



NEW BRUNSWICK'S 2021 CHILD POVERTY REPORT CARD

November 2021



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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-two years ago, the Canadian House of Commons unanimously resolved to eliminate child poverty by 2000. However, in 2021, child poverty persists in communities from coast to coast. The Human Development Council releases an annual report card in partnership with Campaign 2000 to shine a light on the current state of child poverty in New Brunswick. Similar provincial and territorial report cards are written by a network of organizations committed to poverty reduction and eradication across the country. These documents are a reminder of a resolution and promise to Canadian children that has not yet been fulfilled.

In 2018, the federal government introduced *Opportunity for All: Canada's First Poverty Reduction Strategy*. It aims to "reduce poverty by 20 percent by 2020 and 50 percent by 2030."^[1] The Strategy sets the Market Basket Measure (MBM) as Canada's official poverty line. The MBM is an absolute measure of poverty. It determines the absolute minimum a family needs to survive. The MBM has some limitations (see Appendix A), thus Campaign 2000 and its regional partners choose to use the Low-Income Measure (LIM) in their annual reporting on child poverty.

The LIM is a relative measure of poverty. It identifies families with incomes below 50% of median income, adjusted for family size. The LIM uses tax filer data, while MBM data is obtained through the Canadian Income Survey. Tax filer data is more reliable than survey data derived from a relatively small sample size that may not be representative of all peoples' realities. This report relies on the After-Tax Census Family Low Income Measure (CFLIM-AT). The most recent data available is from 2019.

In 2019, the CFLIM-AT reported 13,190 more children living in poverty than the MBM (see Figure 1).^[2] The gap between the two poverty measures has been widening since 2015.^[3]

[1] Employment and Social Development Canada. (2018). *Opportunity for All: Canada's First Poverty Reduction Strategy*, <https://www.canada.ca/en/employment-social-development/programs/poverty-reduction/reports/strategy.html>

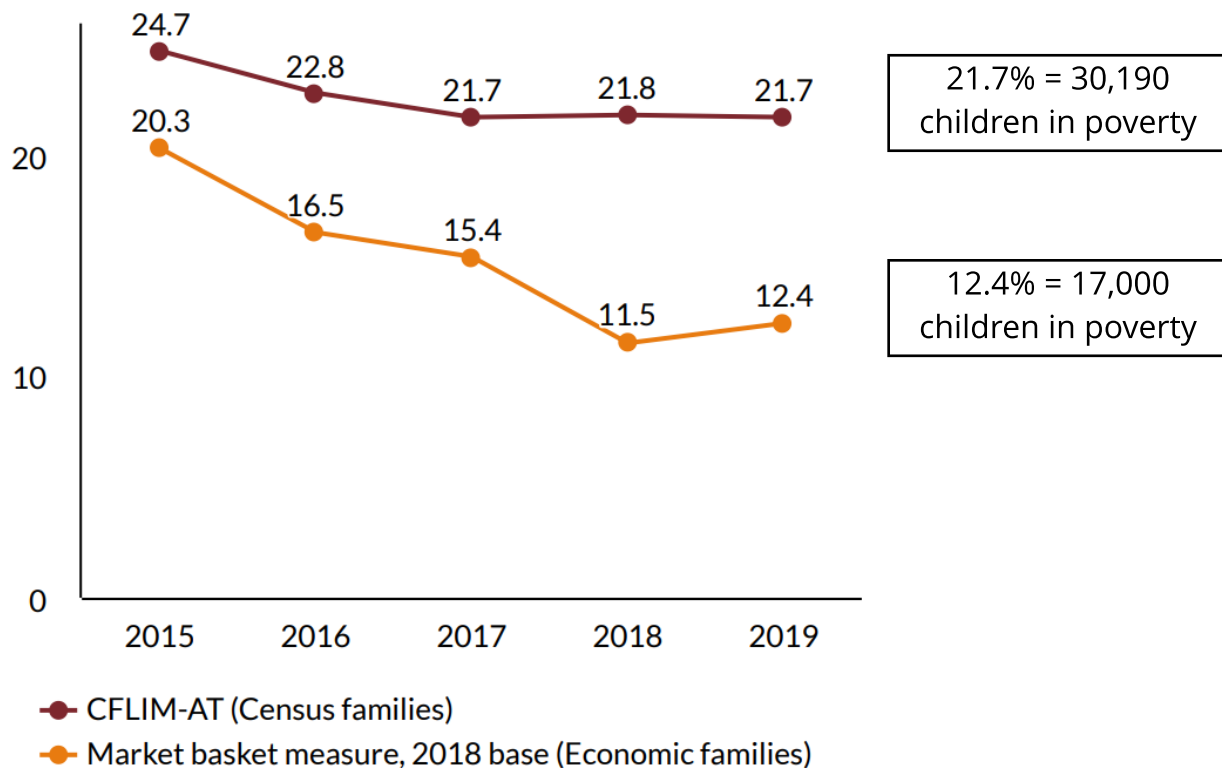
[2] Statistics Canada, Table 11-10-0018-01 (formerly CANSIM 111-0046), After-tax low income status of tax filers and dependents based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition, 2015-2019.

[3] Statistics Canada, Table 11-10-0135-01, Low income statistics by age, sex and economic family type, persons living below the poverty line (market basket measure), 2015-2019.

Table 1: Census Family Low Income Measure, After Tax 2019
Thresholds by Family Type [4]

Family Type	CFLIM-AT (\$)
Single person (no child)	22,518
Lone parent with one child	31,845
Lone parent with two children	39,002
Couple with one child	39,002
Couple with two children	44,036

Figure 1: Percentage of Children in Poverty in New Brunswick, CFLIM-AT and MBM, 2015-2019 [5] [6]



[4] Statistics Canada, Table G. 2019 Threshold for After-Tax Census Family Low Income Measure, Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors. T1 Family File, Final Estimates, 2019.

[5] Statistics Canada, Table 11-10-0018-01 (formerly CANSIM 111-0046), After-tax low income status of tax filers and dependents based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition, 2015-2019.

[6] Statistics Canada, Table 11-10-0135-01, Low income statistics by age, sex and economic family type, persons living below the poverty line (market basket measure), 2015-2019.

Child Poverty in Canada

In 2019, nearly 1 in 5 (17.7%) Canadian children were reported to be living in poverty.[7] Over 1.3 million children lived in poverty across Canada, and 30,190 of them were children in New Brunswick. The province of New Brunswick had the sixth highest child poverty rate in the country (fourth if only considering the provinces and not the territories).

