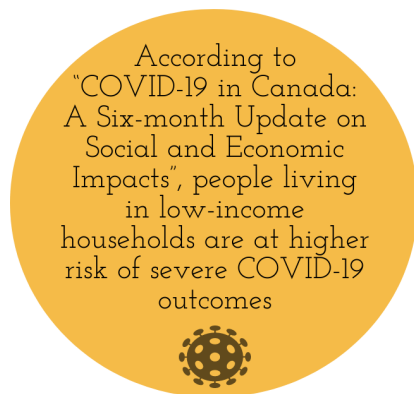
This report is intended to inform on the state of child poverty in New Brunswick, acknowledge the progress that has been made, shed light on recent policy changes, and present recommendations to the federal, provincial and municipal governments. This year, we have divided the report into three sections: first we look at the poverty rates in 2018, the most recent data available. You will see that "normal" wasn't that great for too many children, which is why we cannot simply return to that state. Second, we focus on vulnerable child populations (including children in lone parent families, young children, children with disabilities and teenagers), with a focus on how they have been impacted by the pandemic. Lastly, we analyze a few government policies that are designed to help low income families, and present recommendations to government on how to achieve a new "normal" that leaves fewer children behind.

[8]MacDonald, D. (2020). Unemployment may hit 70-year high, but new EI replacement will help. March 26, 2020. Behind The Numbers, Canadian Centre for Policy Alternatives. <https://behindthenumbers.ca/2020/03/26/unemployment-may-hit-70-year-high-but-new-ei-replacement-will-help/>

[9]<https://www.cbc.ca/news/politics/cra-gst-credit-arrives-a-month-early-1.5520007>

[10]<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-ccb-payment-increase.html>

[11] While the number of children living in poverty declined between 2014 and 2017, so has the overall number of children. Census data shows that the population of children (ages 0-17) in New Brunswick dropped from 140,580 in 2011 to 134,725 in 2016 (4.2%).



Child Poverty Across Canada

In 2018, nearly 1 in 5 (18.2%) children in Canada were considered to be in poverty (CFLIM-AT)^[12]. Nation-wide, over 1.3 million children in Canada lived in poverty, including 30,200 New Brunswick children. Our province had the sixth highest child poverty rate in the country (fourth when only including the provinces).^[13]

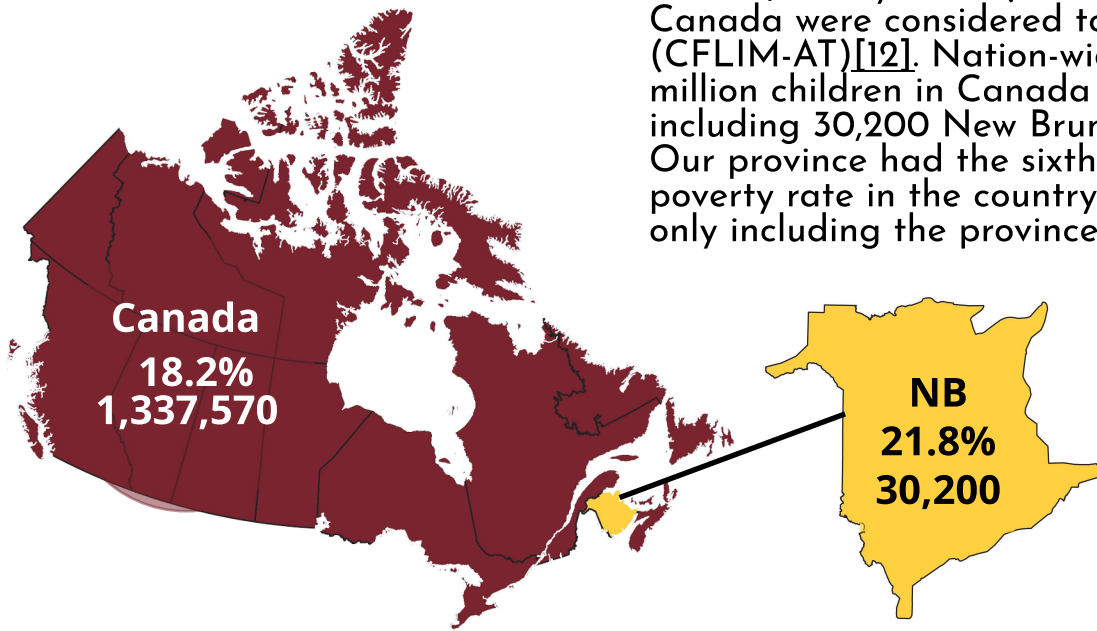
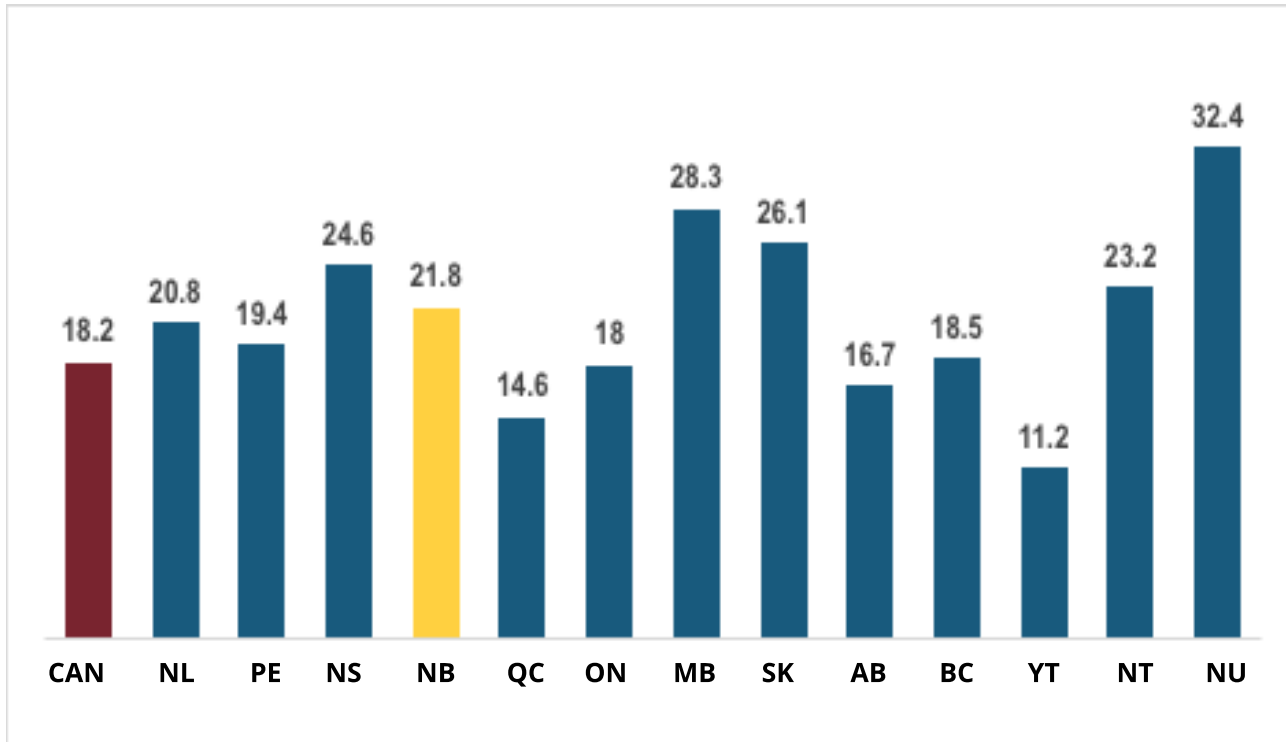


Figure 1: Child Poverty Rates, Census Family Low Income Measure, After tax (CFLIM-AT), Canada, Provinces and Territories, 2018



^[12]Statistics Canada. T1 Family Files, 2018.

^[13]For a comparison between Canadian children and children in eight other similarly affluent countries, please see Burton, P., & Phipps, S. (2017). Economic Well-Being of Canadian Children. Canadian Public Policy, 43(4), 299-330.

Child Poverty in New Brunswick

No progress was made in New Brunswick between 2017 and 2018. In 2018 the child poverty rate increased slightly by 0.1 percentage point, with the number of children living poverty climbing by 200. As a province we have a long way to go to eliminate child poverty. Not only did this rate essentially stand still, it has likely climbed even higher in 2020 due to the global pandemic.

