

**Some Ideas on How the Provincial Government
Can Be More Dynamic in its approach to Poverty
Reduction**



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**A Submission to both the Self-Sufficiency Task Force and the
Community Non-Profit Task Force**

**Prepared by Kurt Peacock,
Research Co-ordinator, in
Consultation with VCSJ Leadership Roundtable**

Introduction

Ongoing poverty has absolute human, social and economic costs for New Brunswick. Its persistence weighs down on the large number of non-profit organizations dedicated to serving low-income individuals and families. The fact that roughly 100,000 New Brunswickers remain mired in low-income virtually guarantees that N.B. will continue to be a have-not province, for as long as current conditions remain.

The continued presence of poverty in New Brunswick also has a dramatic effect on all key government priorities – lower family incomes reduce lifetime educational attainment, increase pressures on an already overburdened medical system, and produce a substantial drag on government efforts to enhance New Brunswick’s economic performance. And poverty crosses the administrative divisions on which government is organized.

As a consequence, poverty is generally not an issue that generates much government discussion, often ignored at the Cabinet table in favour of other ministerial priorities, be they education, health, or economic development. Until poverty – and possible ways to reduce it – are examined by all facets of government, thousands of low-income New Brunswickers will be in a position that could be described as the opposite of self-sufficient.

The Government of New Brunswick has recently launched two separate task forces, one dedicated to producing a roadmap for self-sufficiency, and the other to develop a strategy for a revitalized non-profit sector. Vibrant Communities Saint John feels that the persistence of poverty in New Brunswick is an issue that both task forces must address, and we have developed this brief which we hope will engage both government task forces, and the general public.

Vibrant Communities Saint John believes that the self-sufficiency of our province is intimately linked to the pressing need to see many more New Brunswickers reach their fullest potential. To help achieve this, the pages below outline a number of initiatives (both large and small) which could help reduce poverty in New Brunswick. Vibrant Communities Saint John believes that a dramatic reduction of poverty in New Brunswick would certainly make the daily struggles of many local non-profits easier, and go a long way towards helping make our province more self-sufficient. Beyond this, however, rests a more pressing goal – our organization would simply like to see the government of New Brunswick promote

poverty reduction as a central component in its strategy to make both New Brunswick *and* Saint John a place where everyone is given a chance to succeed.

We hope that the government task forces examine our brief in detail, and use some of its suggestions to develop a comprehensive poverty reduction strategy for New Brunswick. Our conclusion offers some thoughts to the historic economic opportunities awaiting Saint John, but the majority of the paper can be considered province-wide in scope. We also hope that it is only the beginning of any dialogue, and that the provincial government works closely with us and other community groups to transform New Brunswick, and restore hope to the thousands of New Brunswick families who call it home.

Tom Gribbons, Chair
Vibrant Communities Saint John
Leadership Roundtable

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A. Transform How Government Reacts To Poverty

1. Make the Reduction of Poverty a Key Priority Across All Government

Departments. The government of New Brunswick has made achieving provincial self-sufficiency one of its principal goals; we feel that one of the best ways New Brunswick can achieve self-sufficiency is to empower more low-income New Brunswickers to seek greater opportunity. The idea that government should actively work toward *reducing* the level of poverty is gaining momentum in other jurisdictions – the governments of Quebec and Newfoundland & Labrador both have official strategies, while the Government of Nova Scotia is considering adopting one. Tackling poverty was the principal goal of the most recent Ontario budget. *The government of New Brunswick should commit to a provincial poverty-reduction strategy, and engage all government departments in this goal.*

2. Move Rapidly on Government Initiatives That Can Reduce Poverty, such as the Government's Action Plan on the Gender Wage Gap.