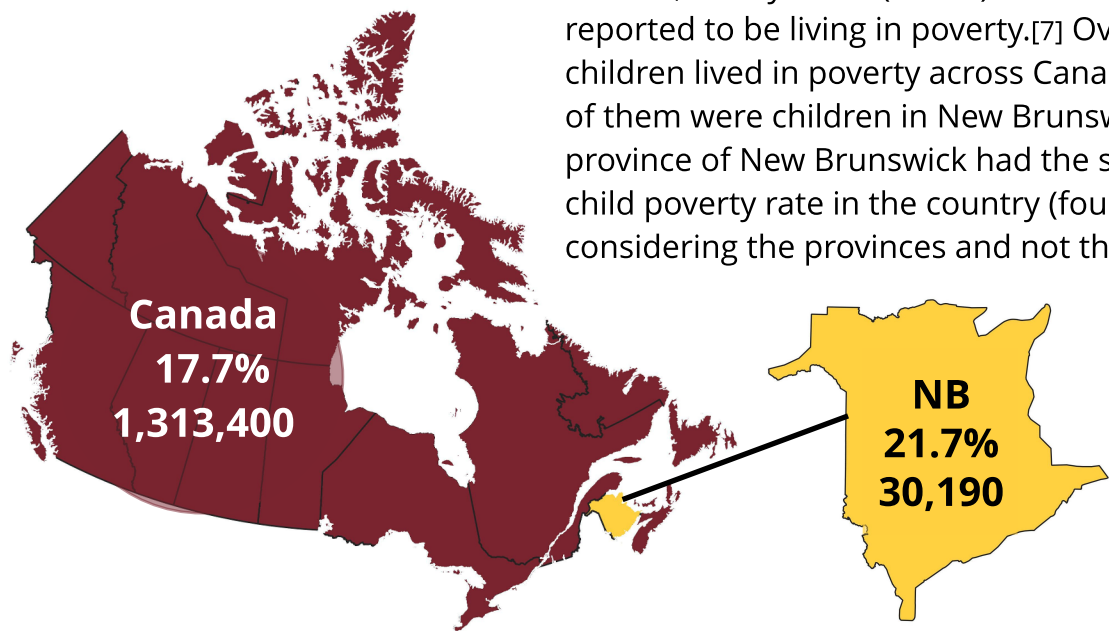
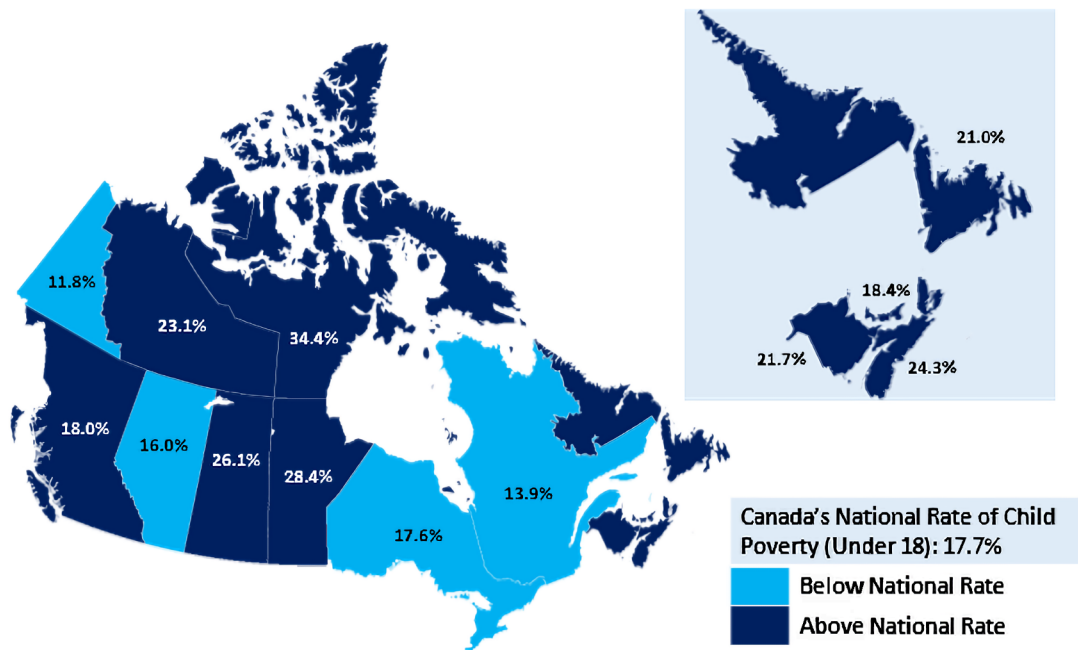


Figure 2: National Rates of Child Poverty (Under 18), After-Tax Census Family Low Income Measure (CFLIM-AT), Canada, Provinces and Territories, 2019 [8]



[7] Statistics Canada, Table 11-10-0018-01. After-tax low income status of tax filers and dependents based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition, 2019.

[8] Ibid.

Child Poverty in New Brunswick

Slight progress was made in child poverty reduction between 2018 and 2019. The child poverty rate decreased by 0.1 percent after increasing marginally in 2018. The province has considerable work to do to end child and family poverty.

The current child poverty rate could be higher than the rate reported here as a consequence of the COVID-19 pandemic. COVID-19 has inflicted economic hardship and uncertainty upon many families in New Brunswick. The effects of COVID-19 on child poverty will be examined in future report cards.

The incidence of poverty among Indigenous and racialized children was discussed in previous reports using 2016 data[9]. We await updated numbers for further analysis in future reports.

Figure 3: Child Poverty Rate in New Brunswick, 2015-2019 (CFLIM-AT)

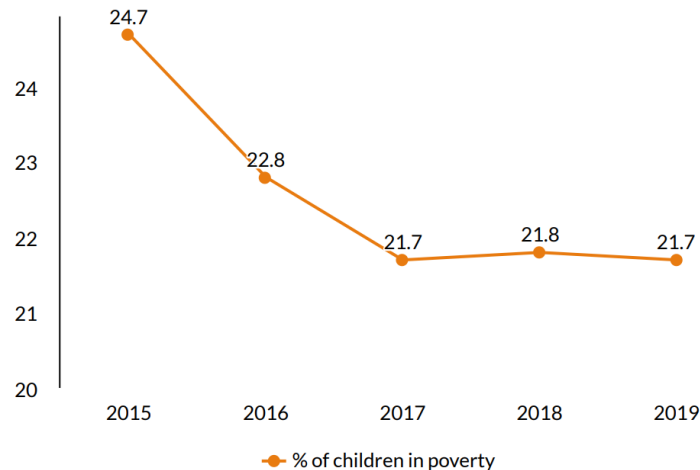
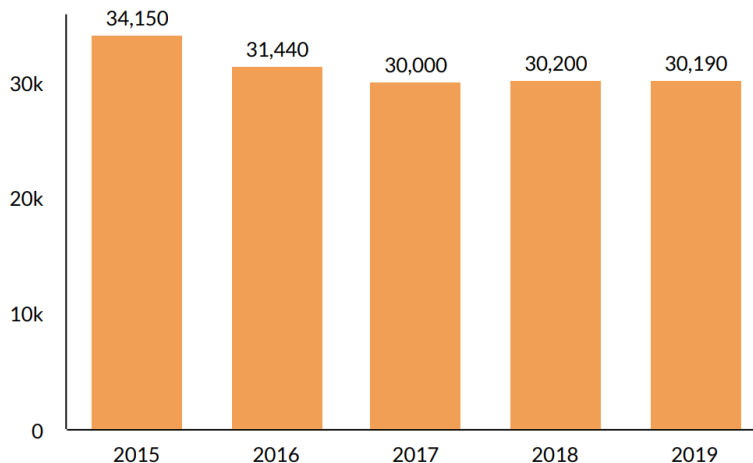


