

CALEDON



INSTITUTE OF
SOCIAL POLICY

Reconstructing Social Assistance in New Brunswick: Vision and Action

by

**Ken Battle, Michael Mendelson and
Sherri Torjman**

July 2010

Reconstructing Social Assistance in New Brunswick: Vision and Action

by

**Ken Battle, Michael Mendelson and
Sherri Torjman**

July 2010

Copyright © 2010 by The Caledon Institute of Social Policy

ISBN 1-55382-481-4

Published by:

Caledon Institute of Social Policy
1390 Prince of Wales Drive, Suite 401
Ottawa, ON K2C 3N6
CANADA
Tel./Fax: (613) 729-3340
E-mail: caledon@caledoninst.org
Website: www.caledoninst.org

Introduction

Last year, the Government of New Brunswick commissioned the Caledon Institute of Social Policy to help reform the province's social assistance system as part of its comprehensive poverty reduction strategy, *Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan*. One of Caledon's tasks was to write a short paper setting out a vision and rationale for fundamental reform of welfare (the popular word for social assistance) in New Brunswick. That document, *Reconstructing Social Assistance in New Brunswick*, is presented next. We then report on the actions that New Brunswick has taken or is planning in order to realize the vision of reform it shares with Caledon.

PART ONE

Reconstructing Social Assistance in New Brunswick **The Caledon Institute of Social Policy** **August 2009**

New Brunswick is launching a comprehensive strategy to reduce poverty. A central pillar of that ambitious undertaking must be a strong and effective system of social assistance – which does not now exist.

Just throwing more resources at the same old programs is not enough. The current social assistance system is broken: It discourages recipients from work and does nothing for the many poor who are working and not on social assistance.

We here set out a vision for a completely different kind of system: One that rewards work and helps the working poor, while at the same time providing better income support for those who are in need. We want to rebuild our system as a modern, comprehensive network of income supports and services geared to all low-income people in New Brunswick, not just those on welfare.

This vision cannot be realized overnight or even in a single term in office. But we will never get to our goals unless we set them out boldly.

Need for Reform

In Canada, social assistance – better known as welfare – is operated by the provinces and territories. While welfare programs across the country vary in detail, they are more similar than different. They share many flaws and failings, and New Brunswick's social assistance system is no exception.

Welfare has been called the income program of ‘last resort.’ It is intended to provide a social safety net for unemployed Canadians of working age and their dependent children, who have little or no income from employment or other social programs, and who have used up almost all other financial assets.

The ‘tangled safety net’ of welfare is a complicated, rule-burdened system that is difficult to understand and sometimes inconsistent in its treatment of recipients. There are rules governing eligibility, definitions of employability, amount and type of benefits, monitoring of clients and reporting requirements. The rules are so complex that many files contain errors despite the best efforts of both welfare workers and recipients. New Brunswick’s welfare system reflects this complexity, with three different programs, each with two rate schedules.

Welfare benefits in all jurisdictions fall below poverty levels. Payments to employable social assistance recipients without children are low in all provinces and territories, and New Brunswick’s are particularly low for single employable persons. New Brunswick’s welfare benefits are also among the lowest for recipients with a disability and couples with two children.

Welfare is deeply stigmatizing for adults and for the children who depend upon those adults. Some children of welfare families manage to thrive despite the disadvantages they face. Nonetheless, the sad reality is that children of welfare families face a higher risk of health and behavioural problems, poor educational outcomes and becoming poor in their adult years than other children, including those in low-income families in the workforce.

Many recipients use welfare only once and then get back on their feet. But some end up relying on welfare for many years – which may lead to a lifetime of poverty and dependence. The needs test used to determine eligibility for social assistance reinforces poverty and dependency, requiring applicants to deplete most of their assets in order to qualify. Far from a way out of poverty, welfare unwittingly has become a social and economic ghetto for far too many recipients – trapped behind a ‘welfare wall’ that creates incentives for dependence and disincentives for independence.