Figure 2: Child Poverty Rate, 2014-2018, New Brunswick (CFLIM-AT 2017)

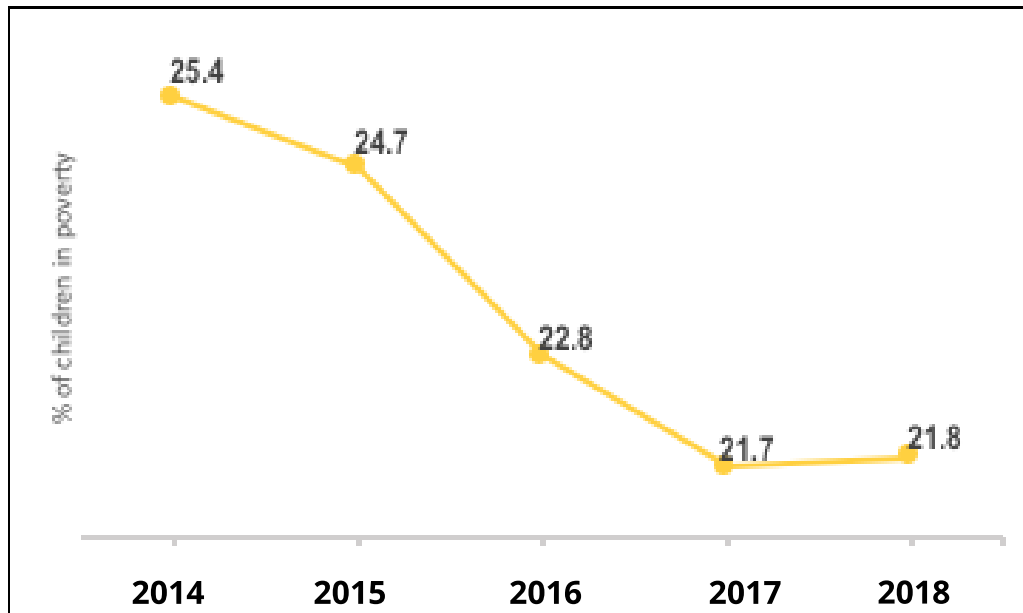
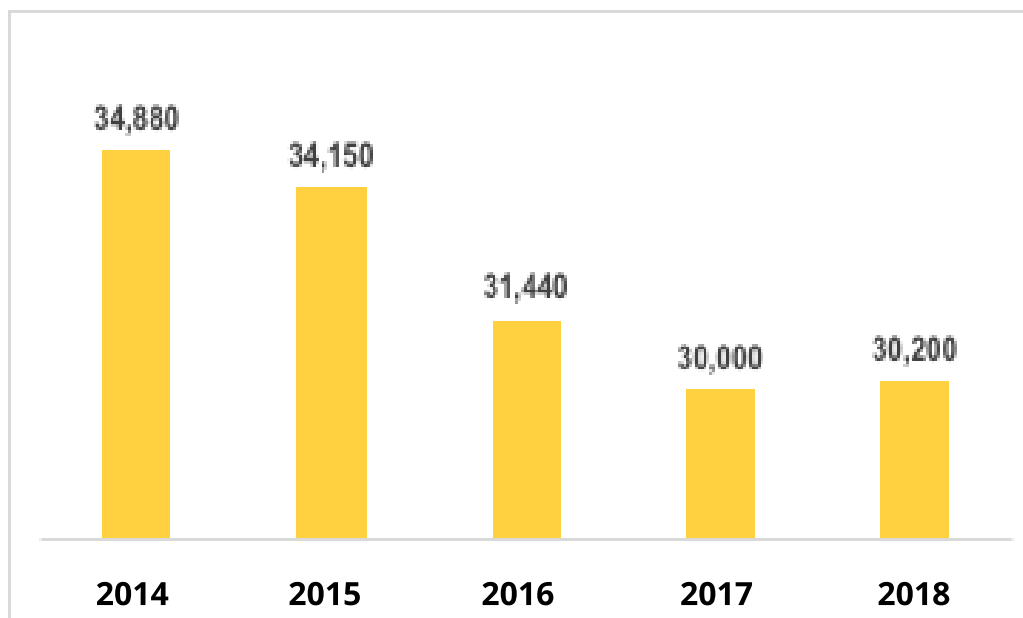


Figure 3: Number of Children in Poverty, 2014-2018, New Brunswick (CFLIM-AT)



Depth of Poverty

Not only is the unchanged poverty rate troubling, the depth of poverty, which is how far below the poverty line a household is, remains a concern. In 2018, the median family income for low-income families in the province was approximately \$10,000 below the poverty line depending on family type (see Figure 4 below).

With such a large poverty gap one can assume that many New Brunswickers are struggling to meet their basic needs: in 2019, 1 in 3 people accessing a food bank were children.[14] In 2020, food prices were expected to increase in New Brunswick[15], and over the last twenty years the cost of food in New Brunswick has risen more than other provinces in Canada.[16] With school closures due to COVID-19, food insecurity would be heightened among children who rely on school meal programs. Core housing need is another basic need of concern - 16.8% of New Brunswick households spend more than 30% of their income on housing[17]- the threshold at which housing is considered affordable. Basic needs will continue to be unmet as long as families are living with incomes so far below the poverty line.

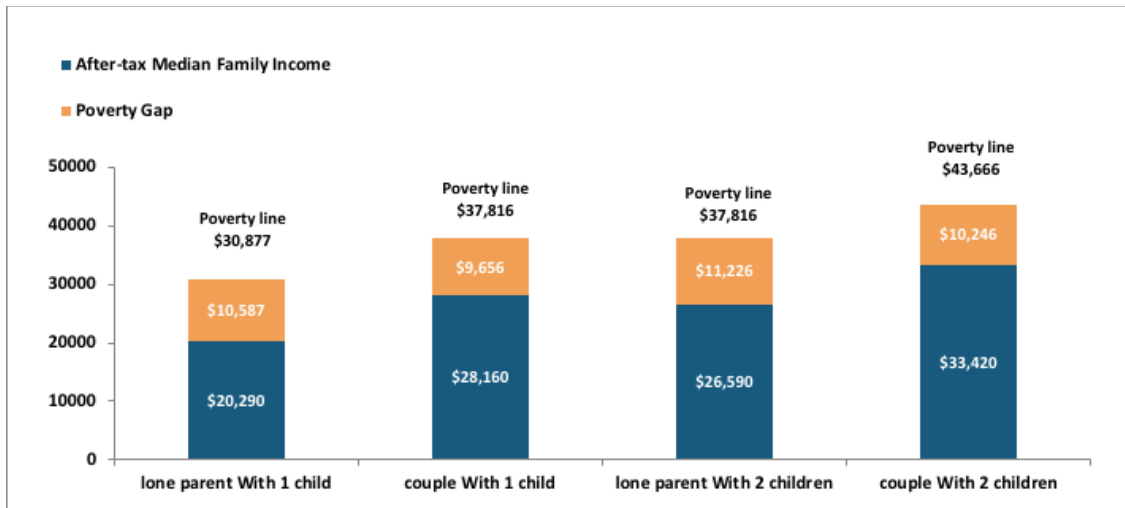
As of November 2020, there are 1,125 people on the waitlist for housing in the Saint John region.

471 (41.9%) of these are families with children.

Source: Social Development



Figure 4: Depth of Poverty for Low Income Families in New Brunswick (CFLIM-AT 2018)



[14] Food Banks Canada. 2019. "Hunger Count 2019". <https://hungercount.foodbankscanada.ca/?fbclid=IwAR1DProYPiEvq37gphw2TiVpDaa-bS1Z3Vd67oItEhyMxjaYmROYX2k7NPs>

[15] Dalhousie University and University of Guelph (2019). Canada's Food Prices Report 2020. <https://www.dal.ca/sites/agri-food/research/canada-s-food-price-report.html>

[16] <https://www.cbc.ca/news/canada/new-brunswick/new-brunswick-food-costs-high-1.5734397>

