

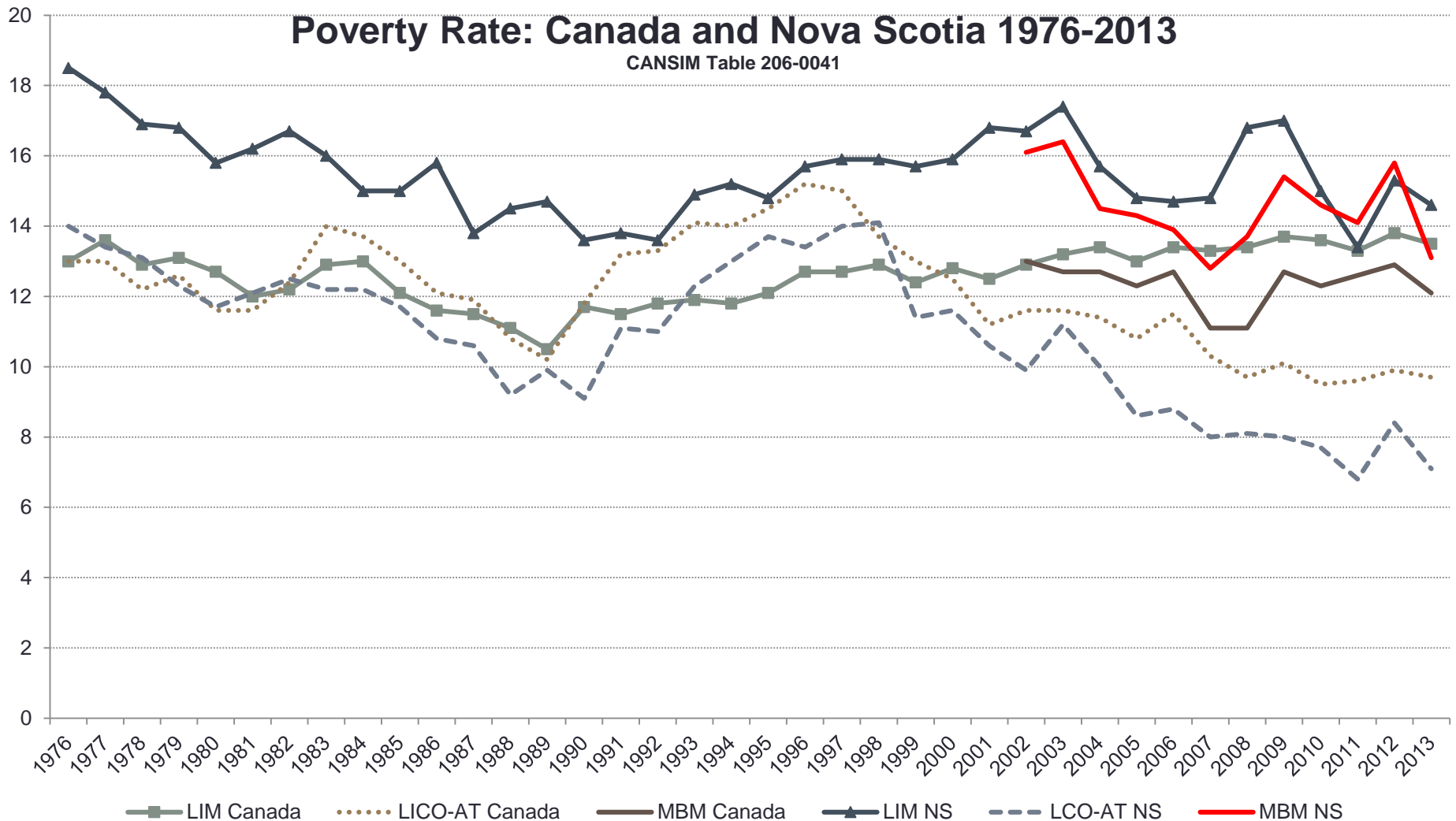
POVERTY IN NOVA SCOTIA: MONEY DOES MATTER

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- AGM CMHA Halifax-Dartmouth Branch
- Halifax, June 22, 2016

40 YEARS OF POVERTY



4 PERSON FAMILY Poverty Lines \$2013

Low income cut-offs after tax, 1992 base

Community size	
Rural areas	24,456
Population under 30,000	27,990
Population 30,000 to 99,999	31,225
Population 100,000 to 499,999	31,618
Population 500,000 and over	37,387