There are more women living in poverty in New Brunswick than men, therefore fully implementing the New Brunswick Government's Action Plan on reducing the earnings gap between men and women would help the government in its aim of raising New Brunswick incomes. Government must also remain committed to its pledge of promoting gender-based analysis of departmental programs; this analysis would help remove some of the systemic barriers that prevent many New Brunswick women from leaving poverty. *To reduce poverty, the government needs to fulfil its action plan on the gender wage gap, and commit to examine its policies using a gender lens.*

3. Make consultation with low-income communities and non-profit representatives more integral to the work of government.

While government policy is designed in Fredericton, little apparent thought is given to the effect these policies might have on low-income New Brunswickers. The declining block rate delivered by NB utilities (and discriminatory toward low-income households) is one example of an ill-conceived government policy; placing pregnant mothers on the interim rate for social assistance (designed for only those SA applicants deemed ready to work) is another example of poorly-designed government protocol. Pro-active, and regular discussions with low-income New Brunswickers and the non-profit groups that support them would help eliminate government barriers to leaving poverty. *The government of New Brunswick needs to actively engage low-income New Brunswickers and non-profits as it seeks to overhaul legislation and programs that may either enhance or diminish economic opportunity.*

4. Develop and Utilize an Independent Government Office of Statistics.

Detailed and objective analysis of provincial trends related to demographics, regional economic conditions, labour market growth, and family incomes can help shape and improve government policy in all areas, including poverty reduction. Yet within the provincial

government, the statistical analysis of government-collected data is rarely undertaken (at least within the public realm). This lack of analysis of key statistical trends (such as the rate of teenage births within a health region, compared to the rate of female drop-outs in a corresponding school district) limits the improvement and refining of government policy. *To help achieve self-sufficiency and the reduction of poverty, government should establish an independent Office of Statistics, and invite researchers to examine relevant health, education, and income statistics with the aim of improving public policy.*

5. Give NB's largest cities new funding \$\$, new opportunities for partnership.

Within New Brunswick, a great deal of the province's economic and labour force growth is found in the urban areas surrounding Saint John, Moncton and Fredericton. Yet the municipalities that form the core of these urban areas are all facing significant funding challenges, and they all have rates of poverty that are significantly higher than the rest of the province. Aging school and neighbourhood infrastructure, combined with a relatively high property tax burden, makes it difficult for civic leadership to allocate specific resources to poverty reduction. Yet reducing poverty in NB's urban centres would help fuel provincial economic growth – local governments in the 'growth' regions of the South merit targeted provincial investment in much the same way that New Brunswick's Northern regions benefit from dedicated economic funding. The cities also need greater, more flexible and permissive legislative powers, in order to better combat some of the ills linked to urban poverty, like slum housing. *To truly achieve provincial self-sufficiency, the government of New Brunswick needs to provide the financial and legislative supports required to ensure that its urban base can turn poverty into plenty.*

B. Focus on Increasing Labour Force Participation, especially in Urban Areas.

Roughly 6% of New Brunswick's population is on some form of social assistance, translating into over 40,000 individuals. Of the over 25,000 active cases, almost 20,000 are found in the interim or transitional assistance program – suggesting that with active and targeted investment, these clients could more fully contribute to New Brunswick's labour force. In the urban areas, employment opportunities abound, yet

2005/06 Average Monthly Caseload

Region	Transitional Assistance		Interim	
	caseload	# of recipients	caseload	#of recipients
Moncton	3343	6375	204	233
Saint John	5073	10660	598	663
Fredericton	2766	6005	206	248
Edmundston	1158	2200	79	91
Restigouche	1322	2522	67	77
Chaleur	1128	2200	87	110
Miramichi	1280	2521	79	93
Acadian Peninsula	2106	3811	100	118
3 'growth' regions	11182	23040	1008	1144
Northern NB	6994	13254	412	489
All NB	18176	36294	1420	1633
'growth' regions as a % of total caseload	62%	63%	71%	70%
North as a% of total caseload	38%	37%	29%	30%
Saint John Region as a % of total caseload	28%	29%	42%	41%

too many New Brunswickers are unable to take advantage of the positive labour market. According to the 2005/06 caseload of Family and Community Services, the vast majority of social assistance cases considered to be able to enter into employment with proper supports are in fact found in the city's largest urban areas, where employment is most plentiful.

