

# Poverty Reduction Strategy: Navigating Our Way Forward



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Presented to: Honorable Clyde Jackman  
Minister of Seniors, Wellness and Social Development

## **Newfoundland and Labrador Association of Social Workers (NLASW)**

NLASW is the regulatory body and professional association for over 1500 professional social workers in this province. The vision of the NLASW is excellence in social work.

As a profession, social work is committed to improving the health and well-being of individuals, families and communities through the provision of or by engaging in counselling, social policy analysis, collaboration, research, health promotion and community capacity building.

In the pursuit of excellence in social work, the NLASW is actively engaged in social policy analysis. In this submission, it is our intention to provide input and recommendations for enhancing the provincial poverty reduction strategy.

### **Provincial Poverty Reduction Strategy: A Social Work Perspective**

The NLASW has participated in the consultation process for each phase of the provincial poverty reduction strategy. It is affirming that government continues to focus on the reduction, alleviation and prevention of poverty as a provincial priority. The NLASW recommends that government continue to place an emphasis on the five goals of the action plan for the strategy which includes improved access to and coordination of services for people with low income, a stronger social safety net, improved earned incomes, increased emphasis on early childhood development and a better educated population.

The NLASW supports the five priority areas outlined in the 2014 Discussion Guide for the poverty reduction strategy. In addition, it is important that government address the widening economic gap, explore poverty reduction within the context of health care reform, and invest in early intervention and prevention initiatives.

As noted in previous written submissions, it is imperative that the poverty reduction strategy support and intersect with other provincial strategies that impact on poverty reduction (e.g., long term care and community support services strategy, early childhood learning strategy, strategy for the inclusion of persons with disabilities, early childcare and learning strategy, youth retention and attraction strategy, provincial wellness plan, immigration strategy, population growth strategy, etc.). In 2015, it is important that these strategies continue to be strengthened with human and economic resources as we navigate our way forward.

### Poverty Reduction

NL has gained momentum in reducing and alleviating poverty. The 2014 progress report on the provincial poverty reduction strategy stated that NL now has the second lowest poverty levels in the country. While this is a considerable achievement, there is still tremendous work to be done. According to Campaign 2000 (2014) “prosperity has not solved persistent poverty” (p.4). Provincially, as outlined in the poverty reduction strategy progress report, the number of people in extreme low income, as measured by the Labor Market Basket Measure, has not decreased at the same rate as low income overall. The depth of poverty is not improving. In addition, the economic gap between the rich and poor continues to increase (VitalSigns, 2014; Statistics Canada, 2014).

Raphael (2010), as cited in Campaign 2000 (2014) states: “thousands of accumulated studies have come to the same basic conclusion: The incidence of poverty is a severe – if not the most severe – threat to the health and quality of life of individuals, communities, and societies in wealthy industrialized societies such as Canada” (p. 6). It is therefore important that poverty reduction remain a key priority for government in the 2015 fiscal year and investments in programs and policies which enhance the quality of life for people living in extreme poverty remain a priority.

Many individuals facing extreme low income have complex needs. These needs include homelessness and inadequate housing, mental health and addictions, limited education, food insecurity, and lack of employment opportunities. Addressing these priority areas is imperative to advancing the poverty reduction strategy. The NLASW recommends that the province continue to invest in affordable and accessible housing, particularly for those with complex mental health needs. A recent research report by the Mental Health Commission of Canada (2014) on homelessness and mental health, demonstrated that a housing first approach was effective in helping those experiencing homelessness, including those who experienced “major mental health problems”. When people are housed, they are in a better position to take care of their mental and physical health care needs, seek employment opportunities, and focus on their goals and ambitions. This study also showed that a housing first approach resulted in lower costs for other services (i.e., hospitalization, shelters, police services and the judicial system). A report produced through the Homeless Hub (2014) supports a housing first strategy for addressing homelessness. When people have access to affordable housing and coordinated services and supports, outcomes are improved.