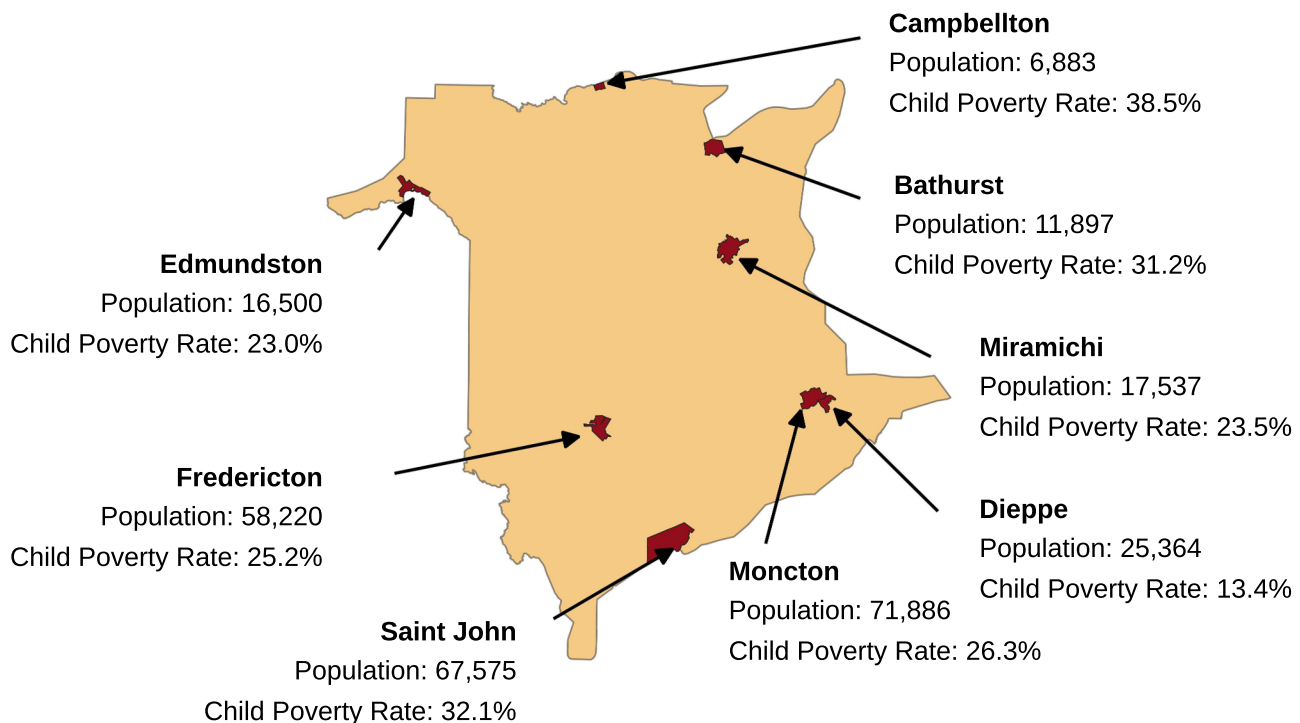
[17] Census 2016

The Distribution of Poverty in New Brunswick

One of New Brunswick's unique characteristics is its rural population, and there are numerous cultural differences between urban and rural areas of the province which present various challenges in eradicating child poverty. Even though the province has eight cities, the population in the northern cities is small relative to the southern cities. Additionally, the northern cities are surrounded by rural communities, whereas the southern cities' neighbours are surrounded by suburban towns. Preliminary analysis by three Maritime economists show a "stark contrast in well-being" between the northern and eastern parts of New Brunswick in comparison to the southern part of the province.^[18] According to their well-being index, "While the highest levels of well-being tend to be clustered in the population centers of Moncton, Fredericton, and Saint John, those experiencing the lowest levels of well-being are located along the North Shore which includes the Acadian Peninsula, Bathurst, Campbellton, and Miramichi."

Poverty is unevenly distributed among the province's eight cities, from a high of over 30% in Bathurst, Campbellton and Saint John, to a low of 13.4% in Dieppe.^[19] Some of the highest child poverty rates in the province are found in northern part of province (Campbellton at 38.5% and Bathurst at 31.2%), however high child poverty rates are not simply a problem of northern New Brunswick. Saint John, the provinces most southern city, has the second highest poverty rate in New Brunswick at 32.1%.

Variation in Population and Child Poverty Rates in New Brunswick's Cities



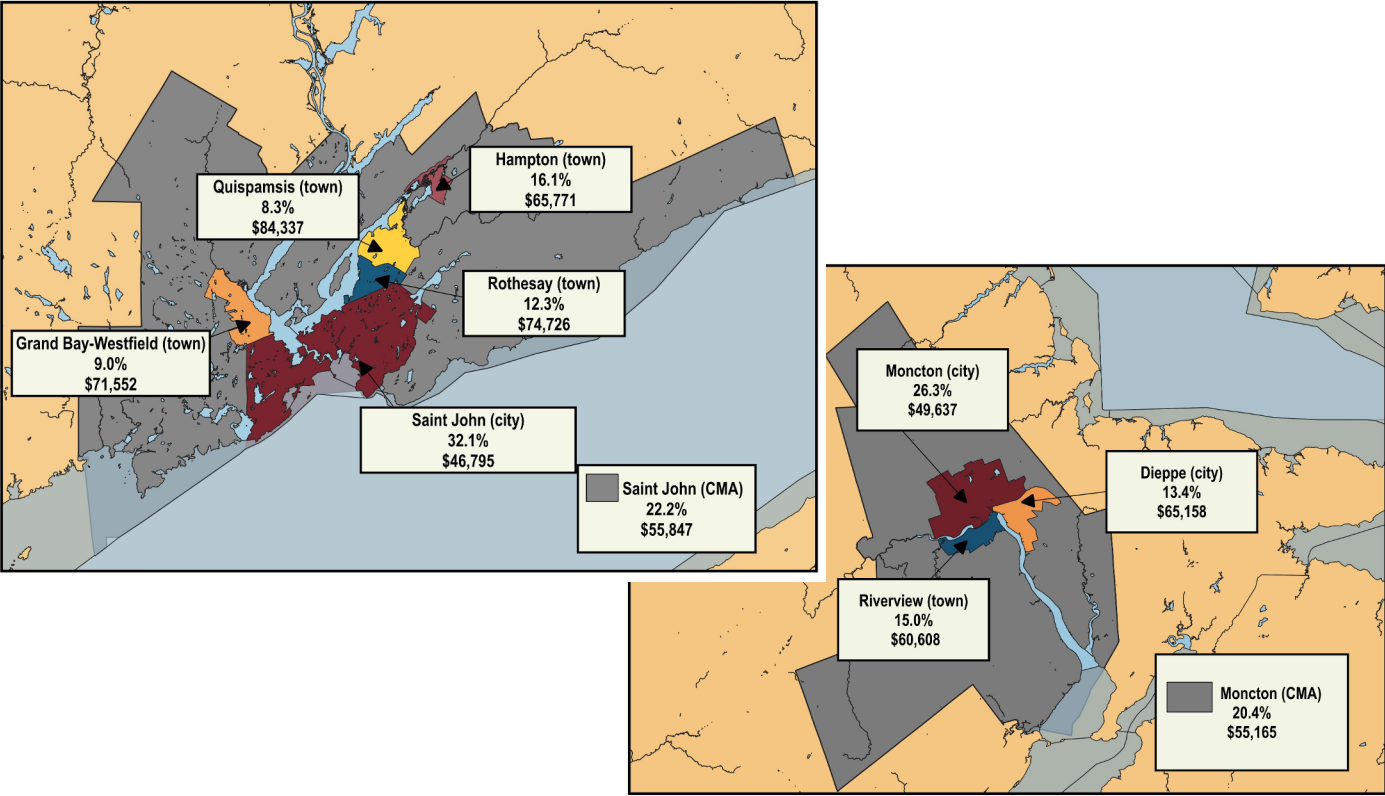
Source: Population - 2016 Census, Statistics Canada. Poverty Rates - T1FF 2018. CFLIM-AT

^[18]Watson, B. (2020). Forever Left Behind? The Inequality of Well-Being in New Brunswick. Dialogue NB blog. October 3, 2020. <https://dialoguenb.org/forever-left-behind/>

^[19]The poverty statistics for New Brunswick municipalities are reported at the Postal City level. Generally speaking, Postal Cities approximate, but do not exactly match the boundaries of Census Subdivisions and/or municipalities.

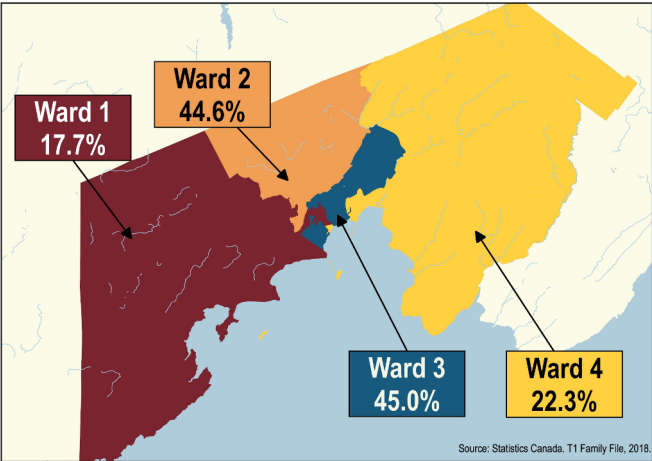
The province's two major metropolitan areas (known as Census Metropolitan Areas, or CMAs) Moncton and Saint John also see large differences in overall and child poverty rates between the central city and neighboring suburban municipalities. The City of Dieppe's child poverty rate is less than half the rate of the adjoining City of Moncton. In the Saint John region there is even a larger difference in rates between the city and its neighbouring suburban towns. Saint John's child poverty rate is more than 3 times higher than the rate in nearby Quispamsis.