The welfare system originally was created primarily to provide short-term, emergency assistance to unemployable Canadians with no other source of income. It never was intended to deliver long-term support to substantial numbers of ‘able-bodied’ unemployed and working poor. Neither was it designed to mesh with the labour market.

Social assistance recipients who find work can keep only a small portion of their earnings if they remain on welfare. Those who manage to leave welfare for the workforce lose a substantial amount of income embedded in their welfare payment, including child benefits in some provinces, benefits for spouses and a payment for the first child in a single-parent family. Recipients leaving welfare may also lose many important benefits delivered ‘in kind,’ including supplementary health, drug and dental care, technical aids and equipment, subsidized housing and child care.

Welfare recipients who find employment must pay work-related expenses such as transportation, clothing and child care. At the same time, their typically low employment earnings are reduced by federal and provincial/territorial income taxes, and by payroll taxes in the form of Employment Insurance premiums and Canada Pension Plan or Quebec Pension Plan contributions.

New Brunswick has already managed to lower its welfare wall in some respects – such as providing child care to the working poor, lowering its personal income tax and extending supplementary health benefits for up to 12 months to recipients who leave welfare for work and on an ongoing basis to the working poor who have high medical costs. However, serious disincentives to work remain embedded in the welfare system.

Until recently, many training opportunities and other employment services have been tied to eligibility for Employment Insurance. This requirement excluded many unemployed workers – especially the working poor – who tend not to qualify for Employment Insurance. Under a new federal-provincial labour market agreement, more employment services will now be open to many workers who do not qualify for Employment Insurance. Nevertheless, robust and adequately resourced referral to education and training opportunities must still be fully integrated into the social assistance system.

But welfare recipients are not the only people living in poverty. Half of low-income Canadians are employed and rarely, if ever, use welfare. Yet governments in the past did relatively little for the working poor, even though the low-wage sector has become a significant and persistent part of the economy. In recent years, though, there has been growing recognition of the challenges faced by working poor households and some progress has been made to better meet their needs.

In 1997, the province created the New Brunswick Working Income Supplement. But it is small at only \$250 a year and is restricted to families with children, thereby excluding childless couples and individuals. In 2007, the federal government introduced the Working Income Tax Benefit (WITB), aimed at reducing disincentives to work for welfare recipients and enhancing incentives to work among the employed poor. The Working Income Tax Benefit pays an annual maximum of \$925 per single person and \$1,680 per family. Together the federal Working Income Tax Benefit and New Brunswick Working Income Supplement provide up to \$1,930 annually for working poor families with children.

Some progress has been made at both the federal and provincial/territorial levels in the last few decades, but nowhere near enough. The Government of New Brunswick recognizes the need for a modern system of social security that works with the labour market and that reduces unfair distinctions between welfare and working poor households. We must provide effective opportunities, income supports and services to *all* low-income households.

Vision for Reform

New Brunswick's current social assistance system – conceived in and built for an earlier time – is unable to meet the heavy demands imposed by the profound changes taking place in our economy and society. We need a modern system of income supports and social services. There are three core objectives which can be used as the basis for designing a new system that will more effectively reduce poverty:

1. Help employable recipients of social assistance move quickly back to work.
2. Make work pay for the working poor.
3. Provide decent long-term support for people who cannot reasonably be expected to obtain much, if any, income from employment or from other sources.

Guiding Principles

Several key guiding principles will help rebuild New Brunswick's welfare program into a modern social security system that will form the foundation of the poverty reduction strategy. These principles and tenets are:

- work is the bedrock of economic security and social inclusion
- those who cannot be expected to work full time must be included in the community as fully participating citizens
- every citizen should be able to contribute to society to the best of his or her ability
- preventing people from falling into poverty is the best social investment
- income support must be seen as a platform for a new start, not a last resort
- incentives for inclusion must be created, including a barrier-free environment for work and community living
- responsibility for a new social security system must be shared among the federal and provincial governments, business, labour, the voluntary sector, communities and people living in poverty
- to the extent possible, income-tested programs geared to all low-income persons should replace needs-tested programs restricted to those on social assistance.