Below are some ideas to correct this situation:

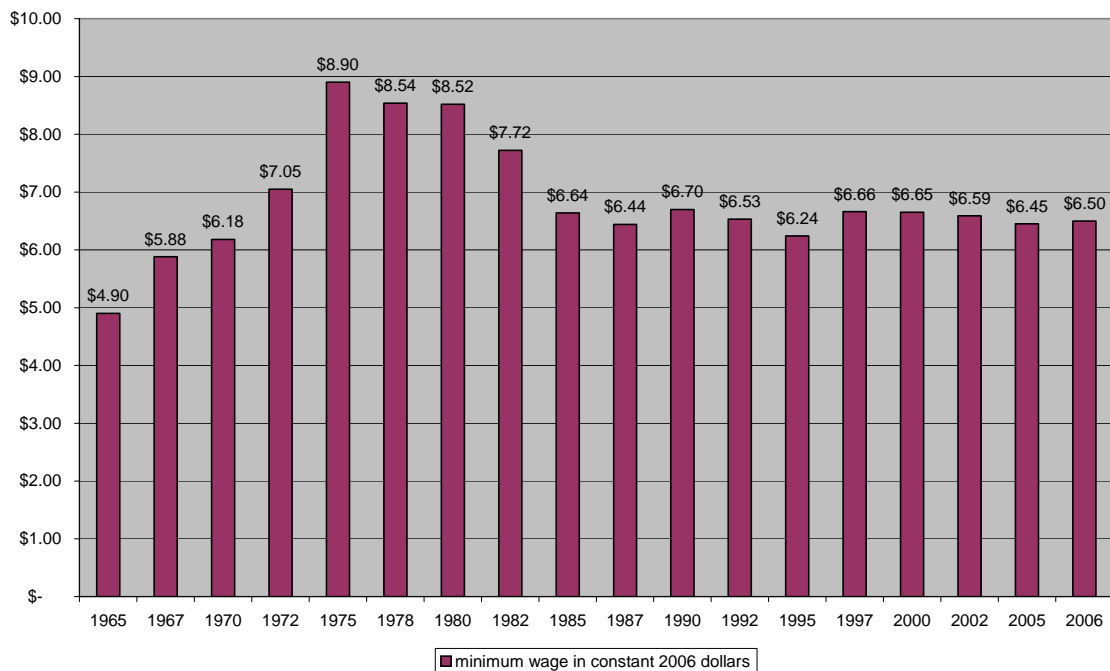
- 1. Eliminate the departmental overlap over employment**, with Family and Community Services offering some limited employment-preparation programs and supports, and the Department of Post-Secondary Education, Training and Labour offering other employment-assistance initiatives (especially to EI clients). There is an inequity in terms of eligible employment supports offered by the provincial government, with different investments (like child care and transportation assistance) being offered based in part on unemployment status (EI-eligible or SA recipient). Recognizing current labour market conditions, the provincial government should offer comprehensive employment services to *all* non-working New Brunswickers, regardless of EI eligibility. *To help promote employment opportunities to all New Brunswickers, all provincial employment programs, including those that support families leaving social assistance, should be offered by one department.*
- 2. Expand the work supplement for low-income families who are working.** Currently, the New Brunswick Working Income Supplement offers \$250 annually (through the child tax benefit) to low-income working families. In Saskatchewan, a similar program (the Saskatchewan Employment Supplement) can offer almost ten times as much support in any given year. In Regina, the most recent labour force participation rate is 72.6%, while the provincial rate is 69.2%. In Saint John, the most recent labour force participation rate is 64.0%, while the New Brunswick rate is 61.9% (Stats Can Labour Force Survey, Jan 2007). *To expand New Brunswick's labour pool, the provincial government needs to develop more generous tax supplements for families to encourage greater labour force participation.*
- 3. Increasing children's medical/dental benefits will enhance worker retention as much as increased wages.** While New Brunswick's medical care costs are continuing to climb, there is an inequity between the medical coverage working poor families receive and the coverage given to households on social assistance. This inequity makes labour force participation much less attractive in low-income households. In some provinces, like Alberta, all low-income children receive health benefits, regardless of whether or not their parent is on social assistance. *Dedicated dental/medical coverage for all low-income NB Children, regardless of family employment status, would help remove this inequity.*
- 4. Reform funding of adult education programs, with the aim of providing greater support to those learning agencies who promote personal and academic success.** Governments constantly promote the value of lifelong learning, but many NB learning agencies dedicated to helping high-school dropouts learn are unable to track the success of their clients, due to funding constraints. And despite