**Child Poverty Rates and Median Household Incomes
Moncton CMA and Saint John CMA (cities and towns) [20]**



Child Poverty Rates in Saint John's Municipal Wards

Even within Saint John's boundaries there are large differences in the spatial distribution of poverty. Wards 1 and 4, for example, have child poverty rates that fall below the provincial average, while Wards 2 and 3 (containing the city's five priority neighbourhoods) have rates of 44.6% and 45.0% respectively.

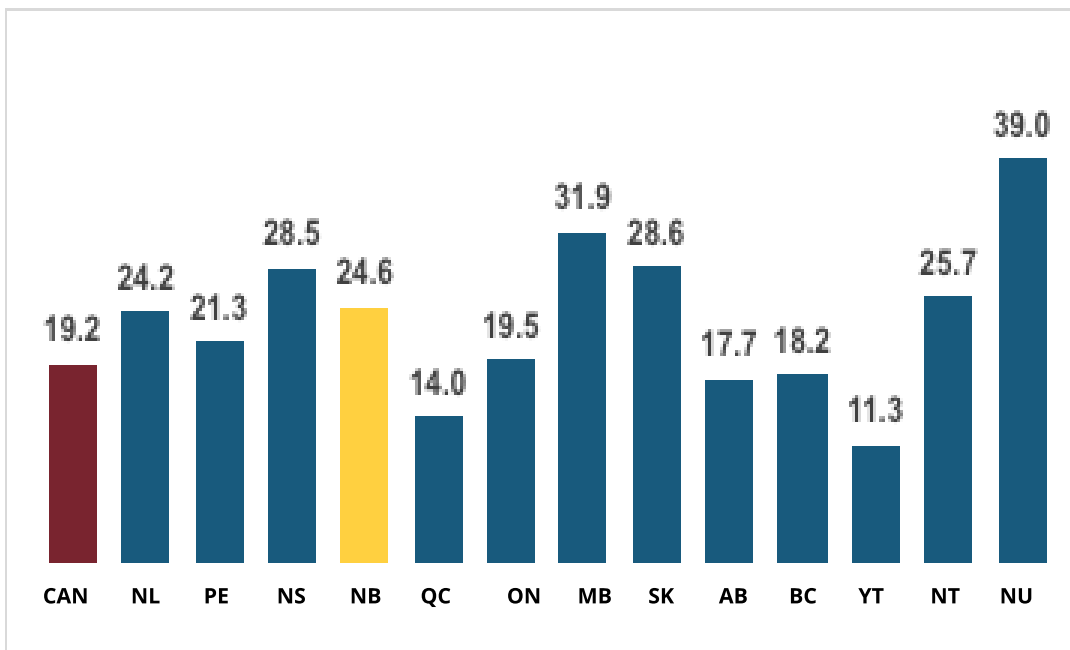


[20] Source: Child Poverty Rates - Statistics Canada, T1 Family File, 2017.
Source: Median Household Income - 2016 Census.

YOUNG CHILDREN (UNDER 6)

Poverty impacts one out of four (24.6%) children under the age of six in New Brunswick. Raising children, especially young children, is expensive. There are additional costs parents face when their children are young. For example, child care is more expensive for young children. According to the 2020 Living Wage calculation for Saint John, New Brunswick, full time day care for a toddler costs families nearly \$9,000 per year, in comparison to \$6,000 for before- and after-school care[21]. When combined with lost wages through the motherhood pay gap (where mothers suffer interruptions in their earning potential during pregnancy, maternity leave and in transitioning back to work), the financial stress on families is substantial[22].

Figure 5: Child Poverty Rates, Children under 6, Canada and Provinces



Families with non-school age children are eligible for the Designated Centre Parent Subsidy. Families with household incomes of \$37,500 or less are eligible to receive free access to early learning and childcare at a licensed centre, and families with incomes between \$37,501 and \$80,000 are eligible for a partial subsidy. The amount each family is eligible for depends on a number of criteria in addition to household income, including the daily child care fee and how many days the child is in care.

[21] Driscoll and Saulnier, 2020. Living wages in Nova Scotia and New Brunswick 2020. Canadian Centre for Policy Alternatives.

[22] For more on The Motherhood Pay Gap, please see:

·Grimshaw, Damian, and Jill Rubery. (2015.) The Motherhood Pay Gap: A Review of the Issues, Theory and International Evidence. Conditions of Work and Employment Series. International Labour Office, Geneva.

·Zhang, X. (2010). Can Motherhood Earnings Losses Be Ever Regained? Evidence From Canada. Journal of Family Issues, 31(12), 1671-1688.

·Phipps, S., Burton, P., & Lethbridge, L. (2001). In and out of the labour market: Long-term income consequences of child-related interruptions to women's paid work. Canadian Journal of Economics/Revue Canadienne D'économie, 34(2).

Table 1: 2019 Infant, toddler and preschool child care rates for Saint John, Moncton and Fredericton [23]

	Saint John	Moncton	Fredericton
Infant	\$868	\$856	\$835
Toddler	\$738	\$716	\$727
Preschool	\$664	\$722	\$690

Although those numbers look promising, one of the requirements to this program is that the child must attend a licensed centre to access the subsidy. Availability of licensed spaces is a problem for many parents. In Canada 44% of non-school age children live in a "child care desert", meaning that there are 3 children in potential competition for every licensed child care space.[24] In Saint John there are only spaces for 47% of non-school age children. In addition, the results from the 2019 Survey of Early Learning and Child Care Arrangements show that 34% of families using child care had difficulty finding child care. Many of those who had difficulty finding care ended up using multiple care arrangements or a temporary arrangement to meet their childcare needs.

Even if more spaces were available there are other reasons why the subsidy may not benefit families living in poverty. Traditional child care centers are generally not open on weekends or evenings, leaving many shift workers, including many low-wage workers in the retail and food industry unable to access the subsidy. Finding care that can accommodate a child with special needs can also be difficult for parents, especially for children with severe conditions. To solve the child care puzzle families need a public system of early learning and child care that is child-centred, play-based, seamless (all day, full year), quality, affordable and accessible.

Families with young children are more vulnerable in light of the pandemic. Day care was only available for children of essential workers during the height of the pandemic, leaving many families juggling child care responsibilities while working from home, or worse, forced to leave their job to care for their child. These issues are particularly concerning for low-wage workers and those living in poverty. Half of all workers earning \$14 an hour or less lost their job or all their hours between February and April 2020,[25] and working from home isn't an option for many low-wage workers. According to Statistics Canada, low-wage workers and those with low levels of education are least likely to hold jobs that can be done at home, leaving them particularly vulnerable to being laid off.[26]

[23] MacDonald and Friendly (2020). In progress.: Child care feeds in Canada 2019. Canadian Centre for Policy Alternatives. <https://www.policyalternatives.ca/publications/reports/progress>

[24] MacDonald, D. (2018). Child Care Deserts in Canada. Retrieved from the Canadian Centre for Policy Alternatives' website: <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2018/06/Child%20Care%20Deserts.pdf>

[25] <https://behindthenumbers.ca/2020/05/08/unequal-burden-covid19-joblessness/>

[26] Messacar et al. (2020). Inequality in the feasibility of working from home during and after COVID-19. Statistics Canada, June 8, 2020. <https://www150.statcan.gc.ca/n1/en/pub/45-28-0001/2020001/article/00029-eng.pdf?st=nLpNXOT>

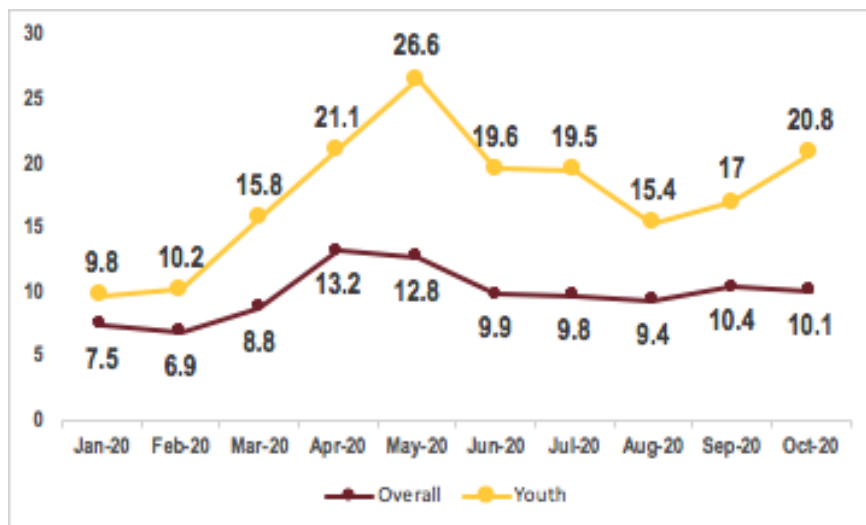
YOUTH

Teens and youth are another population that has been adversely impacted by the pandemic. According to “COVID-19 in Canada: A Six-month Update on Social and Economic Impacts”, since the pandemic began, young Canadians (age 15-24) have experienced the greatest decline in mental health. In 2019 60% of youth reported their mental health was “excellent” or very good. The rate dropped to 40% for those surveyed in July 2020. Similarly, in 2019 nearly 1 in 5 youth aged 15-17 reported that their mental health was “fair” or “poor”, compared to 7% of youth age 12-14[27]. For both age groups girls were more likely to report “fair” or “poor” mental health than boys of the same age.

