POVERTY

STATUS: ✅ GOAL MET

Current:
7.6%

Goal:
8.1%

Baseline:
16.2%

Peak (2020):
7.6%
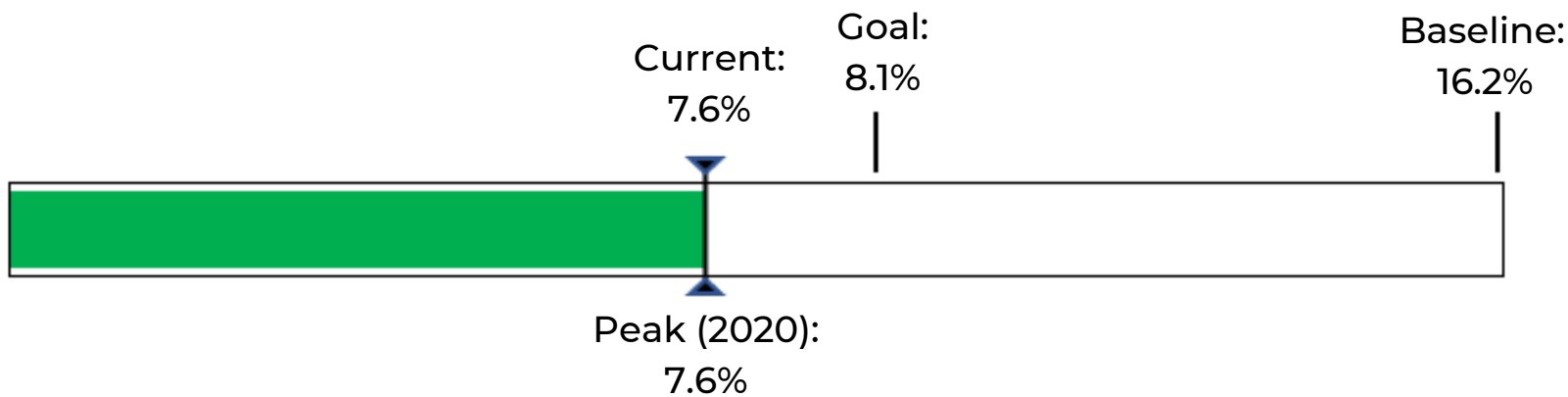