Figure 4: Number of Children in Poverty in New Brunswick, 2015-2019 (CFLIM-AT)



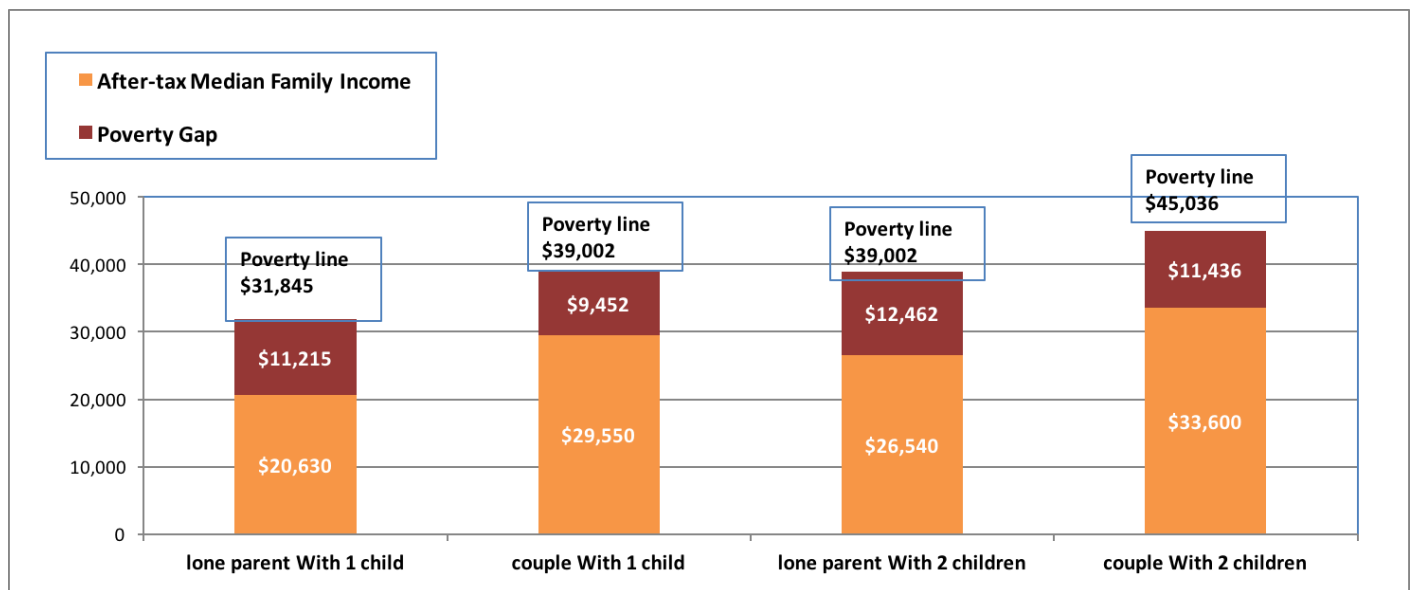
[9] See the Human Development Council's *Child Poverty Report Cards* for 2017 (p. 11), 2018 (p. 16), and 2019 (p. 13), <https://sjhdc.ca/poverty-reduction/>

Depth of Poverty

The depth of poverty speaks to the realities of people with incomes far below the poverty line.[10] In New Brunswick, the measurement of deep poverty is “having an income at 50% or less of the Low-Income Measure (LIM) in a given year.”[11] People are more likely to fall into deep poverty if their primary source of income is government transfers rather than wages.[12] Deep poverty is a significant concern for low-income families in New Brunswick (see Figure 5). In 2019, the after-tax median income for a low-income family of four was \$11,436.00 below the poverty line. The poverty gap was even greater for lone parents with two children. With such large poverty gaps, many families are struggling to meet their basic needs.

Food security is an example. More Canadians are visiting food banks as a result of low incomes and increasing food prices and housing costs.[13] A total of 20,408 visits to food banks in New Brunswick was reported over the last year, and 6,544 of those visits involved children.[14] Children represent 31.9% of people served at food banks in this province.[15] Many children living in poverty rely on school meal programs. Their food insecurity was heightened due to school closures during more severe waves of the COVID-19 pandemic.

Figure 5: Depth of Poverty for Low-Income Families in New Brunswick (CFLIM-AT 2019)



[10] Dutton, D.J., & Emery, J.C.H. (2019). *Deep poverty in New Brunswick: A description and national comparisons*. Fredericton, NB: New Brunswick Institute for Research, Data and Training.

[11] Ibid.

[12] Ibid.

[13] Food Banks Canada, *Hunger Count 2021 Report*, <https://hungercount.foodbankscanada.ca/>

[14] Ibid.

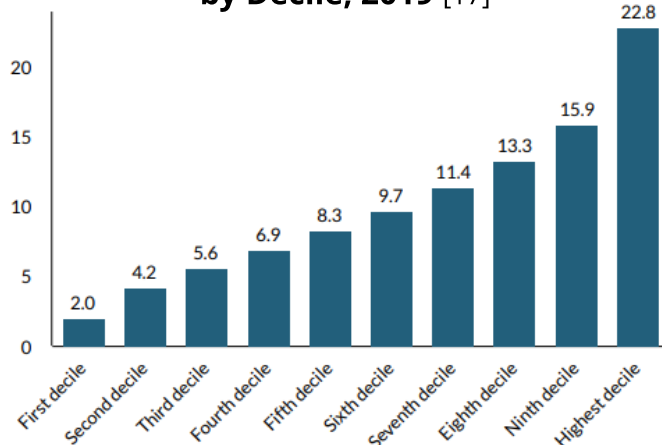
[15] Ibid.

Inequality

Inequality and poverty are intricately linked. Inequality creates conditions for relative poverty. It makes people *feel* poor because, in part, they are unable to fully participate in their community. The isolating capacity of poverty is shaped by the experience of going without in the presence of those who are comfortable and those who have an overabundance of resources. It is difficult to connect socially when you are lacking the means necessary to meet social norms.[16]

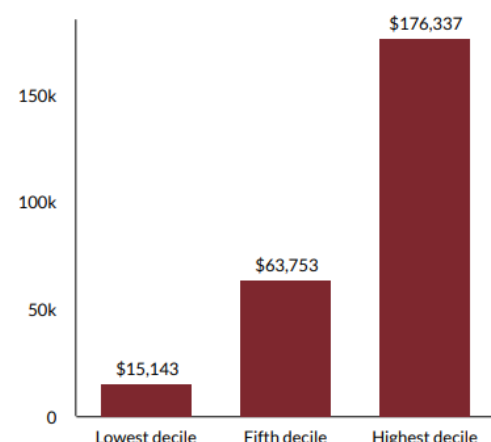
The distribution of income highlights income inequality. The highest decile of New Brunswick families with children held 22.8% of total income, compared to just 2.0% in the bottom decile (10% of families in each decile) (see Figure 6). This disparity is significant – the top 10% of families with children held nearly the same share of income as more than 40% of the bottom families with children.