Mental health isn't the only concern of youth during the pandemic. Statistics Canada reports that high school and post-secondary students who graduate during a recession could lose up to \$25,000 in earnings over the next five years compared to what previous graduates have earned[28]. According to the study, the loss of graduates' incomes depends on youth unemployment rates; in October 2020 (the most recent Labour Force Survey available when this report was written) the youth unemployment rate in New Brunswick remains 10.7 percentage points higher than the February youth unemployment rate.

In 2019 60% of youth reported their mental health was “excellent” or very good. The rate dropped to 40% for those surveyed in July 2020.

Figure 6: Unemployment rate Overall and Youth (age 15-24) in New Brunswick, January-October 2020



Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle

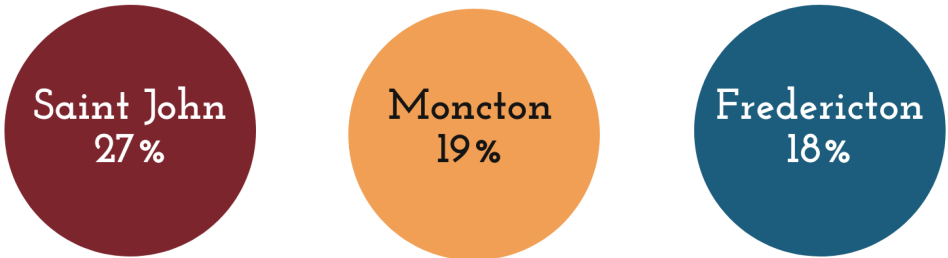
[27] Statistics Canada. Canadian Health Survey on Children and Youth, 2019. Released July 23, 2020

[28] Frenett et. al (2020). Potential Earnings Losses among High School and Postsecondary Graduates Due to the COVID-19 Economic Downturn. Statistics Canada. July 28, 2020.

Low income youth may struggle to succeed in school in a COVID-19 world where many high school and post-secondary classes are delivered online. According to the 2018 Canadian Internet Use Survey, children in low-income households are less likely to have access to the internet at home, and more likely to have less than one device per household member. To address this, the Government of New Brunswick introduced a Laptop Subsidy Program for low to middle income families. The amount each family receives depends on the number of children enrolled in grades 9 to 12 and household income[29].

Low income youth are also more likely to have fallen behind while schools were closed in 2020. A 2008 study found that youth in the bottom half of the parental income distribution were more likely to perform poorly on standardized tests after one less year of schooling than children in the top half of the income distribution.[30]

**Percentage of Homeless Population, Age 16-24
2018 Point In Time Count Results**



LONE PARENT FAMILIES

In 2018, 50.0% of children in lone parent families in New Brunswick were living in poverty, compared to 10.3% of children in couple-headed families. The province’s poverty rate for children in lone parent families was slightly higher than the national rate of 46.1% (CFLIM-AT, 2018). Lone parent families account for 30.9% of families with children in New Brunswick[31]and the majority (79.2%) are female led.

Poverty rates for lone parent families have likely increased due to the pandemic. When schools and daycares closed in March, lone parents were faced with difficult choices - continue to work (if they hadn’t lost their job) and find alternate child care arrangements, or stay home from work with their children. Child care can be a struggle for lone parents during normal times let alone during a government mandated lockdown. According to the Canadian Centre for Policy Alternatives, lone mothers in Canada were hit especially hard on the job loss front and are recovering much more slowly than parents in couple families.[32]In August one in three (29.2%) lone mothers were unemployed or working reduced hours as a result of the pandemic, including 42.2% of mothers with children under 6. With job losses at this rate, it is easy to imagine that the poverty rates for 2020 will be higher for lone parents than they are today. More families will have fallen into poverty and those who were already struggling will fall further behind.

[29]https://www2.gnb.ca/content/gnb/en/departments/education/services/services_renderer.201514.Laptop_Subsidy_Program.html

[30]Frenett et al (2020). COVID-19 Pandemic: School Closures and the Online Preparedness of Children. Statistics Canada. April 15, 2020

[31]2016 Census

[32]Scott, K. (2020). Left behind: Two decades of economic progress for single mothers at risk of being wiped out. Behind the Numbers. Canadian Centre for Policy Alternatives.

“For single mothers, the economic lockdown wiped out two decades of economic progress at a stroke. And lack of support now threatens their recovery. Poverty rates among single parent families were already considerably higher than couple families going into the pandemic. It has now magnified these stresses exponentially. And the numbers of those living in poverty are set to explode.

- Kathrine Scott, Canadian Centre for Policy Alternatives



Although schools returned to normal schedules in September, COVID-19 still affects lone parents of school-aged children. According to the Department of Education and Early Childhood Development’s return to school plan^[33](at the time of writing this report), students have to stay home if they have a single COVID-19 symptom and are required to be tested if they have two, forcing parents to take time away from work when their child is sick. And those whose children test positive for the virus would be required to stay home for 14 days. This is very challenging for lone parents living in poverty. They likely don’t have the savings in place to afford two weeks off work. According to the New Brunswick Women’s Council, “If you’re living paycheque to paycheque, having to take a full two weeks off is catastrophic.”^[34]

CHILDREN WITH DISABILITIES

Although Census and Tax filer data do not give child poverty rates for those who have a disability, studies show that families who have a child with a disability are another vulnerable population in Canada. ^[35]Families that have “a child with a severe and prolonged impairment in physical or mental functions”^[36]are currently eligible for the Child Disability Benefit, which is a tax-free monthly payment up to \$236/month, as well as disability tax credits. While these benefits help offset some of the costs of caring for children with disabilities, these benefits are inadequate if parents need to make adjustments to their employment to care for their child or if they have a child with a severe or chronic condition^[37]. Some parents have to quit their job or reduce their weekly working hours to care for their child.^[38]Some are unable to find childcare that can accommodate a child’s special needs. Parents may be forced to make employment decisions that drastically impact their household income.

15.4% of children aged 5 to 17 years in New Brunswick have at least one functional difficulty, according to the Canadian Health Survey on Children and Youth 2019.

3.8% of children aged 2 to 4 years in New Brunswick have at least one functional difficulty, according to the Canadian Health Survey on Children and Youth 2019.

^[33]Return to School: Guide for Parents and the Public. Government of New Brunswick, Department of Education and Early Childhood Development.<https://www2.gnb.ca/content/dam/gnb/Departments/ed/pdf/return-to-school-guide.pdf>

^[34]<https://www.cbc.ca/news/canada/new-brunswick/covid-19-pandemic-gender-imbalance-1.5739432>

^[35]Please see Burton and Phipps (2009), Burton and Phipps (2017) and Wall (2017) for more information

^[36]<https://www.canada.ca/en/revenue-agency/services/child-family-benefits/child-disability-benefit.html>

^[37]Burton and Phipps (2009),

^[38]Burton and Phipps (2009) find that 58 percent of parents who have a child with a disability reported experiencing at least one labour market problem, such as quitting their job, not taking a job, turning down a promotion, working fewer hours or changing work hours.

According to a report by Statistics Canada, many of the challenges associated with caring for children with disabilities may have been amplified during the pandemic^[39]. Since March, there has been a reduction in services, including rehabilitation services. Attending clinic and therapy appointments has become more challenging, as has obtaining medical equipment. It has also been more difficult for parents to receive respite.