Our vision for a new system of social assistance in New Brunswick would shift the current system:

FROM		TO
stigmatizing and marginalizing	⇒	inclusion and mainstreaming
complexity and stealth	⇒	simplicity and transparency
dependent recipients	⇒	independent citizens
entitlement	⇒	rights and responsibilities
deserving versus undeserving poor	⇒	equitable treatment of all low-income persons

Elements of Reform

After examining the research and experience in other jurisdictions, we have come to the conclusion that the most effective way to lower the welfare wall is to eliminate much of the welfare system as we know it. Wherever possible, it should be replaced with non-stigmatizing income supports and services available to all low-income households.

Below we list several core elements of a modern social assistance system. The actual design and costing of options and the strategy required to implement the proposed reforms are challenging matters that can only be addressed over time, and as fiscal circumstances permit. Our purpose here is to set a direction for change.

Income security programs

a new non-welfare benefit

A new *non-welfare program* (let’s call it ‘Transitions to Work’) could replace traditional social assistance for employable persons seeking temporary support. The main focus of the new program would be to enable active job search and preparation for work rather than policing the benefit system. The Transitions to Work benefit would resemble a wage. Ideally, it would be a flat-rate amount that would be paid on a bi-weekly basis and possibly include CPP contributions. This innovative non-welfare program would operate with little bureaucracy and minimal intrusion into clients’ lives.

disability pension

Persons with disabilities comprise a substantial group of social assistance recipients. Unfortunately, many have no recourse but to turn to welfare for access to the supports and services they require for daily living. Those who cannot reasonably be expected to obtain all or most of their income from paid employment should be afforded a decent basic income – a *disability pension* – rather than welfare. This program could be operated outside the traditional welfare system. At the same time, *disability supports*¹ should be separated from income assistance and made available to all low-income persons with disabilities.

child benefits

No reform of the social security system can succeed without removing *child benefits* from social assistance, where they have formed a major part of the welfare wall. Fortunately, this task has been largely accomplished by the National Child Benefit reform, a successful cooperative venture between the federal and provincial/territorial governments that can serve as a model for other reforms.

Almost all provinces and territories have supplemented the federal Canada Child Tax Benefit with their own income-tested child benefits.² Together, the federal and provincial/territorial programs have been sufficient to deliver an increasing proportion of child benefits outside of welfare to all low-income families. These stand-alone child benefit programs have substantially reduced the welfare wall by ensuring that families on social assistance retain the equivalent of their welfare-embedded child benefits when they leave welfare for work. Moreover, these measures provide tangible assistance to working poor families by raising their child benefits to the higher level traditionally paid only to welfare families.

New Brunswick has already taken some steps along this path toward fundamental reform of its welfare system. In 1997, the province introduced the income-tested New Brunswick Child Tax Benefit. Although the New Brunswick Child Tax Benefit pays only \$250 for each dependent child, it provides a foundation to build a larger child benefit payable to all low-income families. Together, a renewed New Brunswick Child Tax Benefit and current federal child benefits could be sufficient to replace all child-related benefits in the existing welfare system. This advance would represent the single largest achievement in eliminating the welfare wall for New Brunswick families with children, while at the same time significantly helping low-income working families.

earnings supplementation for the working poor

Earnings supplementation for the working poor is another vital component of a revamped income security system. As with child benefits, New Brunswick and the federal government could work together to build a more substantial earnings supplement. The province could boost

and index its New Brunswick Working Income Supplement for low-earning families with children, extending it to households without children. New Brunswick also could take advantage of the federal provision allowing provinces to reconfigure the Working Income Tax Benefit to better fit their own income assistance systems and minimum wages.