some progress, our school districts continue to produce hundreds of young adults annually who have not completed high school. Adult education programs are meant to rectify these statistics, yet the current dropout rate among government-supported adult learning programs is alarmingly high (Literacy NB, 2004). *More needs to be invested in evaluation of existing adult learning programs, and government should direct more funding towards those programs that have the greatest success in helping clients succeed. To help the evaluation process, government should be setting community targets in adult learning/literacy and actively support those organizations that help meet the targets.*

5. Strengthen programs for individuals with low levels of education/literacy in their transition to employment. New Brunswick has alarming rates of adult illiteracy, yet few comprehensive initiatives designed to help integrate these adults into the labour market. Best practices across the country are implementing training programs that are sensitive to the needs of adults with low literacy levels, more easily tailored to individual needs, and directly linked to a work placement. In effect, as labour markets tighten, government must be all the more concerted in its efforts to bring those traditionally outside of the labour market into meaningful employment. *To expand the labour market further, more needs to be invested in targeted programs that reduce illiteracy and enhance employment readiness.*

6. Return the Minimum Wage to its historic level. In the Hatfield era, the hourly minimum wage was equivalent to \$8.90 in 2006 dollars (see chart below). This wage increased the purchasing power of workers attached to the lowest rung of the economic ladder, and a return to a \$8.90 wage would help promote the economic value of work in achieving self-sufficiency. *The government of New Brunswick, in consultation with consumer, labour and business groups, should set a timetable for setting a \$8.90 hourly wage.*

NB minimum wage in constant 2006 dollars



7. Increased childcare supports will translate into greater labour force participation. Adequate child care supports must be in place to support families, particularly single parent families, who form almost half the population living in poverty in Greater Saint John. Within the city, a number of entry-level employment opportunities are constantly being advertised, but limited access to nearby childcare (and virtually no local examples of on-site, employer-supported child care) prevent numerous potential applicants from applying. *Increasing licensed childcare spaces for children 0-4, and providing greater financial support for flexible child care, can dramatically help raise the labour force participation rate among New Brunswick mothers.*

C. Re-Design Social Assistance, with the aim of getting more adults into the labour market

The Government of New Brunswick spends roughly \$200 million annually on income support programs – an expenditure that hasn’t changed much in recent years, despite a growing labour market. According to the most recent data, the

Annual Gov't Costs Related to Social Assistance Transfers (based on March 2007 figures)

		# of cases	monthly cost	yearly cost	daily cost
Interim (1 person)	\$ 276.00	1408	\$ 388,608.00	\$ 4,663,296.00	\$ 12,776.15
Trans'l Ass'nce (1 parent)	\$ 762.00	6316	\$ 4,812,792.00	\$ 57,753,504.00	\$ 158,228.78
Transitional Assistance (1 person)	\$ 505.00	7740	\$ 3,908,700.00	\$ 46,904,400.00	\$ 128,505.21
Extended Benefits (1 person)	\$ 582.00	5867	\$ 3,414,594.00	\$ 40,975,128.00	\$ 112,260.62
totals		21331	\$ 12,524,694.00	\$ 150,296,328.00	\$ 411,770.76

government spends over \$400,000 daily on the most common social assistance transfers (not including administrative costs, which total roughly \$20 million annually).

Below are some ideas to help make social assistance more helpful for working-age adults.