Low Income Measure (After-Tax)	41,866
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Market Basket Measure (MBM)

Halifax	36,852
Nova Scotia, rural	38,315
under 30,000	38,493
30,000 to 99,999	35,834
Cape Breton	34,317

Social Assistance is far below poverty line

http://novascotia.ca/coms/employment/income_assistance/BasicAssistance.html

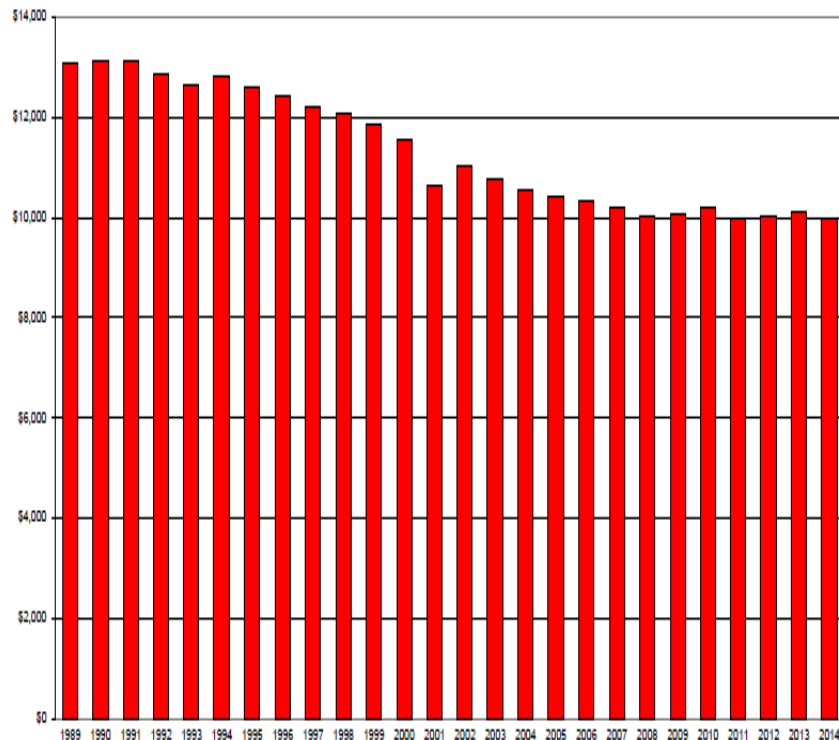
Shelter Allowance	2016		
Family Size	Rent or Own	Board	
1	\$300*	\$223	
2	\$570	\$242	
3+	\$620		
Personal Allowance	Adult	child 18-20	child <18
	\$255	\$255	\$133 *
2 adults + 2 kids = \$1,396 monthly = \$16,752 annually			
Plus federal child allowance & Tax Credits			

Social Assistance – lower now than ever & well below poverty line in all provinces

National Council of Welfare, Welfare Incomes 2009 http://wccanada.ca/data/research_docs/00000179.pdf

Nova Scotia: Single Person with Disability
1994= \$12,830; 2014=\$10,015

Total welfare incomes, person with a disability,
Nova Scotia, in constant 2014 dollars, 1989-2014



Nova Scotia – 2014

COMPARISON OF 2014 WELFARE INCOMES WITH MARKET BASKET MEASURE (MBM)

	Total Welfare Incomes	Estimated 2014 MBM	Poverty Gap	Welfare Incomes as % of MBM
Halifax				
single employable	\$7,182	\$19,128	-\$11,946	37.5%
person with disability	\$10,015	\$19,128	-\$9,113	52.4%
single parent, one child	\$16,384	\$27,050	-\$10,666	60.6%
couple, two children	\$23,431	\$38,255	-\$14,824	61.2%