A review of the minimum wage policy is another area that must be a priority in alleviating and preventing poverty. It has been argued that a stronger minimum wage would negatively impact employment levels. However, research conducted by Brennan & Stanford (2014) with the Canadian Centre for Policy Alternatives examined the relationship between minimum wages and employment in all ten Canadian provinces between 1983 and 2012 and found no consistent connection between higher minimum wages and employment levels. The authors concluded that “stronger minimum wages can be an important and effective tool in boosting earnings for low-wage workers, promoting greater equality across employed persons, stabilizing or improving the total labour income share of GDP, and reducing poverty”. The NLASW recommends that government continue to advance a minimum wage policy that is competitive and helps to move people out of poverty. Annual increases to the minimum wage that are indexed to inflation or tied to the average wage increase for the province, whichever is higher, would be the ideal option.

Continued investment in social programs and supports for those experiencing poverty, and ensuring that social assistance rates are able to adequately meet the needs of those requiring this support is important. A recent report by Food Banks Canada (2014) showed that the number of individuals assisted by food banks in the province in 2014 was slightly up from 2013. This report also demonstrated that the greatest number of people accessing food banks were in receipt of social assistance (71.4%), with 37.7% being under the age of eighteen. Income support, and a focus on youth, is such an important aspect of poverty reduction. As a province, we must and can do better for those living in poverty.

Social policy is health policy, and with the rising cost of health care, it is recommended that government continue to focus on solutions that improve health through initiatives such as the poverty reduction strategy. According to research completed by Lightman, Mitchell and Wilson (2008) “every \$1,000 increase in income leads to substantial increases in health. For instance , an annual increase of \$1,000 in income for the poorest twenty percent of Canadians will lead to nearly 10,000 fewer chronic conditions, and 6,600 few disabilities every two weeks” (p. 2). This research is significant in light of the rising cost of health care in this province. In addition to cost savings in work productivity, higher tax incomes, and reduced strain on the criminal justice system, it makes economic sense to continue to invest in the alleviation, reduction and prevention of poverty in our province.

Child care is also an area where additional investments are necessary. While the number of regulated child care spaces has significantly increased, there is still a shortage of accessible, affordable and high quality childcare spaces in the province to meet the growing demands of families. According to a report by Macdonald and Friendly (2014) with the Canadian Centre for Policy Alternatives, the cost for infant child care in St. John’s is the second highest in Canada. The high cost of child care is a barrier to gainful employment for many individuals, particularly women. It is recommended that investments in regulated child care continue in 2015 and that government explore options for affordable child care that meets the needs of families

throughout Newfoundland and Labrador (e.g., subsidies for child care spaces for low income families, capped fees on child care rates, enhanced focus on after school programming).

One of the priority areas listed in the Discussion Guide is to increase supports for vulnerable youth. Given the developmental needs of youth, it is important that youth poverty and homelessness be addressed through a focused action plan. A recent public forum on youth homelessness, facilitated through Memorial Presents (2014), offered insight into the issue of youth homelessness in our province and strategies for meeting the complex needs of youth who are vulnerable to poverty and homelessness. The panelists stressed the importance of helping youth find safe and appropriate housing and access to education and employment opportunities. Many youth who face homelessness are dealing with complex issues and it is important that they have access to intensive and coordinated supports and services. As noted by Stephen Gaetz, one of the panelist's during the forum, the focus should be on supporting youth to adulthood and not simply to independence.

The NLASW recommends incorporating social work into the K – 12 education system. From an early intervention and prevention perspective, having social workers in schools throughout the province would enable youth who are vulnerable to homelessness to have access to supports they need to complete their education. Schools that have social workers on site, benefit from the knowledge, skills and expertise of a profession who can help to address issues relating to transitions, anxiety, grief and loss, bullying, and low self-esteem.

### **Summary**

The province is facing economic uncertainty, however now is not the time to cut social programs or to stop the gains that have been made through the poverty reduction strategy. As a profession, social workers look forward to continuing to work with government in informing policy and program development to eliminate poverty in Newfoundland and Labrador.

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