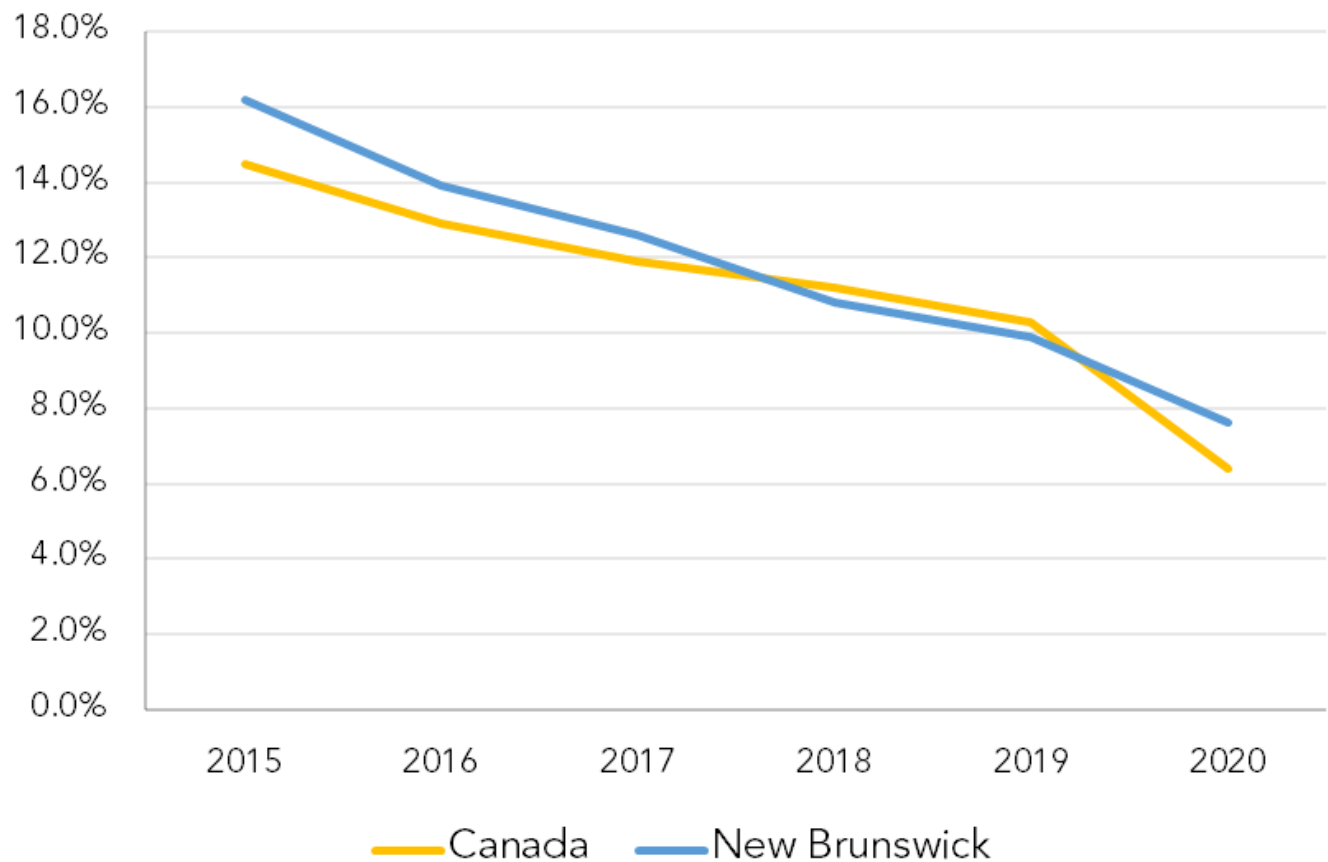
In line with UN Sustainable Development Goal 1, New Brunswick will have one half the poverty rate in 2030 as in 2015.