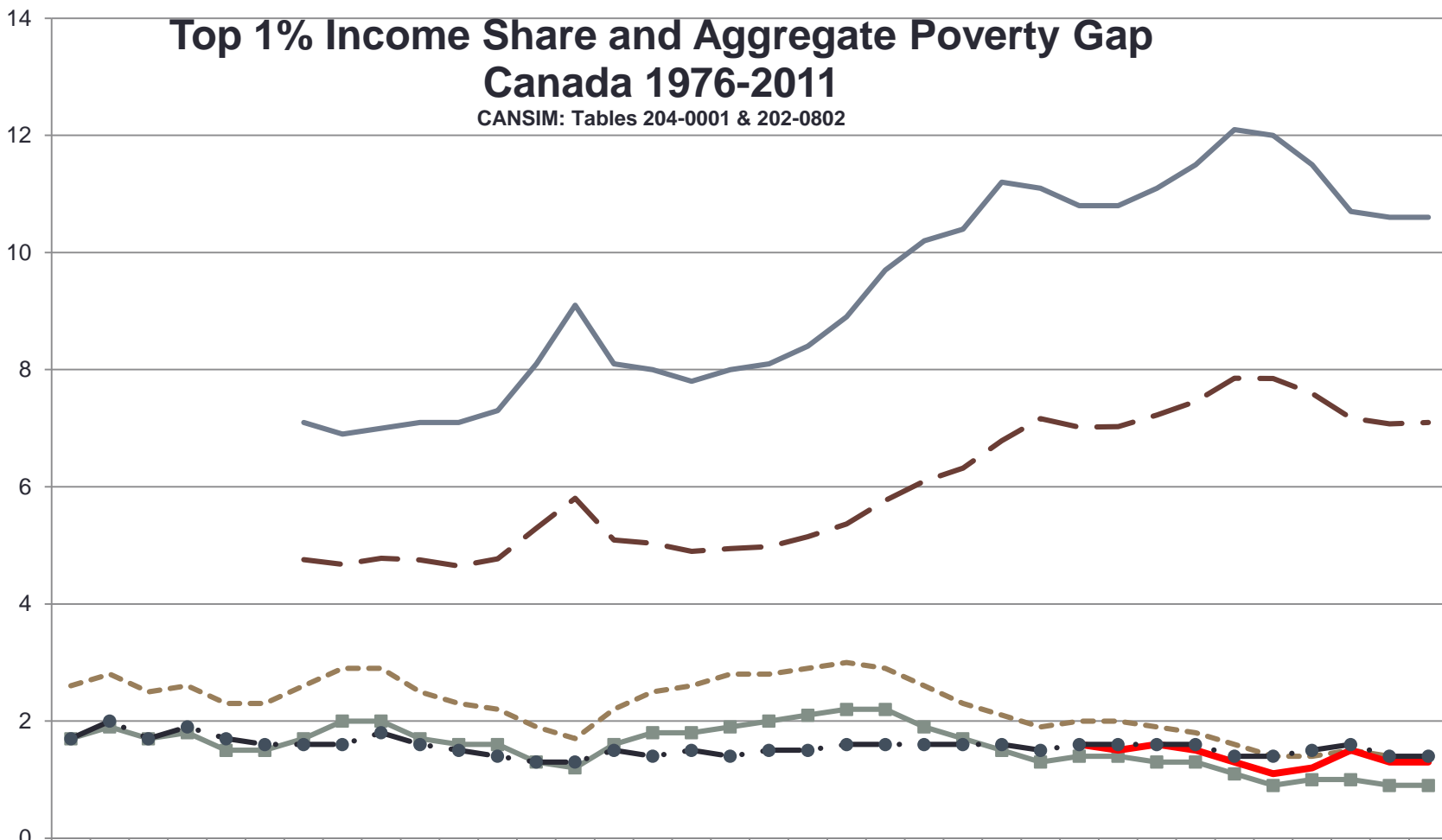
- 1. Poverty is not a big dollar problem – less than 1.5 % of total income would eliminate poverty in Nova Scotia
- 2. We have in the past had big success in reducing poverty – elderly poverty cut hugely by OAS/GIS
- 3. Social Assistance: crucial but cut in real terms since 1990s, Disabilities increasingly important as determinant
- 4. System is meagre & poorly designed for new precariat
 - “Hovering Poor” – Increasing Job Insecurity puts many at risk, poorly served by EI & SA

Poverty is not an Insoluble Problem

- It does not take all that much to make a big difference in the lives of people who have little.
- **Total Poverty Gap in Canada & in Nova Scotia is between 0.9% and 1.4 % of total income**
 - Would bring all poor people's income up to poverty line
- **2016-2017 Nova Scotia Budget Estimates**
 - Disability Support Program \$319M + Child, Youth and Family Support Program \$94M + Employment Support and Income Assistance \$348M
 - **Total = 1.95% of Nova Scotia GDP (\$39,077M in 2014)**