Figure 6: Share (%) of Family Income by Decile, 2019 [17]



During the first year of the COVID-19 pandemic, Canadian billionaires increased their wealth by \$78 billion. Over the course of the same year, 5.5 million workers lost their jobs or had their hours reduced by half. [18]

Figure 7: Average Income, 2019, Highest, Median and Lowest Decile [19]



In dollar amounts, the first decile held an average after-tax income of \$15,143 compared to \$63,753 in the fifth decile, and \$176,337 in the top decile (see Figure 7). In 2019, the average income of a family in the highest decile was 11.6 times higher than that of a family in the lowest decile.

Policies that seek to redistribute income through taxation and improved social policy are key to ending poverty and reducing inequality.

[16] Samuel, K., Alkaire, S., Hammock, J., Mills, C., Zavaleta, D. (2014). *Social Isolation and its Relationship to Multidimensional Poverty*. Oxford Poverty & Human Development Initiative, 80.

[17] Statistics Canada Custom Tabulation, Share of income by decile for families with children under 18, 2019.

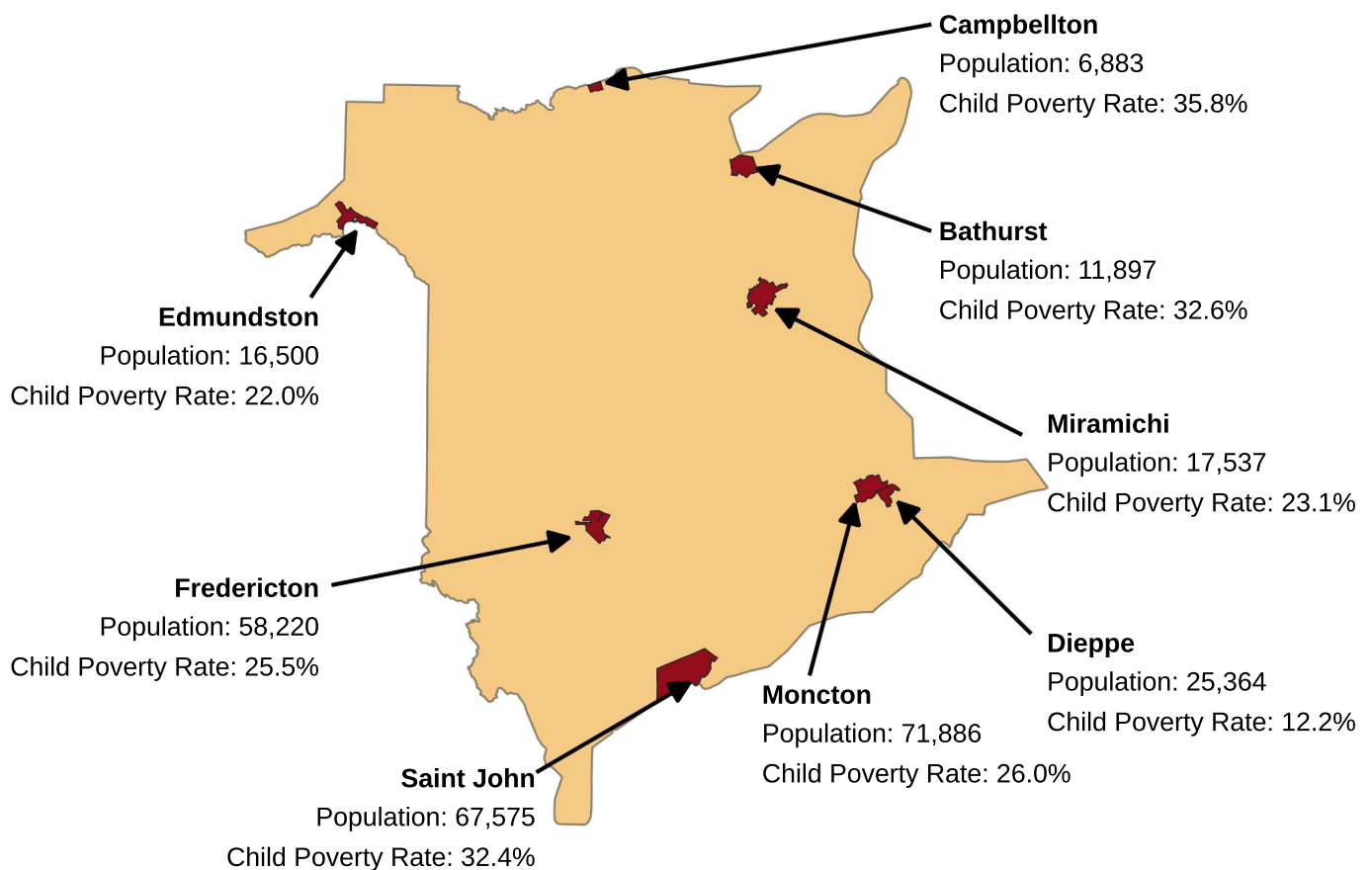
[18] Hemingway, A. (April 2021). "One year later: Canadian billionaire wealth up by \$78 billion." Policy Note.

[19] Statistics Canada Custom Tabulation, Average income deciles for families with children under 18, 2019.

Distribution of Child Poverty

Child poverty rates are unevenly distributed across New Brunswick's eight cities, from a high of over 30% in Campbellton, Bathurst, and Saint John, to a low of 12.2% in Dieppe.[20] The highest child poverty rates in New Brunswick are found in the northern part of the province (i.e., Campbellton at 35.8% and Bathurst at 32.6%), however, high child poverty rates are not only a problem in northern communities. Saint John - the province's most southern city - has the third highest poverty rate at 32.4%.