1. Remove Cost Barriers Attached to Programs that can help a household leave social assistance, and remove the Welfare Wall. These costs can be small (such as \$40 to write a GED test) or large (such as a few hundred a month for regulated child care), but they undermine the economic benefits of leaving social assistance. The imperfect development of wage exemptions can also contribute to lower labour force entry; the presence of severe clawbacks after monthly exemptions are reached in New Brunswick translates into little government incentive to work. The combined impact of severe clawbacks, reduced healthcare assistance, and low entry-level wages make it extremely difficult to climb out of social assistance – producing an effective Welfare Wall. *In examining its social assistance expenditures, government should look at all obvious and hidden economic barriers facing households who desire to leave social assistance.*

2. Develop intensive Supports for young parents (<25) on social assistance, with the deliberate aim of getting them into the labour market. The longer a

household stays on social assistance, the more difficult the transition into the labour market. In New Brunswick, roughly 2600 households on social assistance are led by a young adult, aged 19-24 . If these young adults were to enter the labour force, the provincial labour force participation rate could grow by close to one percent. Conversely, if they remain on social assistance, annual maintenance costs to government could easily reach the \$20 million dollar range. In other provinces, targeted programs (like LEAP in Ontario, Ma Place Au Soleil in Quebec) with a focus on young parents help reduce long-term attachment to social assistance. *In New Brunswick, similar intensive supports (like First Steps in Saint John) struggle to find long-term government assistance.*

- 2. Rationalize social assistance rates.** Recent NB governments have utilized three separate social assistance rate schedules (Interim, Transitional Assistance, and Extended Benefits), that are further codified according to the level of housing support. The interim rate currently accounts for roughly 5% of all cases, and its low monthly benefit (as low as \$276 for a single adult) is in some cases directed towards individuals who cannot reasonably be considered employment-ready – such as a pregnant mother. Most other provinces have two rate schedules – one for those who need employment supports, and another for those who are not expected to enter the labour market. *By eliminating the Interim Rate (and the costs attached with administering it), the government of New Brunswick could redirect money towards innovative labour market supports for those adults who are currently on Transitional Assistance – the vast majority of NB social assistance clients.*
- 3. Bring back the Self-Sufficiency Project, or other innovative government programs that tailor investment based on the challenges of the social assistance recipient.** In New Brunswick 3 out of 4 Interim rate recipients are male, while close to 2/3 of Transitional Assistance rate recipients are female. Such a gender disparity within rate classes suggests that each group needs distinct support. The New Brunswick government’s 1990s era self-sufficiency project gave single mothers on social assistance targeted supports, with generally positive labour market results. *The government should develop innovative programs similar to the self-sufficiency project, and invite academics and other public policy researchers to evaluate results, with the aim of improving government policy.*
- 4. Look at the Maine Government’s Parents-As-Scholars Program As a Best Practice.** Studies show that higher education levels not only help generate higher lifetime earnings, they can reduce the probability of a household having to rely on social assistance. Yet many social assistance recipients often find great difficulty successfully navigating through the many barriers that can prevent them from completing higher education. New Brunswick social assistance recipients are further hampered by the fact that they are unable to receive the same level of government-funded training supports as employment insurance recipients. *In the State of Maine, the government committed specific funds to encourage parents on social assistance to complete higher education under a Parents-As-Scholars initiative; the results were very encouraging. More information on the Maine initiative can be found at:* <http://www.mejp.org/PaSeduworks.htm>

D. Creating a More Dynamic Housing Sector

1. Establish a Provincial Housing Trust, with regular funding from the Office of the Rentalsman. Across Canada, a number of governments have established housing trusts, with the aim of improving the economics of social housing projects. In New Brunswick, no such trust exists, and the tight financing attached to federal/provincial government supports for construction/renovation often prevents developers from participating in other programs, such as those offered by Efficiency NB. Funds from a provincial housing trust could improve the overall economics of non-market housing units, and allow the units to make greater investments in efficiency improvements. In other provinces, housing trusts are also used to purchase land/buildings in stagnant neighbourhoods, with the aim of promoting revitalization. Funding for such a trust could come from a rather direct source, in the form of the interest earned from rental deposits held by the Office of the Rentalsman. *The government of New Brunswick should make the establishment of a Provincial Housing Trust one of the first priorities of its new Housing corporation.*

