

# **Pre-budget consultation 2023-2024**

**Paper presented to  
The Honourable Ernie L. Steeves  
Minister of Finance and Treasury Board  
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**by**

**The Society of Saint Vincent de Paul of Moncton  
Mother Teresa Conference**



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## Introduction

The Society of Saint Vincent de Paul (SSVP) has been active in Moncton since 2016. Its twelve volunteers are responsible for visiting vulnerable people in their homes. They are in direct contact with hundreds of people living in poverty.

Being in contact with so many people in need is an incentive for SSVP volunteers to participate in the pre-budget consultations. Indeed, page 6 of the Department of Finance and Treasury Board document states, *"What supports are needed to assist our vulnerable population with the rising cost of living?"* The document identifies two support measures that need to be improved.

The principle on which the SSVP bases its intervention in favour of the least well-off is the universal destination of goods. Indeed, the common good of society requires it. Caring for the impoverished is a matter for all of us, especially the political decision-makers. Through its elected officials, the government of New Brunswick must take the lead in promoting human dignity, protecting the rights of individuals and ensuring the common good of all.<sup>1</sup>

In this document, the SSVP makes recommendations on two issues: those related to the housing crisis and those related to the urgent need to increase social assistance rates to the poverty line.

## Healthy, safe and affordable housing is a fundamental right<sup>2</sup>

This is the name of the campaign that SSVP has launched in 2021. In this context, the members of SSVP Moncton began collecting data in the shelter area. In 2022, the twelve volunteers of SSVP Moncton received calls for help from 511 people and collected data verbally, recorded it on a form and analyzed it. Of these calls, 161 had financial problems related to housing. For 110 of these individuals, the proportion of income that went to pay rent is presented in Table 1.

<b>Table 1. Percentage of aid applicants' income going to rent</b>	
Percentage of income spent on rent	Number of tenants in this category
30% or less	11
31 % à 49 %	28
50 % à 74 %	31
75 % à 99 %	18
100% or more of the income	22

<sup>1</sup> Pierre Goudreault, *Les visages de la pauvreté*. Novalis, 2022, p. 160.

<sup>2</sup> <https://ssvp.ca/special-projects/safe-secure-and-affordable-housing-is-a-human-right/>

Almost all of these people were paying more than 30% of their meagre income on rent. These facts show the urgency of increasing the number of subsidized housing units for people living below the poverty line.

In January 2023 in Moncton, the average price of a one-bedroom flat was \$1000<sup>3</sup> and the average price (on Kijiji) in a rooming house was over \$560. Such housing prices eat up well over 30% of the income of most social assistance recipients. The majority of them are in a very precarious situation by paying more than 30% of their income on rent. They have to turn to agencies for financial assistance.

In 2022, 155 requests for housing assistance were made to the SSVP. Table 2 shows the nature and the number accepted, taking into account the limited resources of the SSVP.

**Table 2. Type of aid requested and provided by SSVP in 2022**

The nature of the aid requested	Number of applications	Number of successful applications <sup>1</sup>
Payment of the security deposit	49	23
Payment of rent or rent arrears	106	68
Total	155	91

<sup>1</sup> The claims that SSVP agreed to pay were mostly partial payments.

The data presented in Table 2 illustrates the dire financial situation of the poor in Moncton, who cannot afford to pay market rent, hence the need for more subsidized housing. Without the financial assistance of the SSVP, the number of homeless people would surely have increased.

Given the huge shortage of affordable housing in NB, there is an urgent need for the provincial government to invest in this sector. The NB Department of Social Development is aware of this as, **in December 2022, its Deputy Minister reported that there was a waiting list of 2,732 households for affordable flats in South East NB.**<sup>4</sup>

Since the right to housing is one of the human rights recognized by the United Nations and has been endorsed by Canada, the members of the SSVP of Moncton recommend:

**That, by January 2025, the Department of Social Development create or make available a sufficient number of subsidized housing units in NB to ensure that affordable housing is available to the majority of low-income people on the waiting list.**

<sup>3</sup> <https://www.zumper.com/rent-research/moncton-nb>

<sup>4</sup> Correspondence with Jim Mehan, Deputy Minister of Social Development on December 30, 2022.

## Increasing social assistance rates to reduce poverty

Based on their data analysis, the members of the SSVP in Moncton feel the need to advocate, together with the NB Common Front for Social Justice and other organizations, for a reduction in poverty in NB.