Figure 8: Population and Child Poverty Rates in New Brunswick Cities

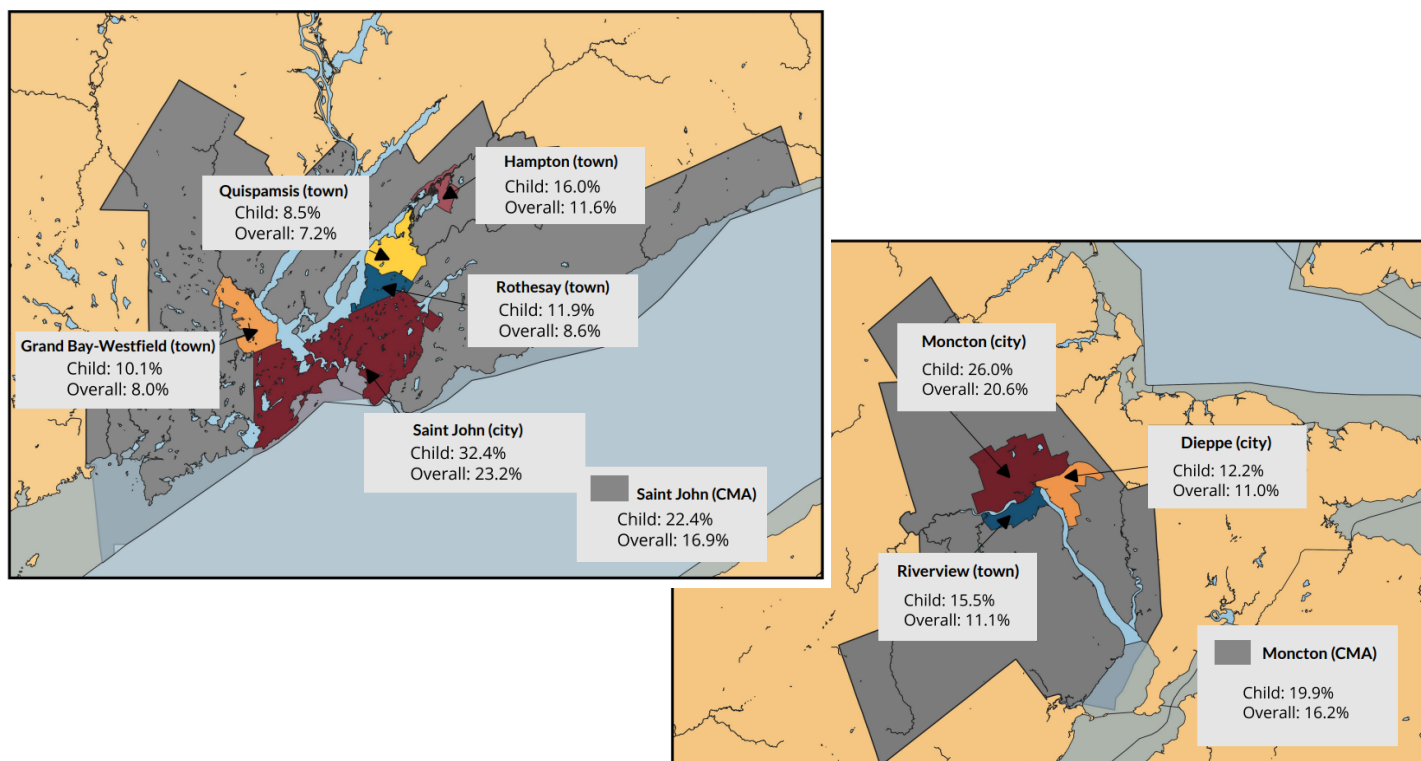


Source: Population - 2016 Census, Statistics Canada; Poverty Rates - T1FF 2019 (CFLIM-AT)

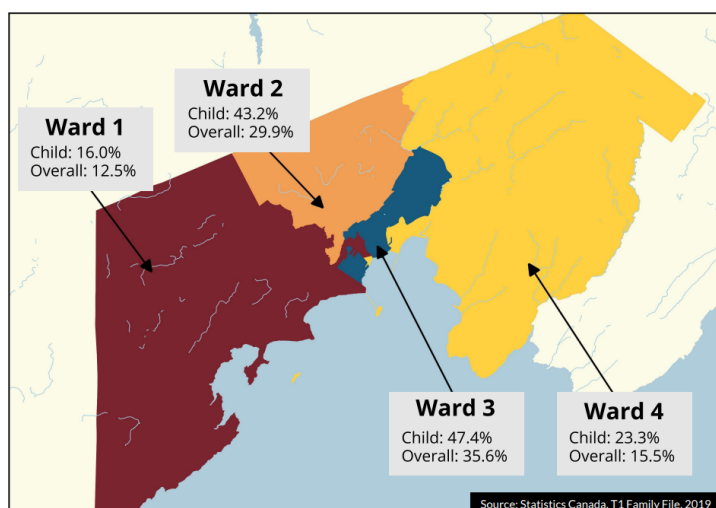
[20] The poverty statistics for New Brunswick municipalities are reported at the postal city level. Postal cities are approximate; they may not exactly match the boundaries of Census subdivisions and/or municipalities. See Appendix C for a more extensive list of child poverty rates in different postal cities.

Child and Overall Poverty Rates - Moncton CMA and Saint John CMA [21]

New Brunswick's two Census Metropolitan Areas (CMAs) are Saint John and Moncton. Both CMAs see large discrepancies in child and overall poverty rates in the central city and neighbouring suburban municipalities. As an example, the city of Dieppe's child poverty rate is less than half of the rate in the adjoining city of Moncton. There are even larger differences in child poverty rates between the city of Saint John and its neighbouring suburban towns. For instance, the child poverty rate in Saint John is over three times higher than the rate in Quispamsis.



Child and Overall Poverty Rates in Saint John's Municipal Wards



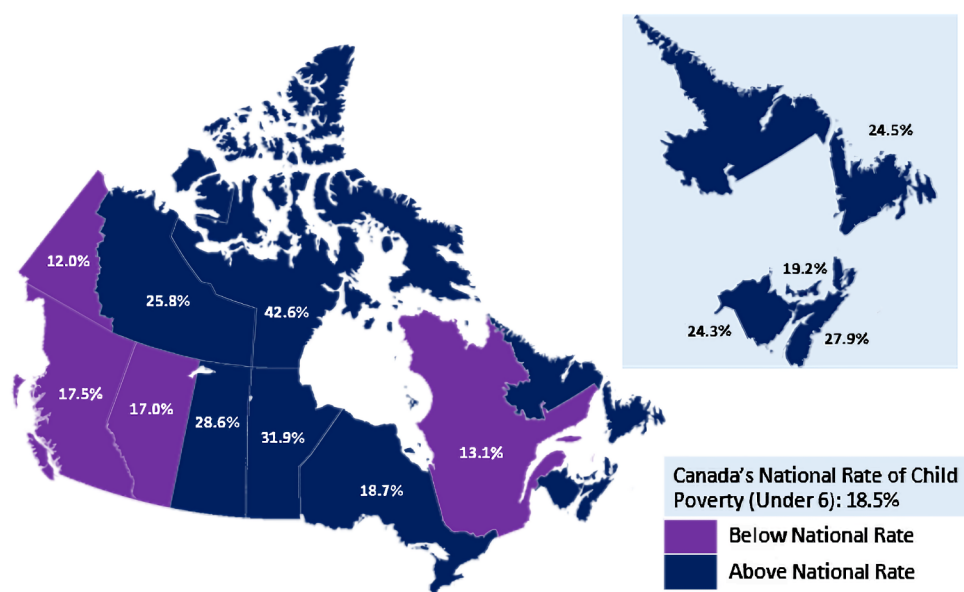
Within Saint John city limits, there are significant differences in the spatial distribution of child poverty. The child poverty rate in Ward 1 was below the provincial average, while the other wards had rates that exceeded it. Wards 2 and 3 had child poverty rates of more than 40%.