A strengthened Working Income Supplement could be designed to replace the earnings exemptions that currently apply only to social assistance recipients. This change would provide greater fairness for the working poor and help further lower the welfare wall, especially for adults without dependent children.

minimum wage

Minimum wages are a crucial element in ‘making work pay’ as they provide a wage floor for the working poor. New Brunswick is gradually raising its minimum wage which, at \$8.00 as of August 2009, shares the lowest ranking of all jurisdictions along with British Columbia.

anti-stealth: indexing income programs

All federal income security programs and tax credits (with the exception of the Universal Child Care Benefit) index their benefits, but this is not generally the case for the provinces and territories: Most welfare programs are not indexed. As a result, the value of payments automatically decreases over time because they don’t keep pace with inflation. Lack of indexation is a classic example of ‘social policy by stealth,’ whereby governments make invisible changes to benefits through technical tricks such as failure to index rates. Even if governments make occasional increases to benefits, those adjustments still may not be enough to maintain their full value over the years.

The antidote to cuts through stealth is to index rates to the cost of living as determined through changes in the Consumer Price Index. We urge New Brunswick to index all its income security programs – including social assistance, child benefits, seniors benefits, earned income supplements and the minimum wage.

tax relief

The *tax system* also forms part of the welfare wall. Recipients who leave welfare for work see their typically low earnings reduced by federal and provincial/territorial income taxes and payroll taxes in the form of Canada/Quebec Pension Plan contributions and Employment Insurance premiums. In recent years, the federal government has addressed this problem by raising the income tax payment threshold and lowering income tax rates. New Brunswick has already gone farther than any jurisdiction in Canada in easing its income tax burden for all taxpayers, including those with low and modest incomes.

Services

supplementary health care

Because medicare does not cover all of health care, *supplementary health benefits* for health and dental care, prescription drugs and eyeglasses are provided by some employers and by governments for social assistance recipients. Often caught without either employer insurance or government help are the working poor. In many provinces, the loss of supplementary health benefits when people leave welfare for work has been a major brick in the welfare wall. New Brunswick has made progress in lowering the welfare wall caused by supplementary health care, yet more can be done.

New Brunswick's supplementary health benefits are known as 'the health card.' The province extends the health card for up to 12 months to persons who leave welfare for the workforce (and cannot get health coverage through their employer) or training. The working poor with high medical costs can apply for supplementary health benefits for up to a year, renewable upon reassessment; a welfare-type needs test is used to ascertain eligibility.

New Brunswick should extend supplementary health and dental care, prescription drugs and eyeglasses to all low-income households on an ongoing basis, subject to a simple income test – perhaps through the income tax system. Together with increased child benefits, this reform would put New Brunswick in the forefront of assistance to the working poor. This advance would also help narrow the health status gap between poor and non-poor residents.

early learning and child care

Early learning and child care is another part of the welfare wall. Affordable, quality child care should be delivered separately from welfare and provided as a benefit based on income. While New Brunswick already delivers such an income-tested program, the province needs to work at ensuring the availability of high-quality child care throughout the province.

employment services

Training and employment services should be de-linked from eligibility for Employment Insurance wherever possible. Fortunately, the federal government has been concluding labour market agreements with the provinces – New Brunswick among them – that will extend training and employment services to many workers not eligible for Employment Insurance. Training and employment services should be available to all who can benefit from them, including both those on social assistance and the working poor.

disability supports

We earlier recommended that New Brunswick develop a disability pension as an alternative to welfare. In addition, *disability supports* should be separated from income assistance and made available to all low-income persons with severe disabilities. Disability supports include technical aids and equipment, personal services and brokerage.

building community capacity

A modern social assistance system must reach widely beyond government to include business, labour, the voluntary sector, communities and people living in poverty. There are several noteworthy *community economic development* and *local poverty reduction initiatives* currently under way in New Brunswick. The province may consider selected measures, such as a tax credit for investment in accredited ventures, to assist these local efforts.

Opportunity for Reform

This vision for reconstructing social assistance in New Brunswick inevitably will require an initial increase in spending, since the reforms will replace narrowly-targeted welfare benefits by more broadly-based programs geared to all low-income citizens, including the working poor. An implementation strategy is required to phase in the new system over time in line with fiscal capacity and competing budget priorities.