The survey also revealed that nearly one in five participants indicated that they had a child age 0-14 with a disability.^[40] The majority (84%) reported a cognitive, behavioural or emotional disability such as ADHD, while 4% indicated a permanent physical disability such as deaf or hard of hearing and 7% indicated another type of disability. A small percentage (6%) reported that their child had a combination of at least two disabilities. Parents of children with disabilities had heightened concerns regarding their child's mental health, academic success and feelings of isolation and loneliness compared to other parents in the study. In another Statistics Canada survey on child care use during the pandemic, parents who reported having a child with at least one disability were less likely to report a return to child care once services re-opened. There are a variety of reasons why parents may make this choice, one being that their child's condition makes them more vulnerable to the virus. This may force some parents to stay home when they otherwise would have worked, leaving these families particularly vulnerable to living in poverty. A common theme throughout this report is that COVID-19 has exacerbated many inequalities in our society, and children with disabilities living in poverty are no exception.

Table 2: Health characteristics of children and youth in New Brunswick, 2019 Canadian Health Survey on Children and Youth

Indicator	Age	Percentage
Perceived health, very good or excellent	Total, 1 to 17 years	89.1
Perceived health, fair or poor	Total, 1 to 17 years	2.1
Perceived mental health, very good or excellent	Total, 1 to 17 years	81.8
Perceived mental health, fair or poor	Total, 1 to 17 years	4.7
Asthma	Total, 1 to 17 years	6.6
Learning disability or learning disorder	Total, 5 to 17 years	10.8
Anxiety disorder	Total, 5 to 17 years	5.1
Depression	Total, 5 to 17 years	1.2
Difficulties in getting to sleep	Total, 5 to 17 years	30.0

^[39]Arim, Findlay or Kohen (2020). The impact of COVID-19 pandemic on Canadian families of children with disabilities. Statistics Canada. August 27, 2020.

^[40]Note that the results from this report are based on a crowdsourcing data collection, and a large proportion of the voluntary participants were female, born in Canada, and had a Bachelor's degree or above.

Canada Child Benefit

Most families with children receive the Canada Child Benefit (CCB), which was introduced in July 2016. It is a tax-free, monthly payment made to families with children under 18. It provides significant income support for families and the amount each family receives is based on their annual income, ensuring that low and middle-income families benefit the most. In July 2018 the government indexed the CCB with inflation and as of July 2020, the maximum annual benefit was \$6,765 per child under age 6, and \$5,708 per child age 6 to 17.^[41]

Government transfers, such as the CCB, play a significant role in reducing child poverty. Without the CCB, 14,830 more New Brunswick children would live in poverty.^[42] This transfer alone reduced the child poverty rate by 10.8 percentage points (see chart below). Additional government transfers (for example the HST/GST credit, the Canada Workers' Benefit and Employment Insurance) further reduce child poverty by an additional 6.3%, and without these transfers an additional 8,700 New Brunswick children would be living in poverty.

In May 2020 families receiving the CCB were eligible to receive a one-time top up of up to \$300 per child to help families with children during the pandemic^[43]. As the amount received was based on household income, this top-up benefited low-income families the most. The effect of this top up on child poverty will be evaluated in our 2022 report card.

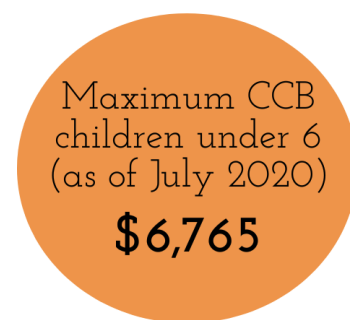


Table 3: Number of Children Living in Poverty:

With Transfers, Without Transfers and Without the Canada Child Benefit

	With Government Transfers	Without Government Transfers	Without Canada Child Benefit
Canada	18.2% 1,337,570	33.1% 2,441,890	27.4% 2,019,060
NB	21.8% 30,200	38.9% 53,730	32.6% 45,030

^[41]<https://www.canada.ca/en/employment-social-development/campaigns/canada-child-benefit.html>

^[42]Statistics Canada, Center for income and socioeconomic well-being statistics, Annual Income Estimates for Census Families and Individuals (T1 Family File), Custom Tabulation

^[43]<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-ccb-payment-increase.html>

Welfare

New Brunswick welfare rates are woefully inadequate. They are among the lowest in the country. Welfare in Canada 2019^[44] looked at the maximum total amount that four household types in New Brunswick received in 2019. The resource focused on the welfare incomes of a: single person considered employable, single person with a disability, lone parent with one child age 2, and couple with two children ages 10 and 15 (see table below).

The incomes were compared to the Market Basket Measure (MBM) for Moncton, the province's largest city. For each household type, the maximum welfare income fell well below the MBM. Welfare incomes as a percentage of the MBM ranged from 33% for a single person considered employable to 67% for a single person with one child. Rates for all of the provinces are set out in Appendix C.

Table 4: Value and components of welfare incomes in Moncton, New Brunswick, 2019.

Source: Welfare Incomes In Canada 2019, Maytree

Income component	Single person considered employable	Single person with a disability	Single parent, one child	Couple, two children
Basic social assistance	\$6,444	\$7,956	\$10,644	\$11,940
Additional SA benefits		\$1,200	\$1,224	\$1,224
Federal child benefits			\$6,568	\$11,083
Provincial child benefits			\$250	\$500
GST credit	\$287	\$287	\$725	\$876
Provincial tax credits/benefits	\$400	\$400	\$700	\$1,100

[44] Laidley, J. & Aldridge, H. (2020). Welfare in Canada 2019. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2019.pdf

Recommendations

The federal government has taken important and ground breaking steps in recent years, and has provided Canadians with many supports during the pandemic. However, poverty reduction needs to remain a priority in the coming years. The new majority provincial government has a role to play in eliminating child poverty as well. In keeping with previous report cards we offer the following recommendations [45]:

We Urge the Federal Government to:

- Strengthen the Poverty Reduction Strategy through strategic investments to meet more ambitious poverty reduction targets and set interim poverty reduction targets to be able to measure progress;
- Eliminate barriers to accessing the CCB benefit for families living at higher rates of poverty, including First Nations families on reserve, children whose parents have irregular immigration status, Black and racialized families, children with disabilities, women and gender non-conforming people experiencing domestic violence;
- Ensure that preventing food insecurity among families is a built-in goal of the Canada Child Benefit and reported on as part of Canada's Poverty Reduction Strategy;
- Convert the Disability Tax Credit to a refundable tax credit and extend compensation to the lowest income people with disabilities;
- Increase funding to the Canada Social Transfer (CST). Provide sufficient, stable and predictable funding that recognizes regional economic variations. Design the program to ensure that federal, provincial and territorial governments are accountable for meeting their human rights obligations to provide adequate income support;
- Make a binding condition of the CST that pandemic emergency benefits, be they the CERB, the new Canada Recovery Benefit (CRB) or any other, are not clawed back from social assistance benefits, nor negatively impact any other income benefit ,including special allowances for diet, medications, rent subsidies and others;
- Collaborate with First Nations, Inuit and Métis governments and Indigenous and women's organizations to develop plans to prevent, reduce and eradicate child and family poverty in Indigenous communities.

[45] Please see Campaign 2000's National Report Card for more in-depth federal recommendations.

- Immediately set up the Federal Child Care Secretariat announced in the 2020 Economic Update and mandate it to:
 - work with the Indigenous Early Learning and Child Care Secretariat;
 - consult with the Minister of Families, Children and Social Development's Expert panel on early learning and child care, child care advocates, policy experts and civil society organizations including anti-poverty organizations and equality rights organization;
 - develop a detailed multi-year plan to build a pan-Canadian system of early learning and child care in partnership with the provinces, territories and First Nations, Inuit and Métis Nation governing bodies;
- Enhance the National Housing Co-Investment Fund with an additional \$3 billion annually for new builds and repairs to existing units, allocate \$2 billion annually for new supportive housing for vulnerable populations, double the federal contribution to the Canada Housing Benefit and continue its expansion such that it becomes a universal benefit rather than rationed;
- Significantly bolster youth employment programs and apprenticeship opportunities;
- End discriminatory wages for youth and students and institute a \$15/hour federal minimum wage for all workers;
- Reduce inflows into homelessness by implementing a targeted housing strategy and establishing a national framework for extended care and support for youth in child welfare, in collaboration with First Voice Advocates, territories and provinces;
- Create legislation and invest \$3.5 billion in annual federal transfers to provinces and territories as part of the federal COVID-19 recovery plan and as a first step to full implementation of a universal, comprehensive, public pharmacare system based on the principles and recommendations in *A Prescription for Canada: Achieving Pharmacare for All 2019*;
- Address growing income inequality and generate revenue for poverty reduction program by eliminating or reducing highly regressive and expensive tax loopholes, closing tax havens, taxing extreme wealth and implementing excess profit tax focused on corporate pandemic windfalls.