[21] Statistics Canada, T1 Family File, 2019.

Poverty Among Young Children (Under 6)

Poverty impacts approximately one in four (24.3%) children under the age of six in New Brunswick. Poverty is not the result of personal choices. It is a social problem created and sustained by structural barriers and systemic inequity. The negative effects of child poverty can be felt across one's lifespan. Poverty is an adverse childhood experience that can impose toxic stress, which alters a child's brain architecture and impacts their development and overall well-being.[22] Early experiences of poverty can contribute to poor health outcomes later in life like addictions and chronic health conditions.[23]

Figure 9: National Rates of Child Poverty (Under 6), Canada, Provinces and Territories (CFLIM-AT 2019) [24]



It is expensive to raise children, especially when they are young. The Human Development Council's report on *Living Wages in New Brunswick 2021* reveals that child care is one of the largest expenses for families in Fredericton, Moncton, and Saint John.[25] It is worth noting that toddler child care costs more than before and after school child care. The 2021 living wage calculation for Saint John shows that the cost of full-time toddler day care is roughly \$9,000 per year, while before and after school care costs nearly \$5,000 per year.[26]

[22] Hughes, M., & Tucker, W. (2018). *Poverty as an Adverse Childhood Experience*. North Carolina Medical Journal, 79(2).

[23] Ibid.

[24] Statistics Canada, custom tabulation, T1 Family File, 2019.

[25] Atcheson, H. (2021). *Living Wages in New Brunswick 2021*, <https://sjhdc.ca/living-wage/>

[26] Ibid.

Table 2: 2020 median infant, toddler and preschool monthly child care fees in Fredericton, Moncton and Saint John [27]

	Fredericton	Moncton	Saint John
Infant	\$835	\$856	\$868
Toddler	\$716	\$716	\$716
Preschool	\$690	\$716	\$697

The Designated Centre Parent Subsidy is available to support low- and middle-income families with preschool aged children.[28] Families with household incomes of \$37,500 or less are eligible to receive free early learning and child care services at a licensed centre. Families with incomes between \$37,501 and \$80,000 are eligible to receive a partial subsidy. The eligibility criteria to receive a subsidy includes household income, as well as other factors like the daily child care fee and the number of days the child requires child care services.

In Canada, 44% of non-school age children live in a "child care desert," meaning that there are three children in potential competition for every licensed child care space.[29] In Saint John, there are only enough licensed child care spaces for 47% of the city's non-school age children.[30]

According to the *Survey on Early Learning and Child Care Arrangements, 2020*, "approximately 4 in 10 parents who were using regulated or unregulated child care in late 2020 reported having had difficulty finding child care." [31] Parents with children aged 1 to 3 were most likely to report child care challenges. Parents reported difficulties accessing local and affordable child care. They also reported that the COVID-19 pandemic made it even more difficult to find and maintain a stable child care arrangement. The provincial government has not yet reached an agreement with the federal government about the implementation of a \$10-a-day universal child care program in New Brunswick.

[27] Macdonald, D., & Friendly, M. (2021). *Sounding the Alarm: COVID-19's impact on Canada's precarious child care sector*. (Ottawa: Canadian Centre for Policy Alternatives). <https://www.policyalternatives.ca/TheAlarm>

[28] Government of New Brunswick, "Designated Centre - Parent Subsidy," https://www2.gnb.ca/content/gnb/en/corporate/promo/improved_early_learning_and_child_care/dcs_info.html

[29] Macdonald, D. (2018). *Child Care Deserts in Canada*. (Ottawa: Canadian Centre for Policy Alternatives). <https://www.policyalternatives.ca/publications/reports/child-care-deserts-canada>

[30] Ibid.

[31] Statistics Canada, *Survey on Early Learning and Child Care Arrangements, 2020*, <https://www150.statcan.gc.ca/n1/daily-quotidien/210407/dq210407b-eng.htm><https://www150.statcan.gc.ca/n1/daily-quotidien/210407/dq210407b-eng.htm>

Canada Child Benefit

The Canada Child Benefit (CCB) was introduced in July 2016. It is a tax-free, monthly payment allocated to families with children under 18 years of age. It provides income support for families. The amount each family receives is based on their annual income, ensuring that low- and middle-income earning families benefit the most. The federal government indexed the CCB with inflation in July 2018. As of July 2021, the maximum annual benefit was \$6,833 per child under age 6 and \$5,765 per child aged 6 to 17.[32] In response to the current high cost of living, CCB rates increased by more than \$350 per child since the CCB was first introduced.[33]

Maximum CCB per child under age 6 (as of July 2021):

\$6,833

Maximum CCB per child aged 6-17 (as of July 2021):

\$5,765

Government transfers like the CCB are key players in efforts to reduce child poverty. Without the CCB, 15,320 more children would be living in poverty in New Brunswick. This transfer alone reduces the child poverty rate by 11.0 percent (see Table 3). Government transfers like the HST/GST credit, Canada Workers' Benefit, and Employment Insurance reduce the provincial child poverty rate by an additional 6.2%. Without these transfers, 8,490 more children would be living in poverty in New Brunswick.

In May 2020, families receiving the CCB were eligible to accept a one-time top-up of up to \$300 per child to alleviate some financial stress associated with the COVID-19 pandemic.[34] Since the amount families received was based on household income, this top-up benefitted low-income families the most. The effect the top-up had on child poverty will be evaluated in New Brunswick's 2022 report card.

Table 3: Number of Children (Under 18) Living in Poverty: With Transfers, Without Transfers and Without CCB (CFLIM-AT 2019)

	With Government Transfers	Without Government Transfers	Without Canada Child Benefit
Canada	1,313,400 (17.7%)	2,450,070 (33.0%)	2,005,460 (27.0%)
NB	30,190 (21.7%)	54,000 (38.9%)	45,510 (32.7%)

[32] Employment and Social Development Canada, "Canada Child Benefit increases once again to keep up with the cost of living,"

<https://www.canada.ca/en/employment-social-development/news/2021/07/canada-child-benefit-5th-anniversary--indexation0.html>

[33] Ibid.

