

## Deep Poverty in New Brunswick

### A Description and National Comparison

***What does it mean to be poor in New Brunswick? Let's dig a little deeper: What does it mean to live in "deep poverty" in the province, who is most likely to experience deep poverty, and why?***

In Canada, the poverty line is determined by the Market Basket Measure (MBM). That means the official poverty line relies on an absolute measure of poverty that grows with inflation. For example, when the price of milk or bread changes across the country, so does the poverty line.

New Brunswick does not have an official poverty measurement; instead, when the province measures poverty levels, it refers to both the MBM and something called the Low-Income Measure (LIM) – a relative measure of poverty that grows when median incomes increase. In other words, when using the LIM, if average incomes increase, people whose incomes remain the same could be seen as living in poverty, even if their living conditions didn't change.

In New Brunswick, "deep poverty" is defined as 50% of the LIM. In 2016, that was \$11,328 for a one-person household. Deep poverty is shown to affect the same types of people no matter which measure of poverty is used (MBM OR LIM). Those in deep poverty are more likely to be single, living alone, middle-aged, and on social assistance.

#### KEY FINDINGS

- **Canadians in Deep Poverty tend to be single, living alone, middle-aged, and on social assistance.**
- **The strong correlation between deep poverty and government transfers in Atlantic Canada suggests the need for a change in policy.**
- **One government solution to deep poverty would be to raise single social assistance payment to a level above 50% of the LIM.**
- **It is possible those who persist in deep poverty are not transitioning off social assistance for systematic reasons, such as disability.**

Overall, we find that the poverty measure used can impact outcomes when looking at the prevalence of deep poverty in NB, while the characteristics of people living in deep poverty remain the same.

Though being on government transfers is associated with deep poverty across Canada, this relationship is particularly strong in the Atlantic provinces. If current social assistance supports are keeping people in deep poverty, governments could address this issue by raising social assistance payments to a level above 50% of the LIM.