Updated: July, 2022

Figure 1: Market Basket Measure Poverty Rates
(Base 2018)

(See full data in Appendix A)

HIGHLIGHTS

- New Brunswick is exceeding the poverty reduction goal set by the UN
- New Brunswick's poverty rate dropped from 16.2% in 2015 to 7.6% in 2020
- Indigenous Peoples and persons with disability continue to experience higher levels of poverty
- It remains unclear what effect inflation and the ending of Covid-19 relief benefits have had on poverty in the province.

OVERVIEW

Importance

The poverty rate is determined by the percentage of people who do not have a large enough disposable income to provide a basic level of necessities for themselves and their families. The importance of this is clear, if people cannot afford this basic level their health, happiness, and wellbeing will suffer considerably. Poverty is also the first of the UN Sustainable Development Goals. As such, it is important to raise as many people as possible out of poverty.

Problem

In the year 2020, with the most recent data available, New Brunswick faced a slightly higher poverty level than the Canadian average. However, the New Brunswick rate has been declining and was below the Canadian rate in the prior year. Canada surpassed the New Brunswick rate through large Covid-19 support programs such as CERB which lifted many people over the poverty line across Canada, New Brunswick maintained the trajectory of previous years and did not see as large of a drop in 2020.
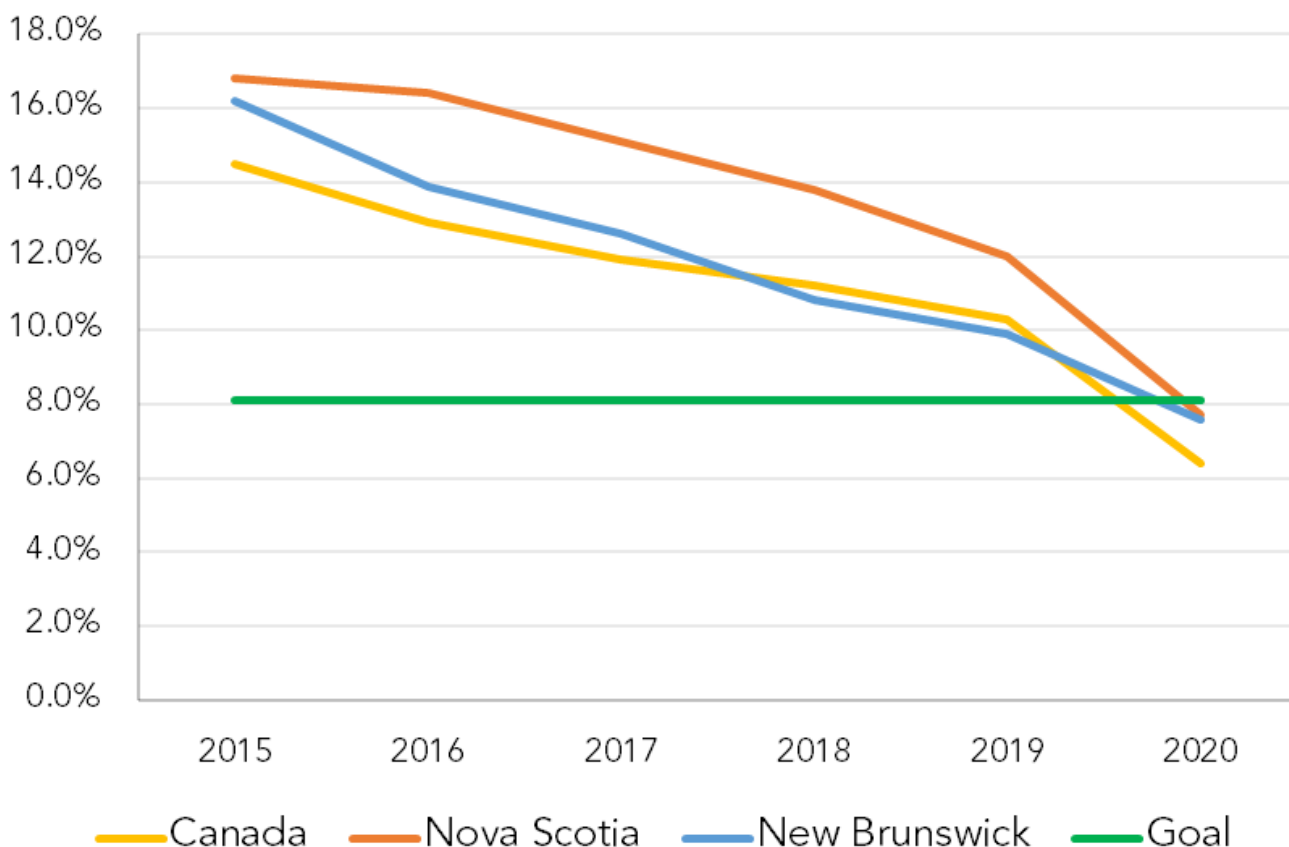
Cause

The determinants of poverty are various and complicated. Some major factors include poor intergenerational income mobility meaning that the current generation is likely to fall into the same income bracket as their parents as well as historical and institutional racial injustices which leave Indigenous peoples with some of the largest poverty rates in the country. Other determinants include disability which causes some people difficulty in finding jobs or accessing support programs.