[34] Government of Canada, "One-time increase to CCB payment in May 2020,"

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

Welfare

In September, the provincial government introduced a social assistance reform package that addressed some of the issues that had been raised in earlier report cards. The wage exemption – the amount a social assistance recipient can earn before their benefits are clawed back – was raised to \$500 per month, with a 50 cent deduction for each additional dollar earned. The government also decided that child support payments, the Canada-New Brunswick Housing Benefit and compensation related to personal injuries will no longer be considered household income and won't be included in calculating how much a family or individual receives in social assistance. The reform package did not include any increase to the rates. They remain some of the lowest in the country and are woefully inadequate in meeting the basic needs of recipients. Earlier in the year, the province announced that rates would be indexed to inflation every April 1st. Currently, a single person receiving Extended Benefits – provided to individuals with a certified disability – would receive \$705 per month. Ten disability organizations across the province have come together to call for further changes to Social Assistance policies.

"Too many people with a disability in New Brunswick are living in deep poverty that is, in part, rooted in current Social Assistance policy and programming."
 - Sarah Warner, Executive Director, New Brunswick Association of Community Living

Table 4: Rate Schedule [35]

Unit Type / Rate Type	Transitional Assistance Program	Extended Benefits Program
1 person	\$571 \$612 (designated)	\$705
2 persons, at least 1 of whom is less than 19 years of age	\$896	\$984
2 adults	\$913	\$1,004

[35] Government of New Brunswick, *Family Income Security Act*.

Conclusion & Recommendations

The federal government has taken important and ground breaking steps towards poverty reduction in recent years. It has also provided Canadians with many supports during the pandemic. However, the reduction of child poverty in New Brunswick has stalled. Reducing and ending child poverty must remain a priority for both federal and provincial governments in the coming year. In keeping with previous report cards we offer the following recommendations [36]:

We Urge the Federal Government to:

- Commit to a 50% reduction in poverty between 2015 and 2025 and eliminate poverty by 2030 based on the Census Family Low Income Measure, After Tax (CFLIM-AT) calculated with T1 Family File data.
- Entrench the right to an adequate standard of living within the Poverty Reduction Act and include mechanisms to realize these rights, such as an all-party appointed advisory council and a poverty reduction advocate who can investigate major systemic issues.
- Mandate a data-collection strategy that collects data disaggregated by Indigenous identity, impairment, race, gender, migrant status, and 2SLGBTQIA+ identity, among other sociodemographic identities.
- Collaborate with First Nations, Inuit and Métis governments, and organizations, including women’s and 2SLGBQIA+ organizations to develop plans to prevent reduce and eradicate child and family poverty.
- Create an Anti-Racism Act for Canada that provides a legislative foundation for the Anti-Racism Secretariat and a National Action Plan Against Racism that is well-funded, results-oriented and produces long-term, sustainable change that address all forms of racism.
- Increase Canada Child Benefit (CCB) allocations in Budget 2022 so that all families with incomes below the CFLIM-AT can access CCB pandemic top-up amounts, no matter the age of their children.
- Invest \$4 billion into the Canada Social Transfer (CST) to support social assistance adequacy and remove arbitrary growth restrictions as first steps towards ensuring that income and disability assistance programs bring incomes up to the CFLIM-AT.

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[36] See Campaign 2000's National Child Poverty Report Card (2021) for additional federal recommendations.

- Fast-track the implementation of two new federal disability benefits – one for adults and one for children – using research and data already available and including people with disabilities in meaningful and active ways through every step of the process.
- Immediately implement a CERB Repayment Amnesty for everyone living below or near the low income measure after tax and cease treating it as earned income. Immediately reinstate the CRB at the full amount of \$500 weekly until Employment Insurance is reformed.
- Address growing income inequality and generate revenue for poverty reduction programming 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.
- Take immediate action on the commitment to ending homelessness as part of Canada's international human rights obligations.
- Prioritize the appointment of a strong, well-led and well-resourced Federal Housing Advocate and bolster the capacity of the National Housing Council.
- Work with provinces/territories to implement operational funding of childcare programs based on set (daily) fees on a sliding ability-to-pay scale, from \$0 to a maximum of \$10, replacing full user fees and individual parent fee subsidies.
- Work with provincial/territorial partners to ensure that operational funding of childcare services factors in decent, fair compensation for staff, in addition to affordable parent fees and other operational costs. Provincial/territorial wage grids, as well as provincially/territorially set parent fees, are essential pieces of funding policy.
- Ensure wages are adequate, and at minimum bring employment incomes up to the CFLIM-AT. Equal pay and benefits for all workers, regardless of employment status, gender, racialization, and immigration status, must also be legislated.
- Permanently amend the Canada Labour Code to ensure workers have access to ten permanent paid sick days with an additional fourteen days available during public health emergencies.
- Enhance the Canadian medicare program to include pharmacare, dentistry, vision and physical rehabilitation services.

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.
- 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.
- 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.
- Develop a provincial plan to end chronic homelessness, co-led by the Department of Social Development and the Department of Health.
- Build more affordable housing and introduce legislation to control the amount that rent can be increased annually.
- Create a new and distinct disability income support program and update the definition of "disability" to a modern one, in line with the United Nations Convention on the Rights of Persons with a Disability.
- Revise the Household Income Policy to ensure recipients with a disability are eligible for benefits in their own right and are able to marry or enter into common law relationships.
- 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 people are represented 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 (MBM) vs. Low Income Measure (LIM)

The MBM is Canada's official poverty line. It has some shortcomings (summarized below), and so this report uses the LIM as the measure of poverty.

The MBM is an absolute measure of poverty, based on the cost of a specific, pre-determined basket of goods and services for a reference family with two adults (one male and one female, aged 25-49) and two children (a girl, aged 9 and a boy aged 13).[37] The MBM includes five expenditure categories: shelter, food, clothing and footwear, transportation, and other household needs.



The MBM is biased towards its developers' judgments about Canadian family expenses.[38] It has been critiqued for inadequate consideration of different sociocultural norms and needs.[39] Furthermore, the MBM does not include child care, which can be very expensive for families—especially those with non-school aged children. It does not include non-insured health expenses like dental and vision care, prescription drugs, private health insurance and aids for persons with disabilities. The MBM's basket of goods and services is not automatically adjusted to reflect changes in the cost of living.[40] Instead, it is updated by the government, which tends to be costly and take time. The first comprehensive review of the MBM took place between 2008 and 2010. Statistics Canada and Employment and Social Development Canada conducted a second comprehensive review that resulted in the "2018-base MBM." [41]

[37] Hunter, G., & Sanchez, M. (2019). *A Critical Review of Canada's Official Poverty Line: The Market Basket Measure*.

[38] Ibid.

[39] Ibid.