As the new measures come into play, the reform efforts will begin to pay off by reducing disincentives and strengthening incentives to work. The proposed actions will increase tax revenues as former recipients move into the workforce and more new entrants avoid welfare and find work instead.

Caseloads and costs have declined significantly since the early 1990s as a result mainly of falling unemployment, but a substantial six percent of New Brunswick's population is receiving welfare. The gradual recovery from the recession likely will make it difficult to see immediate and significant progress in further reducing caseloads. But the measures presented in our vision for social security will ensure that, over the years to come, the province can further reduce the number of New Brunswickers forced to rely upon social assistance.

We have set out a bold vision for a modern system of social security that helps people avoid welfare or work their way off assistance – and ideally out of poverty.

PART TWO

From Vision to Action: New Brunswick's plan to reform social assistance

In November 2009, the Government of New Brunswick published *Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan*. This poverty reduction blueprint and subsequent public announcements put forward both immediate and medium-term (over five years) reforms to the province's social assistance system.³ These measures very much reflect the philosophy and recommendations of the Caledon Institute's August 2009 vision paper.

Income security programs

social assistance

One immediate change eliminated the *interim social assistance program* for single employable people, which paid a miserly \$300 a month. Its recipients have been moved to the transitional assistance program that provides \$540 per month.

Over time (within five years), New Brunswick "will restructure and increase *social assistance rates* including a regime more appropriate for persons with disabilities." These changes embody the Caledon vision paper's call for a simpler and more transparent social assistance system, and could open the door to a *disability pension* providing a decent basic income – a major step forward.

Another immediate action was to apply the '*household income policy*' only to social assistance recipients who are in spousal relationships. Though it included many exceptions, the previous policy can best be characterized as one which assumes that all members of a household share equally the economic responsibility for one another. As a result, that policy restricted the receipt of social assistance in many instances; for example, it treated friends rooming together as if they were spouses. Poverty Reduction Forum participants living in poverty stated repeatedly that in order to better their circumstances and escape the social assistance system, they needed to be able to pool resources and share expenses with no penalties being applied to their eligibility for welfare.

Since January 1, 2010, clients in non-spousal relationships have been able to share accommodation with clients or non-clients and receive separate social assistance cheques. Clients in spousal relationships continue to receive one cheque for the household. The new policy applies only to clients receiving assistance as of January 1, 2010. However, it is an interim measure in effect only until the household income policy is overhauled under Social Assistance Reform, slated to be finished by mid-2011.

Welfare systems across Canada allow applicants for and recipients of social assistance to keep only a small amount of their *liquid assets*, meaning cash on hand and in the bank as well as stocks, bonds and securities readily convertible to cash. Currently, New Brunswick's liquid asset levels are \$1,000 for single persons without disabilities, \$3,000 for single persons with disabilities and \$2,000 for single parents and couples. The province has pledged to raise its allowable asset exemptions over time, a positive step because welfare applicants and recipients will not need to impoverish themselves quite so much.

New Brunswick also plans measures to encourage the transition from welfare to work. One change will be to allow social assistance recipients who work part time to *keep more of their employment earnings*.

child benefits

The National Child Benefit reform boosted federal *child benefits* and encouraged provinces and territories to remove child benefits from their welfare systems and replace them with income-tested child benefits. In fact, New Brunswick had created its own income-tested child benefit in 1997, just before the National Child Benefit was launched. However, the New Brunswick Child Tax Benefit is low (only \$250 a year) and has lost value over the years because it is not indexed.