IN THE NUMBERS

In Canada, poverty is measured using a "Market Basket Measure". This calculates the percentage of people who are not able to afford a basic level of subsistence in the area in which they live after taxes and transfers. Figure 2 shows the percentage of people living below the poverty line in Nova Scotia, New Brunswick, and Canada as a whole. In 2018 and 2019, New Brunswick had lower poverty rates than the Canadian average, likely due to Covid-19 support programs that were available across the country. This caused the poverty rate to drop considerably across Canada, however, New Brunswick continued on its existing trajectory. This rate of poverty reduction nationwide is very good.
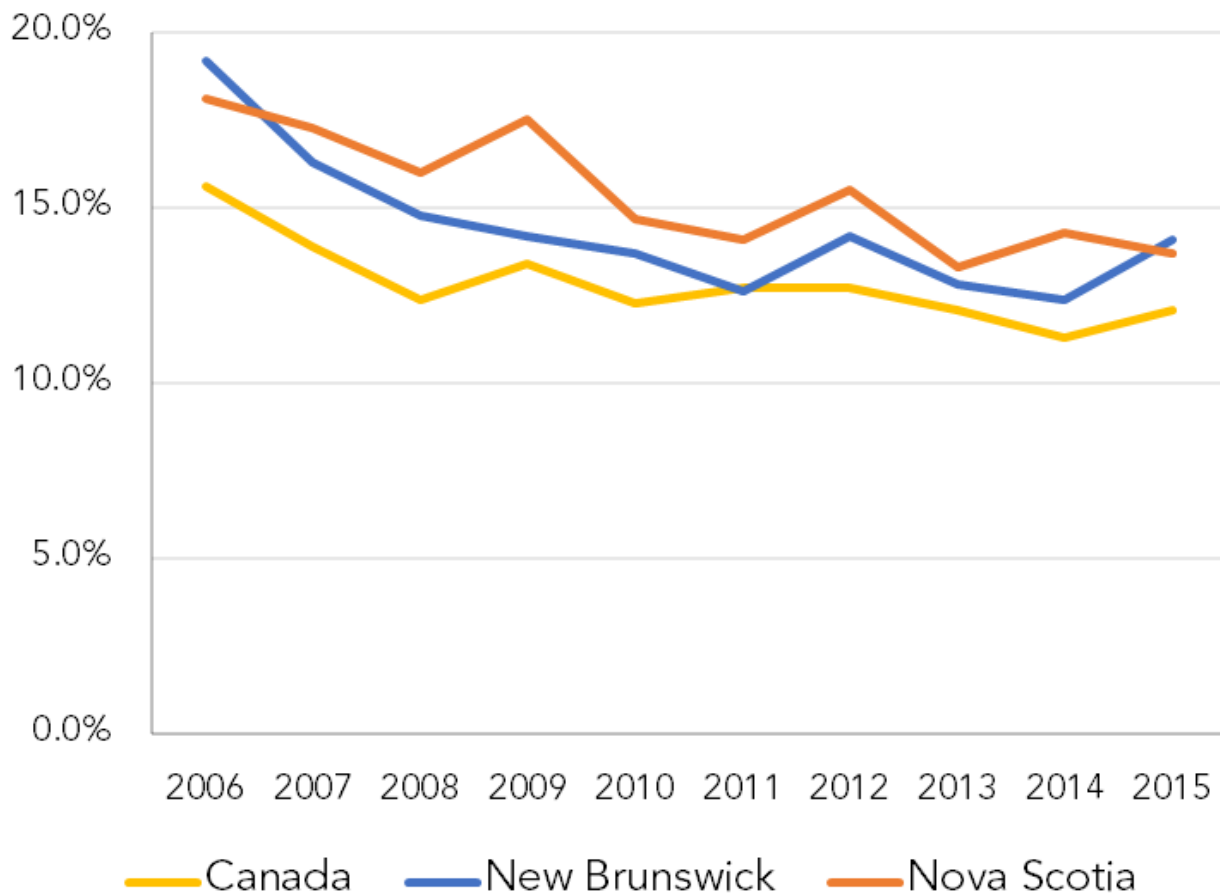

Figure 2: MBM Poverty Rates
(Base 2018)

(See full data in Appendix A)

Poverty has been decreasing in New Brunswick for even longer than this, but data for the new 2018 measurement (MBM) is only available since 2015. Although not directly comparable, Figure 3 shows poverty rates from 2006-2015 using the 2008 measurement system.