Top 1% Income Share and Aggregate Poverty Gap Canada 1976-2011

CANSIM: Tables 204-0001 & 202-0802

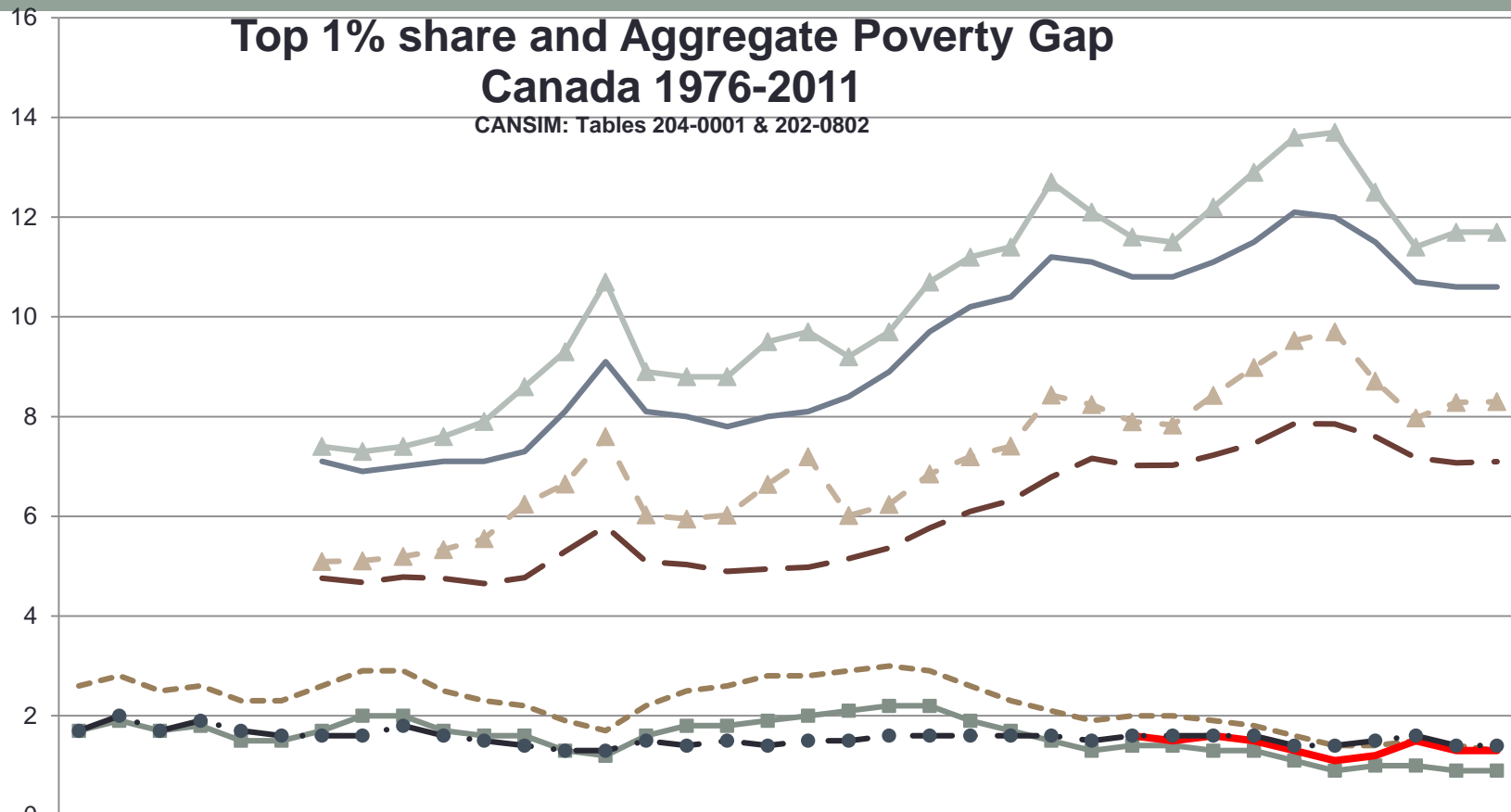


	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
LICO-AT gap	1.7	1.9	1.7	1.8	1.5	1.5	1.7	2	2	1.7	1.6	1.6	1.3	1.2	1.6	1.8	1.8	1.9	2	2.1	2.2	2.2	1.9	1.7	1.5	1.3	1.4	1.4	1.3	1.3	1.1	0.9	1	1	0.9	0.9
LICO-PT gap	2.6	2.8	2.5	2.6	2.3	2.3	2.6	2.9	2.9	2.5	2.3	2.2	1.9	1.7	2.2	2.5	2.6	2.8	2.8	2.9	3	2.9	2.6	2.3	2.1	1.9	2	2	1.9	1.8	1.6	1.4	1.4	1.5	1.4	1.3
MBM gap																											1.6	1.5	1.6	1.5	1.3	1.1	1.2	1.5	1.3	1.3
LIM gap	1.7	2	1.7	1.9	1.7	1.6	1.6	1.6	1.8	1.6	1.5	1.4	1.3	1.3	1.5	1.4	1.5	1.4	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.5	1.6	1.6	1.6	1.6	1.4	1.4	1.5	1.6	1.4	1.4
TOP 1% share							7.1	6.9	7	7.1	7.1	7.3	8.1	9.1	8.1	8	7.8	8	8.1	8.4	8.9	9.7	10	10	11	11	11	11	11	12	12	12	12	11	11	11
TOP 1% - TAX							4.7	4.6	4.7	4.7	4.6	4.7	5.2	5.8	5.0	5.0	4.8	4.9	4.9	5.1	5.3	5.7	6.0	6.3	6.7	7.1	7.0	7.0	7.2	7.4	7.8	7.8	7.5	7.1	7.0	7.0

■ LICO-AT gap
 --- LICO-PT gap
 — MBM gap
 ● LIM gap
 — TOP 1% share
 --- TOP 1% - TAX