2. Increase Tenant Turn-Over In New Brunswick Housing Units. There are long waiting lists on Housing units owned and managed by the Government of New Brunswick, in part because there is little financial incentive offered for tenant households who may wish to leave government housing. Long-term residency can reduce tenant self-sufficiency, and limits the housing stock available to the great many NB families who are most in need of safe, affordable accommodation. In other jurisdictions, governments increase the availability of their public housing stock by offering incentives that encourage greater self-reliance, such as reduced rents if the tenants are completing high school or adult education. In some government housing administered under RGI (rent geared-to-income), any rent increases caused by higher tenant earnings are held in trust until the tenant moves out (the tenant is then able to use these earnings for a security deposit or downpayment). *In managing its NB Housing units, the government of New Brunswick should develop and administer programs that increase tenant self-reliance and promote greater mobility.*

3. Tackle Energy Poverty With Long-Term Solutions. In New Brunswick, the fact that so many low-income households live in older, inefficient apartment buildings and small homes creates an annual condition of energy poverty, where countless families struggle to pay their winter heating bill. Regulatory changes (such as eliminating the declining block rate, in which poor renters subsidize at the aggregate level the energy usage of wealthy home-owners) and more targeted efficiency programs for low-income households are needed to encourage a better, more equitable energy regime for New Brunswick. *In designing its energy programs, government agencies and utilities need to consider the significant portion of expenditures low-income households put on energy use – in effect, limiting expenditures in other critical areas (such as children’s education or nutrition).*

4. Develop an NB Housing Model With Less Government, More Community Involvement. Currently, the government of New Brunswick spends close to \$70 million annually on a wide range of housing supports, including the management of hundreds of units in which the government is the direct landlord, yet indirectly pays the rent (in the form of social assistance payments). Government-managed units appear to have a higher

administrative cost than co-operative or non-profit units that are managed independently, yet receive an annual government grant. Moving forward, the government of New Brunswick should depart from an older model in which government directly houses low-income families in geographic clusters, and toward a housing model that funds community groups which develop innovative housing options. *To encourage greater self-sufficiency in the non-market housing sector, government should move away from most forms of direct housing support, and instead fund community groups through RFPs, innovation awards, and multi-year operating grants.*

E. Leveling the Playing Field For New Brunswick Children

To achieve provincial self-sufficiency twenty years from now, New Brunswick needs a new human resource development plan that begins with strong efforts to close the opportunity gap for our children and youth. The rate of child poverty in New Brunswick is 16%, but our largest cities struggle with much higher child poverty rates. Below are recommendations that highlight ways the Province can help urban centres – which are increasingly becoming the engines of economic growth – ensure that no child is left behind.

- 1. Sponsor comprehensive early childhood education and care centres (ECEC) in urban neighbourhoods with high concentrations of young families who live in poverty.** By the time a child enters school, the destructive burden of poverty and family instability can already have a significant negative impact on readiness to learn. High quality early childhood education and care centres (ECEC) that serve “at risk” children 0 to 5 years (and their parents) have proven their social and economic worth in substantially improving children’s wellbeing and readiness for school, and can help produce longer term self-sufficiency in adulthood. *To help break the generational cycle of poverty in New Brunswick’s urban centres, the Government of New Brunswick should dedicate a significant portion of its federal early learning trust fund to pilot and fund comprehensive early childhood education and care centres, within vulnerable neighbourhoods in each of its 3 major cities.*
- 2. Close the opportunity gap between under-resourced schools in vulnerable inner city neighbourhoods and those in affluent suburbs.** Our schools offer the best hope for children to share equally in New Brunswick’s prosperity, yet children who live in poverty are less likely to succeed academically. There appears to be a strong link between low incomes and poor reading scores, according to the New Brunswick government’s own analysis of PISA performance by NB students. The community school model is celebrated as an effective poverty reduction strategy that combines academics with full services for children and their families. *Enriched Neighbourhood/School partnerships, like the innovative PALS program in Saint John’s more vulnerable neighbourhoods, have shown promising results, and merit the dedicated support of the government of New Brunswick.*
- 3. Ensure no child is excluded from school-based opportunities due to lack of family ability to pay.** “School fees” and their “exclusionary” effects are being investigated in most provinces and school districts across Canada. These studies have found that children who cannot afford to pay school fees, buy school supplies, or participate in special activities (such as field trips) feel excluded from the school