Figure 3: MBM Poverty Rates
(Base 2008)
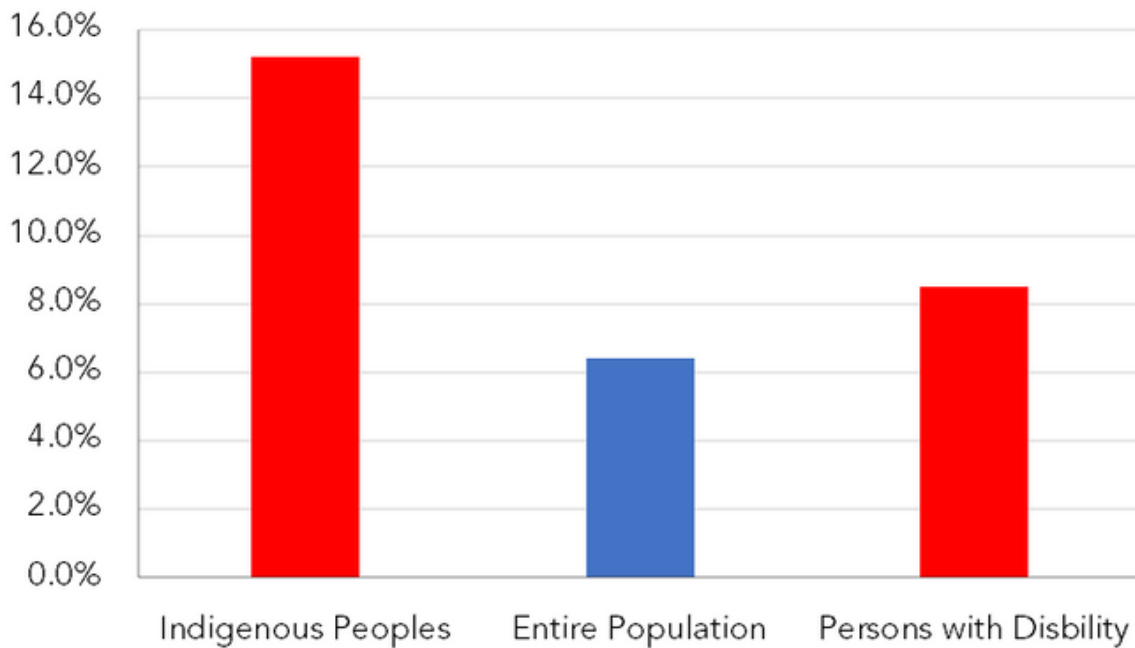

(See full data in Appendix B)

A CLOSER LOOK

First Nations Poverty Rates

Although data by province is not readily available for First Nations poverty rates, some research has identified the trends. In Canada, First Nations peoples living off reserve experienced a poverty rate of 15.2% in 2020, much higher than the general rate. Unfortunately, Statistics Canada does not publish poverty rates of Indigenous peoples living on reserves but a report commissioned by the Assembly of First Nations in 2019 shows high levels of poverty on reserves. The authors of this report identify three tiers of child poverty in the 2015 data. The lowest rates were found in non-racialized and non-Indigenous children. Non-status Indigenous children in 2015 had twice the poverty rates of the non-Indigenous, and status-Indigenous children lived with the highest level of poverty, those on the reserve had a poverty rate of 53%.

Disability Poverty Rates

Disability poverty rates are also difficult to find at the provincial level but we do know that adults with disability experience higher rates of poverty than the national average. In 2020, 8.5% of persons with a disability fell below the poverty threshold as opposed to a national level of 6.4%. In 2019 these numbers were 13.7% to 10.3%.

Figure 4: Poverty Rates of Indigenous Peoples and Persons with Disability (2020)

Source: Statistics Canada. Canadian Income Survey, 2020. https://www150.statcan.gc.ca/n1/daily-quotidien/220323/dq220323a-eng.htm.