Top 1% share and Aggregate Poverty Gap Canada 1976-2011

CANSIM: Tables 204-0001 & 202-0802



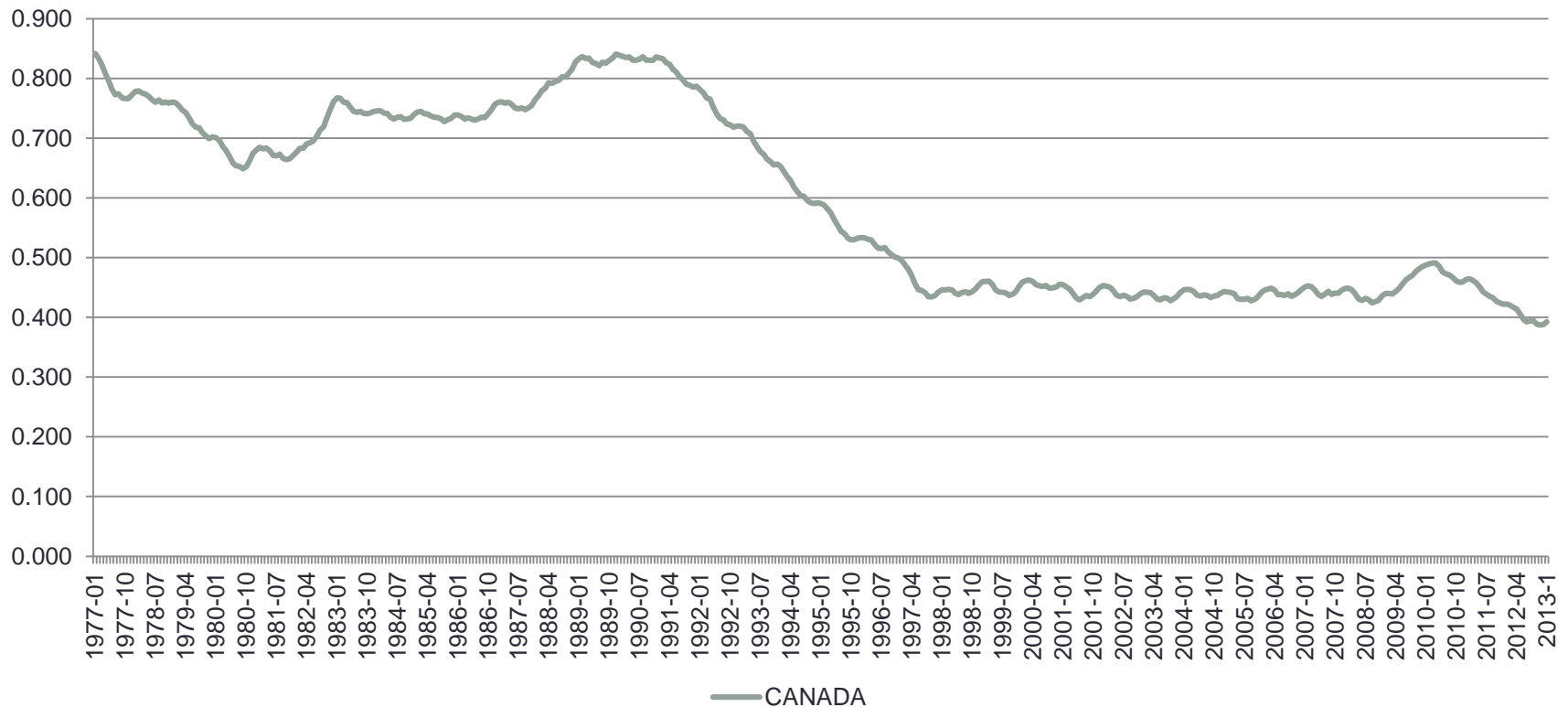
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
LICO-AT gap	1.7	1.9	1.7	1.8	1.5	1.5	1.7	2	2	1.7	1.6	1.6	1.3	1.2	1.6	1.8	1.8	1.9	2	2.1	2.2	2.2	1.9	1.7	1.5	1.3	1.4	1.4	1.3	1.3	1.1	0.9	1	1	0.9	0.9
LICO-PT gap	2.6	2.8	2.5	2.6	2.3	2.3	2.6	2.9	2.9	2.5	2.3	2.2	1.9	1.7	2.2	2.5	2.6	2.8	2.8	2.9	3	2.9	2.6	2.3	2.1	1.9	2	2	1.9	1.8	1.6	1.4	1.4	1.5	1.4	1.3
MBM gap																											1.6	1.5	1.6	1.5	1.3	1.1	1.2	1.5	1.3	1.3
LIM gap	1.7	2	1.7	1.9	1.7	1.6	1.6	1.6	1.8	1.6	1.5	1.4	1.3	1.3	1.5	1.4	1.5	1.4	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.5	1.6	1.6	1.6	1.6	1.4	1.4	1.5	1.6	1.4	1.4