community. Furthermore, the provincial government's own analysis of NB PISA performance has shown that a lack of exposure to cultural learning had a strongly negative effect on overall reading ability. In many cases, this limited exposure to cultural learning can be attributed to a simple lack of family funds. *New Brunswick requires an investigation of current elementary, middle, and high school fees that may cause certain children from being excluded from in-school and extracurricular activities due to lack of financial resources. Moving forward, no NB child should be excluded from any activity linked to their school because of an inability to pay.*

4. **Encourage Municipalities To Provide Free Transit Service for Children and Teens.** Transportation costs present huge barriers for families in poverty, reducing access to opportunities related to education, employment, or community life. Eliminating transportation costs for children and youth living in NB's largest cities will encourage increased use of public transportation, reduce the local environmental footprint of our urban centres, and give our children and youth more opportunity to participate in community life. *To help end the economic isolation facing low-income children in urban neighbourhoods, the government of New Brunswick should dedicate a portion of its federal funding related to reducing greenhouse gases to funds that would assist urban transit authorities in providing free fares to local children/youth.*

F. Building Better, Stronger, Non-Profits and Communities

1. **Make Efficiency NB and NB Power more responsive to the needs of non-profit groups.** Registered charities and community groups pay a significant amount of their annual budget on heat and light, and are generally located in older office buildings where heating inefficiencies are common. Yet non-profits have no source of government funding for improving efficiency – Efficiency NB's substantial budget has been dedicated to various residential incentives. Rate design also harms the sustainability of non-profits. Because most NGOs are housed in buildings that pay the general service rate, they pay the most of any rate class, despite their constant funding challenges (In Nova Scotia, charities and non-profits can request that the provincial utility bill them under the cheaper residential rate.) *In designing energy conservation programs and consumption rates, the government of New Brunswick needs to do more to meet the energy challenge facing non-profits.*

2. **Expand the provincial Community Initiatives program to all low-income neighbourhoods.** Currently, the New Brunswick government supports tenant associations attached to NB Housing units, under a Community Initiatives program administered by Family and Community Services. The Community Initiatives program should be expanded to more low-income neighbourhoods in the province, including the numerous urban census tracts in which over 40% of the population falls below Statistics Canada's Low Income Cut-Off. The program should also be re-tooled, to allow for greater resident leadership in neighbourhood planning. *By investing in all low-income neighbourhoods (including those made up of low-income private-sector or co-operative rental units), the province can help more low-income neighbourhoods (and not simply those managed by NB Housing) achieve greater self-sufficiency.*

3. Dedicate Specific Investments to Community After-School, Cultural and Recreational Programs. So much of what is wonderful about childhood is based on providing the simple opportunity to play, yet organized play can have a profound positive effect on the future development of the province. Childhood obesity threatens to expand New Brunswick's already over-burdened health care system, and the provincial government's own analysis of its meagre PISA results show that a lack of exposure to cultural learning partly explains New Brunswick's poor showing in international assessments of reading comprehension. Initiatives such as museum and zoo visits, organized sport and leisure, and after-school clubs can have a profound effect on children's development, and help enhance New Brunswick's quality of life. *The Province of New Brunswick must regularly support children's programs through a dedicated funding trust, much like that established to support local environmental projects throughout the province.*

4. Support the viability of the non-profit sector, through dedicated gaming/lottery revenues or some other funding trust. The non-profit sector generally leads the community in the battle against poverty, yet it is constantly undermined by unstable funding sources. In other provinces, non-profits can access dedicated lottery and gaming revenues (such as those that support Ontario's Trillium Foundation, or Alberta's Wild Rose Foundation), in order to strengthen the viability of their operations. In New Brunswick, there are dedicated lottery trust funds in support of sport and the arts, but none for the non-profit social services sector. *The Government of New Brunswick should consider using gaming/lottery revenue to strengthen the effectiveness of provincial non-profits in achieving greater self-sufficiency.*

