

Families need up to \$50K to get by: study



A homeless encampment such as this one on the banks of the St. John River, near Government House in Fredericton, has become common in the province in recent years. PHOTO: BRUNSWICK NEWS ARCHIVE

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A New Brunswick family needs to earn as much as \$50,238 to escape poverty, a new research study by Statistics Canada suggests.

The data in the report, released Jan. 17, looked at what are called market basket measures across the country, including the cost of clothing, shelter, transportation, food and other necessities required by a family of four that reflects a modest, basic standard of living.

Randy Hatfield, executive director of the Human Development Council in Saint John, says his team is in the middle of writing its annual child poverty report card and busy plumping the latest study for the best, up-to-date information.

It's based on provisional figures from 2022.

He cautioned that the raw figures shouldn't give the impression that two parents working on minimum wage could escape their family from poverty. On the surface, they could: the minimum wage in the province was raised to \$13.75 an hour on Oct. 1, 2022, which means the wages of two full-time workers over the course of a year, before taxes and assuming no overtime, would work out to \$53,625.

But Hatfield pointed out that gross income was much different than after-tax income, including amounts taken off every pay cheque for employment insurance premiums, health plans and the like.

"A family would have to have disposable income, not just gross income, above the market basket measure to not be in poverty," he said in an interview Monday. "It's a little more complicated than you'd first think."

According to the Stat Canada study, costs are highest in Fredericton, with an average family of four needing \$50,238 to meet basic needs. In Moncton, it was \$48,055 and in Saint John, \$47,728.

The price of essential items was slightly lower in smaller communities and rural New Brunswick. The researchers said rural dwellers needed \$46,665 whereas people in urban communities of fewer than 30,000 needed \$48,379 to get by.

Hatfield's organization released its own study last year that stated for a family of four to stay out of poverty, the two parents would have to earn a basic living wage. It said in 2022, the living wage rates were \$23.45 an hour in Fredericton, \$21.60 in Saint John, \$20.85 in Moncton, and \$19.20 in Bathurst.

The position that everyone should be granted a living wage has been endorsed by the municipal councils in Fredericton, Moncton and most recently, Saint John.

"We applied the national living wage framework which has been endorsed and used by civil society groups across the country," the executive director said. "Trying to get by on minimum wage, by the time you calculated disposable income, you wouldn't hit the market basket measure. There are taxation benefits earmarked for low-income Canadians, but they wouldn't be enough."

He said the trickiest cost of living factor to consider was housing because prices and interest rates have shot up. Inflation has also caused turmoil among lower-income households, with groceries in particular seeing price spikes.

All of this needs to be contrasted against the billions in income support the Trudeau Liberal government offered at the onset of the pandemic in 2020.

The Statistics Canada research paper, written by Burton Gustajtis and Andrew Heisz, suggests that while the initial burst of income assistance helped millions of Canadians climb out of poverty, inflation has been clawing back at many gains, and soon, poverty levels will return to pre-pandemic levels.

Hatfield said great strides had been made by governments to ensure low-income families with children do better – the Canada child benefit has been a huge help – but the biggest cohort being left behind was working-age single people between the ages of 18 and 64. Older people are somewhat protected by pensions and Old Age security.

New Brunswickers on social assistance are nowhere near getting over the poverty threshold, with a monthly payment for the average single person at \$593 a month. Hatfield said if such a person was not in social housing, where only about 30 per cent of monthly income is charged for rent, they'd be forced to live with other family members or stay with friends.

As it stands, 31,000 people – or about four per cent of New Brunswick's population – are on social assistance.

"If you want to put more money into the hands of people, a living wage is a good place to start. But you could also look at a guaranteed income of sorts, which would get rid of welfare as we know it, and what a benefit that would be to the province, taking 21,000 households and about 31,000 off the rolls."