New Brunswick plans to remove welfare-embedded child benefits and use the resulting savings to bolster its income-tested child benefit, the New Brunswick Child Tax Benefit, so that all low-income families – whether on social assistance or in the workforce – will receive the same amount. This advance will be the single largest achievement in eliminating the welfare wall for New Brunswick families with children, while at the same time helping low-income working families that will see a significant increase as the amounts they receive are raised to the child benefit level of families on welfare.

earnings supplementation for the working poor

The province will build upon its existing New Brunswick Working Income Supplement for families with children to create a stronger *earned income supplement* for all low-wage workers. It also will consider tailoring the federal Working Income Tax Benefit (WITB) to fit better with its own Working Income Supplement and other income benefits. Together, the New Brunswick Working Income Supplement and the recently-enhanced federal Working Income Tax Benefit will help lower the welfare wall, assist social assistance recipients who want to move into the workforce and supplement the earnings of the province's working poor.

minimum wage

As recently as 2009, New Brunswick had the second-lowest minimum wage in Canada – \$8.25 an hour, just above BC’s bottom ranking level of \$8.00. But New Brunswick is phasing in a series of increases that will raise its minimum wage to \$10.00 as of September 2011, after which it will be indexed to the cost of living in 2012 and annually thereafter. Indexing the minimum wage is an important initiative because it ensures a stable value for the rate. Currently, only one jurisdiction – Yukon – indexes its minimum wage. New Brunswick will engage in dialogue with stakeholders concerning the scheduling of minimum wage rate increases.

Figure 1 shows the long-term trend in New Brunswick’s minimum wage which, in inflation-adjusted constant 2011 dollars, will climb from \$7.13 per hour in 2005 to \$9.54 in 2011. Note that these figures are annual averages that take into account within-year changes in the minimum wage. In 2011, New Brunswick’s hourly minimum wage will increase from \$9.00 to \$9.50 on April 1 and to \$10.00 on September 1.