G. Make Learning Possible For All

- 1. Fund alternative high school programs for teens and young adults who are at risk of entering into the labour market without education credentials.** Not every teen can succeed in factory-like high schools, with large student bodies and a form of segregation based on academic excellence. Some teens require alternative learning environments that provide flexible/individual learning plans, small student-teacher ratios, and the opportunity to strengthen life skills and to train for specific trades. Teens who grow up in poverty are more likely to drop out of school, and the likelihood of adult poverty is certainly higher for teens who don't complete high school. There are many innovative examples of alternative school programs; some operate quite successfully in New Brunswick. These programs need to grow to help every teen succeed in achieving self-sufficiency by adulthood. *School districts should work in partnership with the non-profit sector and local industry to strengthen and grow innovative, alternative high school completion programs for teens and young adults.*
- 2. Extend Children's Benefits one year beyond 18 if the child is enrolled in either secondary or post-secondary education.** In New Brunswick, most targeted supports for families with children (such as the Provincial Child Tax Benefit) end when the child reaches 18, yet education-related expenses generally continue well after that point. Yet most adult benefits, such as the HST credit, are not offered until after the age of 19. Other jurisdictions, like the United Kingdom and Newfoundland and Labrador, have extended children's benefits beyond 18 when the dependent lives at home, in part to

help support families as they prepare for a child's higher education. *To help ease the transition into higher education, government should extend children's benefits to 19 if the child is still residing in a lower income household while finishing their education.*

3. **Offer Hope Scholarships To All Graduates of NB Middle Schools.** Recently, the New Brunswick government offered \$2,000 tuition rebates to all NB students enrolled in their first year of university. In a number of low-income households, the decision *not* to enrol in post-secondary education is sometimes made well before high school, and is often made for reasons other than tuition costs (reading performance and parental expectations are too more common reasons). To help encourage greater enrolment in PSE from low-income households, the tuition rebates currently being offered should be pledged upon middle school graduation, in the form of a Hope Scholarship. This recognition of educational success at an early age may help promote greater enrolment later on. *Targeted investments in middle school students are needed, if government wants to achieve higher enrolment in post-secondary education.*

Conclusion: We're Ready to Begin Anew In Saint John

In 2005, soon after Vibrant Communities Saint John was formally launched, the organization released *Poverty and Plenty*, a statistical report which highlighted the many challenges facing New Brunswick's oldest city. The report was optimistic in tone, however, and events that have taken place since its publication have shown that this optimistic attitude was correct. Our community has seen substantial employment growth, and the wave of potential investments being planned (including a refurbished Lepreau, the proposed Eider Rock Refinery, a cleaned-up harbour, and a revitalized waterfront) suggest that the Saint John of tomorrow could become a very different, more prosperous community than the Saint John of today.

While all of the economic plenty is certainly welcome, there needs to be a sustained commitment to reduce urban poverty as well – if only to ensure that this new era of optimism will reach all of Saint John's historic neighbourhoods. For this reason, we have offered some recommendations on how the provincial government can help create *more plenty* and *less poverty* for Saint John, while at the same time meeting its own goal of creating a more robust, self-sufficient province. Planned multi-billion dollar investments in the local economy will no doubt transform this city, and this province. Housing conditions, labour markets, and education systems will all be effected. The challenge we face is how to make this transformation of benefit for all.

Vibrant Communities Saint John encourages the provincial government to examine and adopt some of its ideas on poverty reduction, yet we also desire to see the government develop a comprehensive multi-year adjustment plan in response to the proposed major investments in Saint John. Decades from now, when New Brunswick is a much more prosperous place and self-sufficient province, it would be only fitting if the key strategic investments that made this possible occurred in the very community in which the first legislative debates over New Brunswick's future direction once took place.