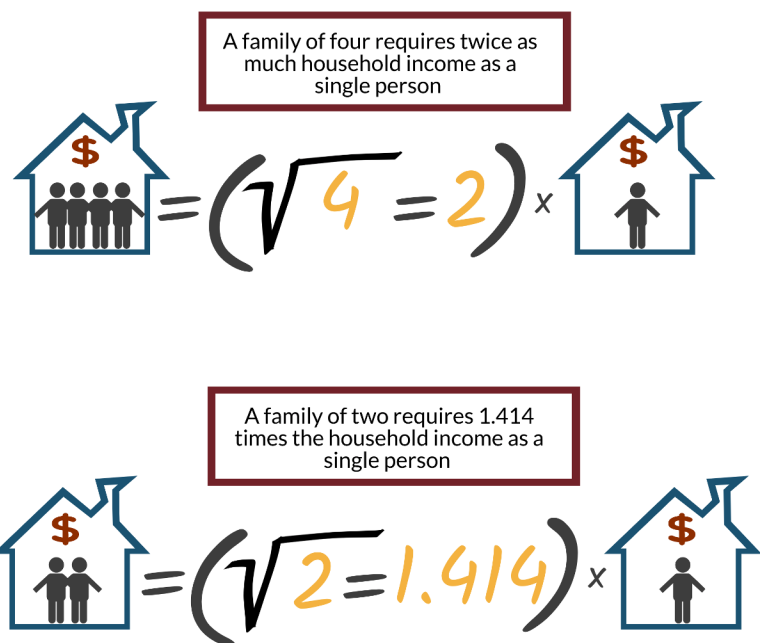
[40] Kneebone, R., & Wilkins, M. (2019). *Measuring and Responding to Income Poverty*. The School of Public Policy Publications, 12(3).

[41] Djidel, S., Gustajtis, B., Heisz, A., Lam, K., Marchand, I., & McDermott, S. (2020). *Report on the second comprehensive review of the Market Basket Measure*. (Ottawa: Statistics Canada).

The LIM is a relative measure of poverty. A household is considered low income if its income is below 50% of median household incomes. The LIM accounts for changes in social norms, as well economic inequality like the growing disparity between rich and poor. The LIM rises naturally as societies become wealthier and achieve a higher standard of living. The LIM uses tax filer data from a large sample size, which paints a more accurate picture of people living in poverty. It allows for the calculation of poverty rates in cities, as well as smaller geographies (see Appendix C). The MBM uses Canadian Income Survey data from a relatively small sample size. It cannot provide data on New Brunswick poverty rates in geographies outside the major cities of Fredericton, Moncton, and Saint John. Finally, the use of the LIM promotes consistency and facilitates comparability to previous Child Poverty Report Cards. The MBM reports lower child poverty rates than the LIM (see Figure 1). A change in methodology using MBM data would create confusion around poverty reduction trends in the province. Campaign 2000 and its regional partners prefer the LIM as it accounts for systemic inequality, social exclusion, and environmental stressors that can impact a household's relative position in the income hierarchy.

Appendix B: Square Root Equivalency

The CFLIM methodology was updated in 2018. It adopted the square root equivalency method to calculate adjusted family income, as well as the CFLIM thresholds that distinguish low-income households. In accordance with the new methodology, household income is divided by the square root of the number of people living in the household. This method is favoured because it accounts for economies of scale from which larger families benefit. The MBM also uses the square root equivalency method to adjust for different family sizes.[42]



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

Appendix C: Child Poverty Rates by Postal City ^{[43], [44], [45]}

Postal City	% of children in low income
ALLARDVILLE	20.0
BATHURST	32.6
BELLEDUNE	46.7
BERESFORD	11.9
BLACKS HARBOUR	33.3
BOUCTOUCHE	29.3
BURNT CHURCH FIRST NATION	55.3
BURTON	9.1
BURTTS CORNER	21.7
CAMPBELLTON	35.8
CAP-PELÉ	22.5
CARAQUET	13.6
CHIPMAN	38.9
COLPITTS SETTLEMENT	17.9
DALHOUSIE	31.0
DIEPPE	12.2
DOAKTOWN	38.5
DSL DE DRUMMOND	15.6
EDMUNDSTON	22.0

Postal City	% of children in low income
EEL GROUND	50.0
EEL RIVER BAR FIRST NATION	33.3
ELSIPOGTOG FIRST NATION	42.7
FLORENCEVILLE-BRISTOL	15.6
FREDERICTON	25.5
GEARY	23.1
GRAND BAY-WESTFIELD	10.1
GRAND MANAN	20.8
GRAND-SAULT/GRAND FALLS	21.2
HAMPTON	16.0
HANWELL	8.6
HARVEY YORK CO	18.2
HILLSBOROUGH	20.0
IRISHTOWN	8.9
KINGSCLEAR FIRST NATION	61.1
KINGSTON	19.4
LAKEVILLE-WESTMORLAND	22.7
LAMÈQUE	26.3
LINCOLN	19.6

[43] Child poverty rates for postal cities with <50 children below the 2019 CFLIM-AT threshold are not included.

[44] Postal cities are based on the mail delivery system for unique place names within a province or territory.

Postal City	% of children in low income
MCADAM	30.0
MEMRAMCOOK	11.5
MINTO	40.5
MIRAMICHI	23.1
MONCTON	26.0
NACKAWIC	18.8
NEGUAC	18.5
NEW MARYLAND	5.4
OAK BAY	31.3
OROMOCTO	9.7
PENNFIELD	21.4
PERTH-ANDOVER	37.0
PETIT-ROCHER	20.8
PETITCODIAC	22.6
PLASTER ROCK	38.9
QUISPAMIS	8.5
RED BANK RESERVE	44.4
RICHIBUCTO	38.1
RIVERVIEW	15.5
RIVIÈRE-VERTE	15.4
ROTHESAY	11.9
RUSAGONIS	8.8
SACKVILLE	19.4
SAINT JOHN	32.4

Postal City	% of children in low income
SAINT-ANDRÉ	15.0
SAINT-BASILE	16.1
SAINT-JACQUES	18.2
SAINT-LÉONARD	18.8
SAINT-LOUIS-DE-KENT	40.0
SAINT-QUENTIN	19.0
SAINTE-ANNE-DE-MADAWASKA	23.1
SALISBURY	18.8
SHEDIAC	20.8
SHIPPAGAN	21.4
ST ANDREWS	24.1
ST GEORGE	20.0
ST STEPHEN	35.1
SUSSEX	33.3
SUSSEX CORNER	14.8
TOBIQUE FIRST NATION	52.8
TRACADIE-SHEILA	26.7
VAL-D'AMOUR	20.0
WAASIS	17.9
WILLOW GROVE	18.5
WILSONS BEACH	42.9
WOODSTOCK	30.9
ZEALAND	33.3

[45] Indigenous reserves have some of the highest rates of child poverty in the province. Across Canada, people living on reserves face challenges like substandard housing, unsafe drinking water, poor health, high suicide rates, and intergenerational trauma. These challenges are tied to ongoing colonial violence. For more information on Indigenous child poverty, please see: Macdonald, D., & Wilson, D. (2016). *Shameful Neglect: Indigenous Child Poverty in Canada*. (Ottawa: Canadian Centre for Policy Alternatives). <https://www.policyalternatives.ca/publications/reports/shameful-neglect>

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