TOP 1% share							7.1	6.9	7	7.1	7.1	7.3	8.1	9.1	8.1	8	7.8	8	8.1	8.4	8.9	9.7	10	10	11	11	11	11	11	12	12	12	12	11	11	11
TOP 1% - TAX							4.7	4.6	4.7	4.7	4.6	4.7	5.2	5.8	5.0	5.0	4.8	4.9	4.9	5.1	5.3	5.7	6.0	6.3	6.7	7.1	7.0	7.0	7.2	7.4	7.8	7.8	7.5	7.1	7.0	7.0
TOP 1% + KG							7.4	7.3	7.4	7.6	7.9	8.6	9.3	10	8.9	8.8	8.8	9.5	9.7	9.2	9.7	10	11	11	12	12	11	11	12	12	13	13	12	11	11	11
TOP 1% KG -TAX							5.1	5.1	5.2	5.3	5.6	6.2	6.6	7.6	6.0	5.9	6.0	6.6	7.2	6.0	6.2	6.8	7.2	7.4	8.4	8.2	7.9	7.8	8.4	9.0	9.5	9.7	8.7	8.0	8.3	8.3

LICO-AT gap
 LICO-PT gap
 MBM gap
 LIM gap
 TOP 1% share
 TOP 1% - TAX
 TOP 1% + KG
 TOP 1% KG -TAX

EI now harder to get – Increased Insecurity

UI/EI REGULAR BENEFITS Beneficiaries to Unemployed Ratio Canada - 1976-2012

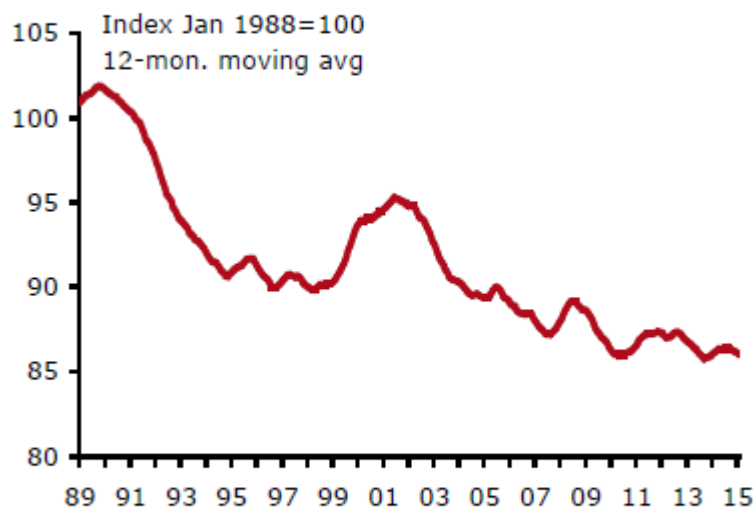
CANSIM V384773, , V2091135,; 12 MONTH MOVING AVERAGE