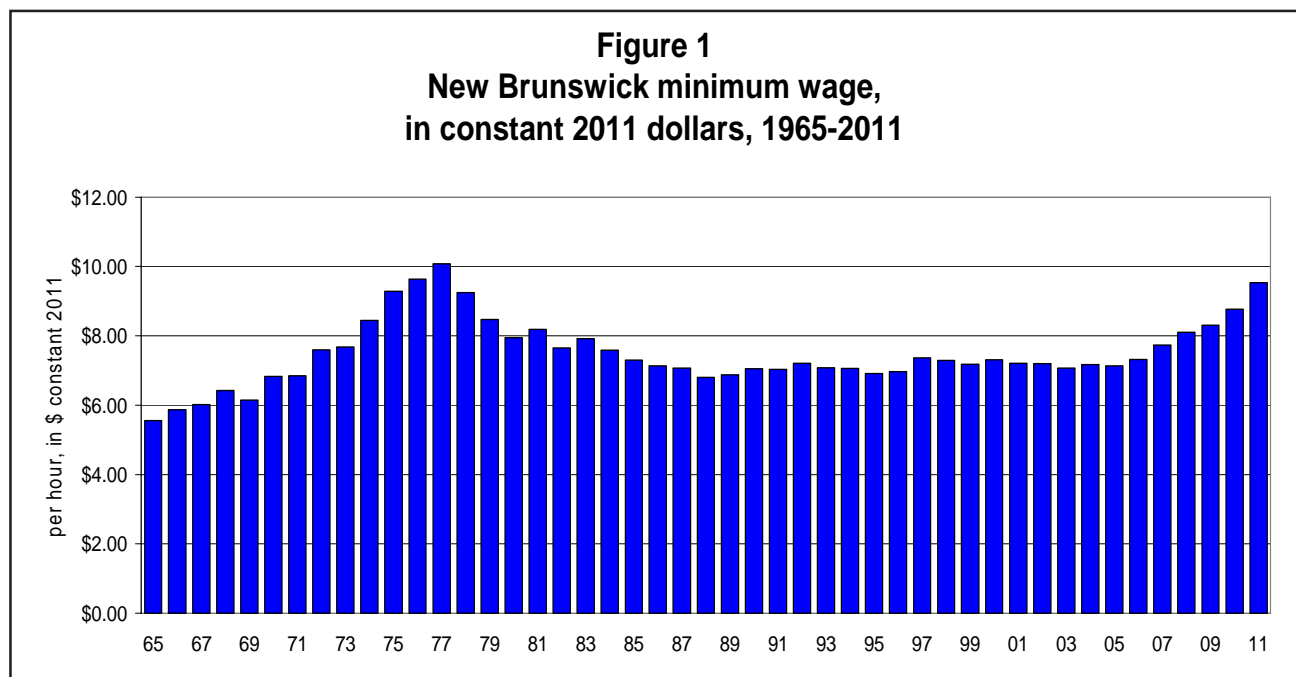
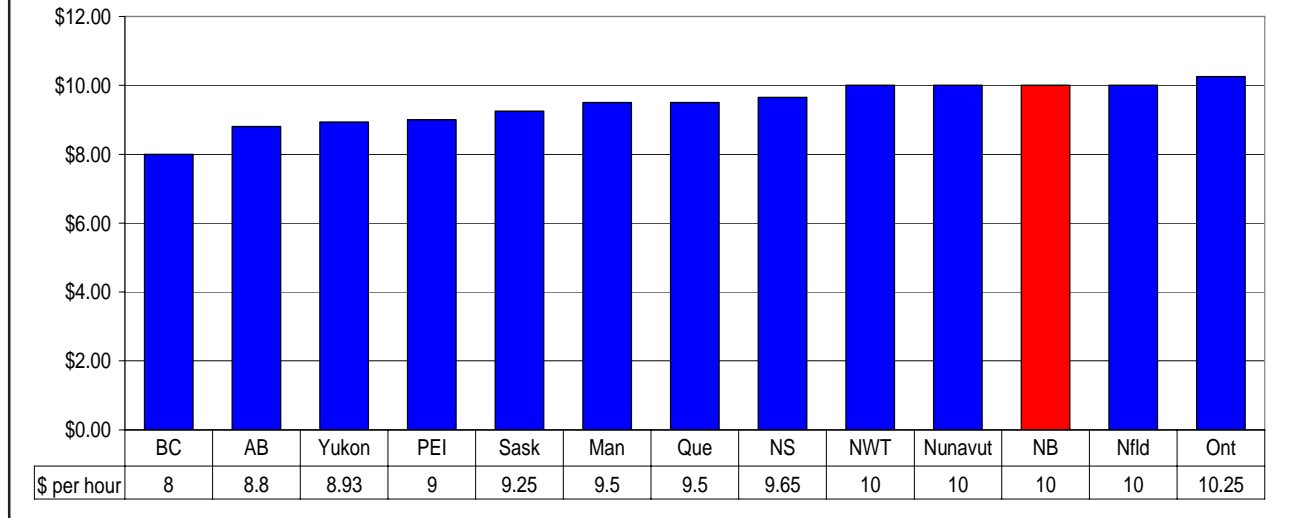


Figure 2 ranks minimum wages by jurisdiction⁴ as of September 2011 when New Brunswick will implement the last of its ongoing series of rate increases. While New Brunswick traditionally ranks at or near the bottom, as of September 2011 it will share second place at \$10.00 an hour with Newfoundland, the Northwest Territories and Nunavut, bested only by Ontario at \$10.25, assuming other jurisdictions do not raise their minimum wages in the meantime.

Figure 2
Minimum wage, by jurisdiction,
September 2011



anti-stealth: indexing income programs

We recommended that New Brunswick index its income programs. As noted, the province has made one big advance on this front: As of September 2011, when its minimum wage reaches \$10.00 an hour, the province will index its minimum wage to the cost of living for 2012 and each subsequent year.

tax relief

We mentioned in our vision paper that the *tax system* also forms part of the welfare wall. Recipients who leave welfare for work see their typically low earnings reduced by federal and provincial/territorial income taxes and payroll taxes in the form of Canada/Quebec Pension Plan contributions and Employment Insurance premiums.

New Brunswick has recently redesigned its income tax regime to ease the provincial income tax burden for all taxpayers, including those with low and modest incomes who now pay little or no provincial income tax.