We Urge the Provincial Government To:

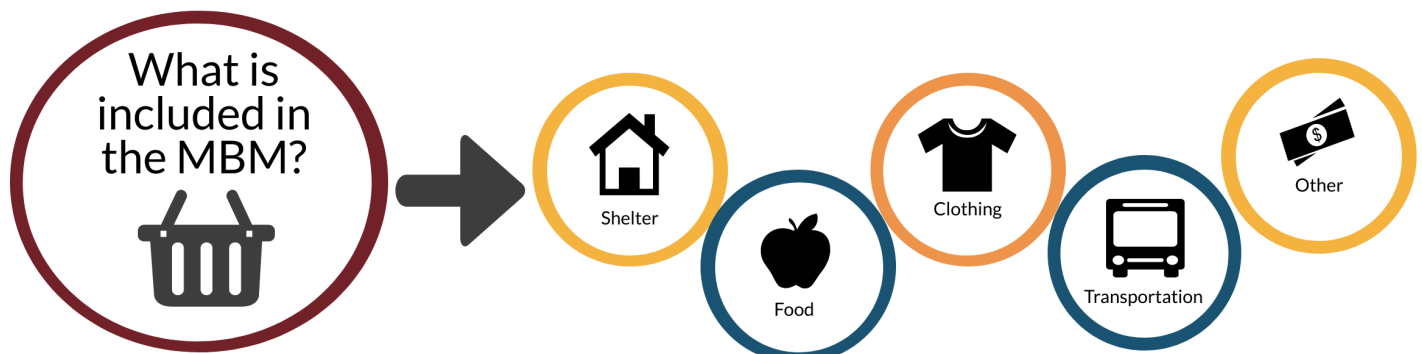
- Provide sustained funding for poverty reduction programs in order to achieve the targets set out in the Economic and Social Inclusion Act;
- Revisit Social Assistance Reform in the province and provide increases to welfare rates that align with the 2018-base Market Basket Measure thresholds;
- End the claw-back of child support payments from lone parents receiving social assistance;
- Ensure that the income thresholds for programs available for low income households (for example, New Brunswick Drug Plan and Healthy Smiles, Clear Vision) align with Canada's Poverty Line, at minimum. Thresholds should also account for household size.
- Make early childhood education and early literacy an immediate priority, with the goal of building a public system of early learning and child care that is child-centred, play-based, seamless (all day, full year), quality, affordable and accessible. Until a public system is available, we urge the provincial government to:
 - Reform and streamline the New Brunswick Daycare Assistance Program for school-aged children. The rates should be raised to reflect the cost of childcare;
 - Provide more high quality, subsidized childcare spaces under the Designated Centre-Parent Subsidy program, as well as the Daycare Assistance Program;
 - Ensure child care centers are inclusive and that there are more spaces for children with special needs;
- Ensure that all children have the tools required to succeed in an online learning environment, including affordable, high-quality broadband internet that is accessible in rural areas of New Brunswick;
- Set a timetable to raise the minimum wage to \$15 per hour;
- Update the Employment Standards Act to better protect workers in an economy with more part-time, precarious and gig work, including the provision of ten paid sick days.
- Invest to support local, sustainable, affordable food production and distribution.
- Develop a provincial plan to end chronic homelessness, co-led by the Department of Social Development and the Department of Health;
- Increase investments in intensive case management teams (e.g., Housing First and Rapid Rehousing) and permanent supportive housing;

- Fast-track the development of housing units identified in the provincial housing strategy for individuals and families experiencing homelessness;
- Prevent and/or reduce the occurrence of homelessness by utilizing the Canada Housing Benefit to support low income individuals and families at risk of becoming homeless to remain housed;
- Build more affordable housing and introduce legislation to control the amount that rent can be increased annually;
- Prioritize the support of newcomers through settlement programs, language classes, and workplace attachment initiatives. Where available, support Local Immigration Partnerships;
- Work with Indigenous communities to support poverty reduction. Ensure that indigenous realities are included in poverty reduction and housing strategies;
- Work with Statistics Canada, the federal government, and indigenous communities to improve the way in which poverty on reserves is measured.

Appendix A: Market Basket Measure

In November 2018 the federal government adopted the Market Basket Measure (MBM) as Canada's official poverty line. Even though the MBM is the official poverty line in Canada this report uses the Low-Income Measure (LIM) as the measure of poverty. While we recognize that no measure of poverty is perfect, the MBM has a few shortcomings which are discussed below. For these reasons Campaign 2000 and its regional partners have chosen to use the LIM in the 2020 Child Poverty Report Cards.

First and foremost, the MBM is an absolute measure of poverty - it determines the absolute minimum a family needs to survive. The MBM is based on the cost of a specific, predetermined basket of goods and services for a reference family of two adults (aged 25-49) and two children (a girl age 9 and a boy age 13). Unfortunately, it does not include some goods and services that are essential for Canadian's well-being. It is based upon expert's norms, and without reference to social and cultural needs.



For example, childcare is not a basket item^[46]and can be quite expensive for families, especially families with non-school aged children. One in ten parents with non-school aged children in Canada had difficulty finding affordable childcare, and one-quarter of parents of non-school age children who chose not to use childcare said they made this decision because the cost of childcare was too high.^[47]People with lived experiences in poverty sometimes feel it is not worth working because childcare is so expensive^[48].

The MBM also does not include non-insured but medically prescribed health-related expenses such as dental and vision care, prescription drugs, private health insurance and aids for persons with disabilities. According to a 2012 study, two-thirds of Canadians incur out-of-pocket expenses for prescription drugs each year, and 1 in 10 Canadians who receive a prescription indicate cost-related nonadherence to the drug.^[49]This number increases to 1 in 5 for those with household income under \$20,000 per year.

The predetermined basket of goods and services does not automatically change with changes in cost of living.^[50]It only changes when the government updates the basket, which can be a lengthy and costly process. Statistics Canada released the updated “2018-base MBM” in September^[51]. The MBM had not been rebased or updated since the first comprehensive review that took place between 2008-2010.

The LIM, on the other hand, is a relative measure of poverty. The LIM is defined as income that falls below 50 of percent median household incomes, it accounts for changes in social norms, as well as the growing disparity between the rich and the poor. It naturally rises as societies become richer which accounts for higher standard of living. The idea that the poverty line should be drawn to the current standard of living is not new; in the 1700's Adam Smith thought that necessities in life change as “established rules of decency”(today, known as social norms) change.^[52]Campaign 2000 and its regional partners prefer the LIM as it accounts for social exclusion, stress and exposure to difficult environments related to a household’s or family’s relative position in the income hierarchy.

.....
^[46]Child care is currently represented as a deduction from disposable income. Statistics Canada is exploring whether this is the best way to treat child care expenses in the MBM calculation, and whether they would be better represented as a basket item. For more information, please see Heisz, A. (2019).

^[47]Findlay, Leanne. (2019). Early Learning and Child Care for Children aged 0 to 5 years: A Provincial/Territorial Portrait. Economic Insights. Statistics Canada. Catalogue no. 11-626-X - 2019013 - No. 099.

^[48]Heisz, A. (2019). An update on the Market Basket Measure comprehensive review. Statistics Canada. www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2019009-eng.htm

^[49]Law, M.R., Cheng, L., Dhalla, I.A., Heard, D., Morgan, S.G., 2012. The effect of cost on adherence to prescription medications in Canada. *Can. Med. Assoc. J.* 184 (3), 297-302.

^[50]Kneebone, R. and Wilkins, M. (2019). Measuring and Responding to Income Poverty. The School Of Public Policy Publications, Volume 12, Issue 3.

^[51]Statistics Canada.Table 11-10-0066-01 Market Basket Measure (MBM) thresholds for the reference family by Market Basket Measure region, component and base year

^[52]Osberg, L. (2018). The age of increasing inequality : The astonishing rise of Canada's 1%. Toronto, Ontario: James Lorimer & Company.