Declining Job Quality puts families at greater poverty risk

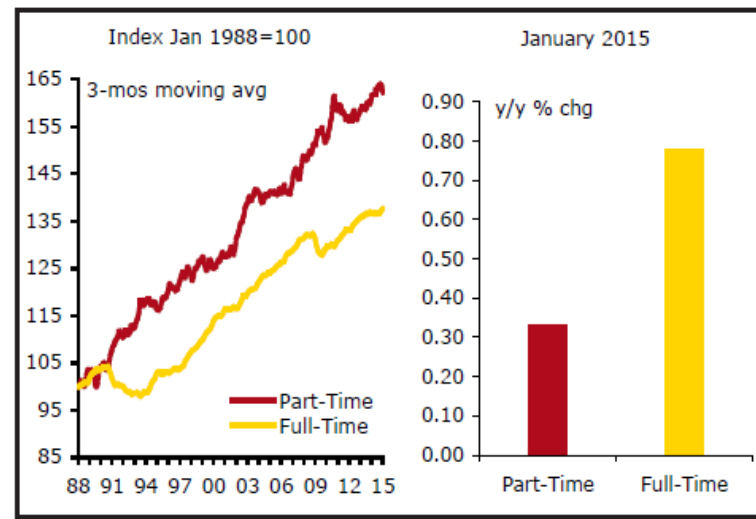
CIBC index: trends in full/part-time + self-employment + low wage

Chart 1
CIBC Employment Quality Index

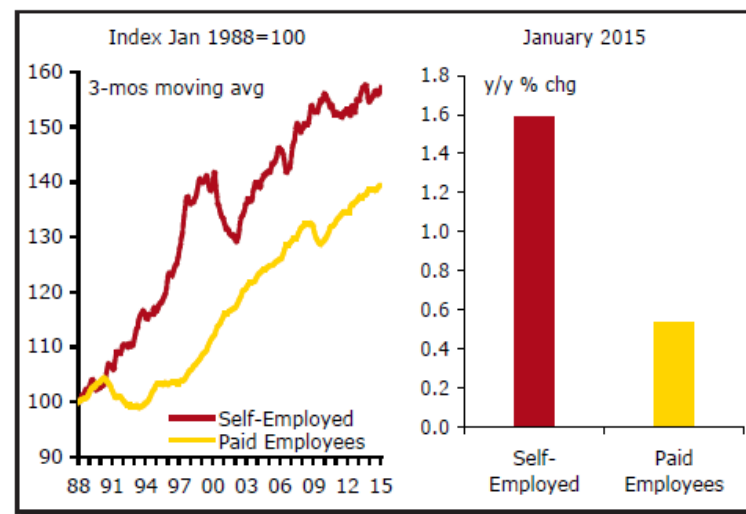


Source: CIBC calculations based on Statistics Canada's tabulations

Part-Time vs. Full-Time Jobs



Paid Employees vs. Self-Employed



Source: CIBC calculations based on Statistics Canada's tabulations

“At Risk” Households – Safety Net ??

- Increasing Percentage of jobs are short-term, low wage & insecure – and hard to get, especially for youth !
- Two Incomes Needed for family life
 - Loss of either means major financial stress
 - 70% of couple families with children now dual income
- Financial Stress: a major contributor to separation/divorce
 - Negative Feedback Loop: Financial stress often compounds initial stresses
- Health & Education Impacts are pervasive
 - Affects both self & children
 - Very costly, both for society & for individuals
- Money does Matter – for people now & for future generations !
 - Provincial disability payments reduce achievement gap in PSE enrolment
 - 1.8 million Canadian children < age15, (one in six), lived with disabled parent
 - Less \$, time & more stress imply achievement gap compared to non-disabled parents
 - But gap is smaller where disability \$ higher: +\$3,000 closes half achievement gap