Services

The welfare system is made up not only of income programs but also a variety of services. Extending such services to the working poor is another way to break down the welfare wall and build a strong social security system that meets the needs of modern New Brunswick.

supplementary health care

Another immediate change involves New Brunswick's 'health card,' which provides *supplementary health benefits* for up to 12 months to recipients who leave welfare for the workforce (and cannot get health coverage through their employer) or training. The province has extended this coverage to three years. It also will launch a prescription drug program and, next year, will offer vision and dental care for all low-income children. These measures will significantly advance the vision paper's goal of a comprehensive system of supplementary health, vision, drug and dental care for all low-income households in New Brunswick, based on a simple income test.

child care and education

A stronger child benefit and supplementary health care services will go far to improve the quality of life of New Brunswick's lower-income families with children. The province also will invest in *early learning and child care* to ensure that a minimum of 20 percent of infants and 50 percent of 2- to 5-year-olds may access a registered early learning space. It will introduce an *Early Learning and Child Care Act*. The McCain Foundation will pay for five additional integrated early learning sites.

New Brunswick will provide a *literacy* mentor, through collaboration with the business and non-profit sectors, to every student in Grades 1 and 2 who is having problems learning to read, so that every child can graduate with adequate literacy and numeracy skills through the leadership of Elementary Literacy/*Litt ratie au primaire*. The province will advance the *community school* concept with a focus on literacy and numeracy, life skills, experiential learning, trades and co-operative education, and extra-curricular activities. It will continue *training teachers* to expand educational program options to accommodate diverse learning styles. It will reduce barriers to *continuing education*, making this vital service more accessible and affordable.

employment services

Employment services such as *training, skills development and educational upgrading* are an essential element of a modern social security system. To help realize its goal to move from passive assistance to employment orientation, New Brunswick pledges to strengthen the

ability of low-income people to enter the skilled workforce by providing classroom training, education and volunteer opportunities as part of the transition to work, as well as on-the-job training.

housing

The province will provide stable funding for *homeless shelters* within five years. It will include protections for *roomers and boarders* in the *Residential Tenancies Act*. It will develop a comprehensive *housing strategy* that enables mixed-income neighbourhoods, affordability, supported housing options and co-op housing.

building community capacity

New Brunswick will explore the concept of *social enterprise* and *community investment funds*. It will also establish throughout the province Community Economic and Social Inclusion Networks, composed of representatives of people living in poverty, non-profit, business and government sectors. A Provincial Economic and Social Inclusion Board, consisting of government representatives (Ministers and Deputy Ministers), community, business and low-income persons and presided over by four co-chairs, will help guide the implementation of the poverty reduction strategy.

other initiatives

New Brunswick will provide funding for *community transportation* services such as Dial-a-Ride. It will put in place an *integrated service delivery model* focused on low-income citizens. And it will develop a strong *public awareness campaign* as a crucial component of the poverty reduction strategy.

Conclusion

New Brunswick is reforming its social assistance system to suit the economic and social realities of life in the early 21st century. The aim is to break down the welfare wall by providing income benefits and services to all low-income households, whether they obtain most of their income from welfare or work. Guided by the Caledon Institute's vision paper, the elements and actions of reform are put forward in *Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan*, the product of a public engagement process joining people living in poverty; the non-profit, business and government sectors; and individual citizens.

Reforming the welfare system is a tough and contentious task – all the more so as governments everywhere struggle to emerge from the recession – and will take years of hard work.

New Brunswick has made the long-term commitment required by setting a five-year timetable to implement the reforms set out in the Plan, which then will be renewed for another five years. Moreover, the reforms have unusually broad political support: The leader of the Opposition committed his party to participate in and support the public consultation process and sat side by side with the Premier when the Plan was released publicly.

Endnotes

1. Disability supports include technical aids and equipment, personal services and brokerage.
2. PEI is the exception.
3. Unless otherwise noted, the initiatives discussed here are to take place over the next five years.
4. These are the most recent minimum wage rates as published by the federal department of labour.

Reference

Government of New Brunswick. (2009). *Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan*. Fredericton: January. <http://www.gnb.ca/0017/promos/0001/pdf/Plan-e.pdf>