SUMMARY

- New Brunswick has made good progress through 2020 in poverty reduction and held lower poverty rates than the national average in 2018 and 2019.
- New Brunswick has already met its 2030 goal of a 50% reduction of poverty, but significant disparities remain between the poverty levels of non-Indigenous and Indigenous peoples, this is most prevalent in the very high poverty rates on reserves. More still needs to be done as well to reduce the poverty levels of persons with disability.
- It remains to be seen how inflationary pressures since 2020 and the lifting of temporary Covid-19 supports have affected poverty rates in the province as income data is not available until two years later. New Brunswick is also known to have more people living near the poverty line, leaving it potentially more vulnerable.

APPENDIX A

MBM Poverty Rates (2018 Base)

Year	2015	2016	2017	2018	2019	2020
CA	14.5%	12.9%	11.9%	11.2%	10.3%	6.4%
Atlantic Canada	15.7%	14.5%	13.5%	12.3%	11.2%	7.5%
NL	13.0%	12.2%	11.3%	11.4%	11.2%	7.0%
PE	15.7%	13.9%	15.4%	13.4%	12.3%	7.6%
NS	16.8%	16.4%	15.1%	13.8%	12.0%	7.7%
NB	16.2%	13.9%	12.6%	10.8%	9.9%	7.6%
QC	13.5%	11.0%	10.9%	9.8%	8.9%	4.8%
ON	15.1%	13.7%	12.3%	11.8%	10.9%	6.8%
Prairies	10.8%	10.7%	9.6%	9.6%	9.1%	6.0%
MA	14.1%	12.4%	11.2%	11.1%	11.5%	6.8%
SK	12.2%	11.1%	11.9%	10.8%	11.9%	6.7%
AB	9.4%	10.1%	8.5%	8.8%	7.7%	5.5%
BC	18.6%	16.0%	14.6%	13.3%	11.9%	7.6%

Source: Statistics Canada. "Low-income statistics by age, sex, and economic family type." Table: 11-10-0135-01 (formerly CANSIM 206-0041)

APPENDIX B

MBM Poverty Rates (2008 Base)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CA	15.6%	13.9%	12.4%	13.4%	12.3%	12.7%	12.7%	12.1%	11.3%	12.1%
Atlantic Canada	18.8%	16.6%	15.2%	15.4%	14.0%	13.0%	14.0%	12.9%	12.9%	13.5%
NL	19.2%	15.9%	14.8%	14.1%	13.4%	11.9%	11.3%	11.9%	11.5%	12.1%
PE	19.8%	16.0%	13.5%	13.2%	13.1%	11.8%	12.9%	15.6%	11.2%	14.5%
NS	18.1%	17.3%	16.0%	17.5%	14.7%	14.1%	15.5%	13.3%	14.3%	13.7%
NB	19.2%	16.3%	14.8%	14.2%	13.7%	12.6%	14.2%	12.8%	12.4%	14.1%
QC	13.1%	12.3%	11.1%	11.3%	9.9%	10.7%	11.7%	10.7%	9.3%	10.7%
ON	16.2%	14.8%	13.0%	13.8%	12.9%	13.1%	14.0%	13.9%	12.4%	12.9%
Prairies	12.5%	11.3%	9.8%	11.9%	10.4%	10.9%	9.0%	9.1%	9.0%	9.0%
MA	15.3%	12.9%	11.1%	13.1%	11.4%	11.8%	11.6%	11.2%	11.1%	12.1%
SK	16.0%	14.6%	12.2%	11.9%	11.0%	10.7%	10.3%	10.1%	10.0%	10.3%
AB	10.7%	9.9%	8.8%	11.5%	9.9%	10.7%	7.9%	8.2%	8.2%	7.7%
BC	20.4%	16.3%	14.9%	17.0%	16.2%	17.2%	14.5%	13.1%	13.6%	15.6%

Source: Statistics Canada. "Low-income statistics by age, sex, and economic family type." Table: 11-10-0135-01 (formerly CANSIM 206-0041)