According to Statistics Canada, using the Market Basket Measure (MBM), the latest census data indicates that the number of New Brunswickers below the poverty line is approximately **56,285**<sup>5</sup>. In 2021, a person living in Moncton is poor if he or she has an annual income of less than **\$22,466**; for two people, the MBM is **\$31,452**; for three people, it is **\$40,439**; and for four people, it is **\$44,932**<sup>6</sup>.

In NB, social assistance rates are considerably lower than the market basket measure. The Common Front for Social Justice<sup>7</sup> reports that, of the four Atlantic provinces, NB rates are the lowest. The data is presented in Table 3.

**Table 3. Total annual income of social assistance recipients in the Atlantic in 2021**

Province	Single person considered fit for work	A single person with a disability	A single person with one child	Couple with two children
P.E.I.	\$13,838	\$15,674	\$26,639	\$39,683
NL	\$11,390	\$18,226	\$25,044	\$29,971
N.S.	\$8,385	\$11,559	\$21,134	\$30,571
<b>N.B.</b>	<b>\$7,499</b>	<b>\$10,298</b>	<b>\$21,595</b>	<b>\$27,177</b>

Table 4 compares the annual income of people dependent on social assistance with the poverty line.

**Table 4. Annual income in 2021 of four categories of social assistance recipients in the NB, the poverty line and the annual income gap**

Category of beneficiary	Annual income	Poverty Line - Consumer Basket	Annual deficit
Single person, employable	\$7,499	\$22,466	<b>-\$14,967</b>
Single person with a disability	\$10,298	\$22,466	<b>-\$12,168</b>
Single person with one child	\$21,595	\$31,452	<b>-\$9,857</b>
Couple with two children	\$27,177	\$44,932	<b>-\$17,755</b>

<sup>5</sup> <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/dt-td/Index-fra.cfm?LANG=F&SUB=98P1009&SR=0&RPP=10&SORT=date>

<sup>6</sup> <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110006601> Information from Christine Saulnier, CCPA. Halifax.

<sup>7</sup> NB Common Front for Social Justice, December 2022. Demands for welfare reform in New Brunswick

Compared to the MBM poverty line, the huge financial deficits shown in Table 4 prove that not all people depending on social assistance can afford adequate food and shelter.

According to economist Richard Saillant of the Université de Moncton<sup>8</sup>, in the last twelve months alone, food prices in New Brunswick and the cost of housing have increased by about 10%. For a housing unit earning \$20,000 per year, a benefit increase of \$200 per month, or \$2,400 per year, would barely cover inflation. With the de-capping of rents, it is expected that rents for the least expensive units will skyrocket.

In light of the facts presented, the members of the Moncton SSVP recommend:

**That, in the 2023-2024 provincial budget, the Department of Social Development increase the rates for 21,319 social assistance recipients by \$200 per month, or \$2,400 per year.<sup>9</sup>**

An estimate of the cost of this increase is **approximately \$51.2 million** (\$2,400 per case x 21,319 cases). Implementing this increase would do justice to the 32,240 New Brunswickers living in extreme poverty who rely on social assistance to survive. The government should continue to gradually increase social assistance rates until everyone reaches the poverty line by 2030. In the *Human Development Council Report*<sup>10</sup>, the authors call for poverty to be eliminated by 2030.

One argument sometimes put forward for leaving all social assistance recipients destitute is that the province of New Brunswick does not have the financial resources to raise rates. This is not true. Radio-Canada reported on February 15, 2023, that the NB budget surplus for 2022-2023 was \$862.6 million. To do justice to social assistance recipients, N.B. needs to spend 6% of its surplus to relieve approximately 32,420 N.B. individuals who rely on social assistance to survive.

**In summary, here are the two requests that the Society of Saint Vincent de Paul is making to Minister Steeves:**

1. That, by January 2025, the Department of Social Development create or make available a sufficient number of subsidized housing units in NB to ensure that affordable housing is available to the majority of low-income people on the waiting list.
2. That in the 2023-24 provincial budget, the Department of Social Development increase rates for 21,319 social assistance recipients by \$200 per month or \$2,400 per year.<sup>11</sup>

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<sup>8</sup> Richard Saillant, personal communication on January 9, 2023.

<sup>9</sup> <https://www2.gnb.ca/content/dam/gnb/Departments/sd-ds/pdf/Statistics/CaseloadTrends/2023/2023-01-f.pdf>

<sup>10</sup> Human Development Council. N.B. 2022 Child Poverty Report Card. [www.sjhdc.ca](http://www.sjhdc.ca)

<sup>11</sup> <https://www2.gnb.ca/content/dam/gnb/Departments/sd-ds/pdf/Statistics/CaseloadTrends/2023/2023-01-f.pdf>