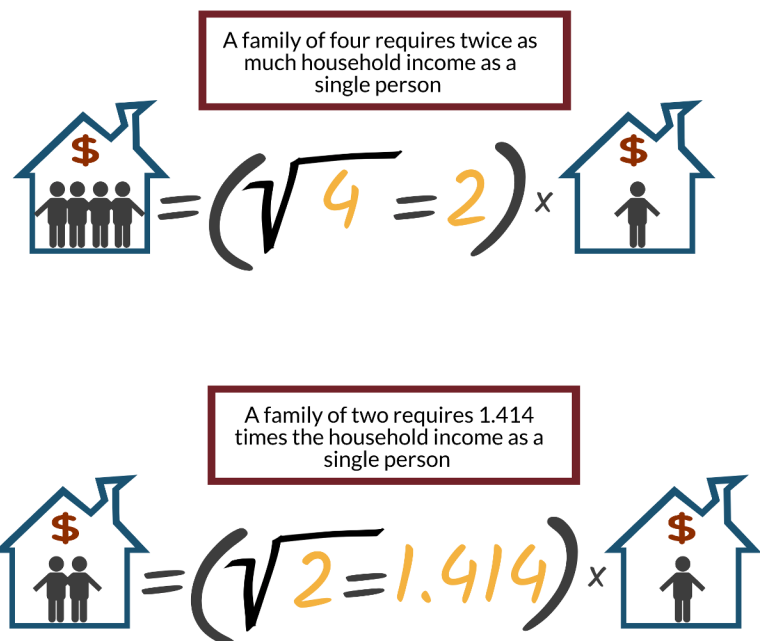
Another reason the LIM is preferred for our report cards is because it uses tax filer data, where as the MBM income data is obtained through the Canadian Income Survey (CIS), which is sample based. Census or taxfiler data are more reliable when studying those living in poverty because sample based surveys are not the best way to get an accurate picture of those at the top and bottom of the income distribution.[53] Some of the most vulnerable Canadians (for example First Nations communities, or the homeless population) are not represented in Statistics Canada surveys due to the way the data is collected. Although the tax filer data is not perfect (for example, some low income people may not file their taxes) it is more comprehensive than the CIS.

The other advantage to using a rate that is calculated from tax filer data is we get a larger sample size, which allows us to calculate poverty rates for smaller geographies. If we used the MBM or data from the CIS we would not be able to provide poverty rates for geographies outside of Saint John, Moncton and Fredericton. Tax filer data allows us to calculate poverty rates for all New Brunswick cities, towns and create the maps found in Appendix C.

Lastly, the ability to easily compare to previous reports is another advantage of using the LIM for our report cards. The MBM reports lower poverty rates than the LIM and switching our methodology could potentially cause confusion around the progress (or lack of) that has been made in recent years.

Appendix B: Square Root Equivalency

In 2018 the CFLIM methodology was updated. It adopted the square root equivalency method to calculate adjusted family income and the CFLIM threshold which are used to determine whether a household is low income. Under this new methodology household income is divided by the square root of the number of people living in the household. This method is preferred since larger families benefit from economies of scale and the square root equivalency accounts for this. The MBM also uses the square root equivalency to adjust for different family sizes. [54]



[53] ibid

[54] For more information on the CFLIM methodology please see Statistics Canada. 2019. Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors. T1 Family File, Final

Appendix C - Adequacy of Welfare Incomes

Source: Welfare Incomes in Canada 2019

		Single person considered employable	Single person with a disability [55]	Single parent, one child	Couple, two children
British Columbia	Total welfare income	9,512	15,293	21,394	28,162
	MBM threshold (Vancouver)	24,914	24,914	35,234	49,829
	Welfare income as % of MBM	38	61	61	57
Alberta	Total welfare income	9,377	10,837	22,735	33,159
	MBM threshold (Calgary)	24,517	24,517	34,672	49,034
	Welfare income as % of MBM	38	44	66	68
Saskatchewan	Total welfare income	8,829	11,465	21,240	30,193
	MBM threshold (Saskatoon)	23,190	23,190	32,795	46,379
	Welfare income as % of MBM	36	47	61	61
Manitoba	Total welfare income	9,639	12,650	22,347	30,586
	MBM threshold (Winnipeg)	22,527	22,527	31,858	45,054
	Welfare income as % of MBM	43	56	70	68
Ontario	Total welfare income	9,773	15,118	21,788	31,485
	MBM threshold (Toronto)	24,563	24,563	34,737	49,125
	Welfare income as % of MBM	40	62	63	64

[55] Saskatchewan single person with a disability (SAP) numbers are used

		Single person considered employable	Single person with a disability	Single parent, one child	Couple, two children
Quebec	Total welfare income	9,605	14,804	25,409	37,636
	MBM threshold (Montreal)	20,530	20,530	29,033	41,059
	Welfare income as % of MBM	47	72	88	92
New Brunswick	Total welfare income	7,131	9,843	20,111	26,723
	MBM threshold (Moncton)	21,374	21,374	30,227	42,748
	Welfare income as % of MBM	33	46	67	63
Nova Scotia	Total welfare income	7,442	10,270	18,372	27,974
	MBM threshold (Halifax)	22,936	22,936	32,436	45,872
	Welfare income as % of MBM	32	45	57	61
Newfoundland	Total welfare income	11,386	11,586	23,578	29,533
	MBM threshold (St. John's)	22,600	22,600	31,961	45,199
	Welfare income as % of MBM	50	51	74	65
Prince Edward Island	Total welfare income	11,245	13,058	22,158	34,938
	MBM threshold (Charlottetown)	21,841	21,841	30,888	43,683
	Welfare income as % of MBM	51	60	72	80

Appendix D - Child Poverty Rates by Postal City ^{[56], [57], [58]}

Postal City	% of children in low income
ALLARDVILLE	22.7
BATHURST	31.2
BELLEDUNE	46.7
BERESFORD	15.0
BLACKS HARBOUR	26.3
BOUCTOUCHE	32.4
BURNT CHURCH FIRST NATION	71.8
BURTON	11.3
BURTTS CORNER	22.7
CAMPBELLTON	38.5
CAP-PELE	19.4
CARAQUET	13.6
CHIPMAN	31.6
COLPITTS SETTLEMENT	17.2
DALHOUSIE	32.5
DIEPPE	13.4
DOAKTOWN	40.0
DSL DE DRUMMOND	10.9
EDMUNDSTON	23.0

Postal City	% of children in low income
EEL GROUND	52.9
EEL RIVER BAR FIRST NATION	53.8
ELSIPOGTOG FIRST NATION	50.7
FLORENCEVILLE-BRISTOL	14.7
FREDERICTON	25.2
GEARY	18.5
GRAND BAY-WESTFIELD	9.0
GRAND MANAN	19.1
GRAND-SAULT/GRAND FALLS	22.4
HAMPTON	16.1
HANWELL	7.5
HARVEY YORK CO	20.0
HILLSBOROUGH	25.0
IRISHTOWN	11.4
KINGSCLEAR FIRST NATION	64.7
KINGSTON	18.9
LAKEVILLE-WESTMORLAND	38.5
LAMÈQUE	26.3
LINCOLN	17.9

[56] Child poverty rates for postal cities with less than 50 children below the 2018 CFLIM-AT threshold are not included.

[57] Postal Cities are based on the mail delivery system for unique place names within a province/territory.

Postal City	% of children in low income
MCADAM	28.6
MEMRAMCOOK	8.1
MINTO	39.5
MIRAMICHI	23.5
MONCTON	26.3
NACKAWIC	27.8
NEGUAC	19.2
NEW MARYLAND	7.7
OAK BAY	37.5
OROMOCTO	8.8
PENNFIELD	19.2
PERTH-ANDOVER	37.0
PETIT-ROCHER	29.2
PETITCODIAC	16.1
PLASTER ROCK	37.5
QUISPAMIS	8.3
RED BANK RESERVE	55.6
RICHIBUCTO	38.1
RIVERVIEW	15.0
RIVIÈRE-VERTE	20.0
ROTHESAY	12.3
RUSAGONIS	8.8
SACKVILLE	20.8
SAINT JOHN	32.1

Postal City	% of children in low income
SAINT-ANDRÉ	17.9
SAINT-BASILE	17.2
SAINT-JACQUES	15.9
SAINT-LÉONARD	18.8
SAINT-LOUIS-DE-KENT	38.5
SAINT-QUENTIN	18.3
SAINTE-ANNE-DE-MADAWASKA	24.0
SALISBURY	22.4
SHEDIAC	20.2
SHIPPAGAN	27.3
ST ANDREWS	22.2
ST GEORGE	17.2
ST STEPHEN	34.0
SUSSEX	34.5
SUSSEX CORNER	19.2
TOBIQUE FIRST NATION	58.8
TRACADIE-SHEILA	24.1
VAL-D'AMOUR	19.2
WAASIS	17.5
WILLOW GROVE	17.9
WILSONS BEACH	33.3
WOODSTOCK	28.1
ZEALAND	35.7

[58] Children living on first nations reserves have some of the highest poverty rates in the province. And even though national poverty lines might not perfectly align with First Nations culture, we do know that reserves across Canada are challenged by substandard housing, unsafe drinking water, health challenges, and high rates of suicide. For more information on Indigenous poverty, please see:

- McDonald David and Daniel Wilson. 2016. "Shameful Neglect: Indigenous Poverty in Canada." Canadian Centre for Policy Alternatives.

- Thistle, Jesse, A. 2017. "Definition of Indigenous Homelessness in Canada." Canadian Observatory on Homelessness. <http://homelesshub.ca/sites/default/files/COHIndigenousHomelessnessDefinition.pdf>

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